

Agenda

Member Representatives Committee

October 25, 2023 | 1:00 p.m. – 3:00 p.m. Eastern

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Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Consent Agenda

1. Minutes - (Approve)
 - a. August 16, 2023 Meeting*

Regular Agenda

2. Election of MRC Officers for 2024*
3. MRC Effectiveness Update*
 - a. Balancing Technical and Policy Input
 - b. MRC Structure
 - c. Closed MRC Meeting Opportunities
 - d. MRC Value Proposition
 - e. Culture of Collaboration and Engagement
4. Overview of MRC Opportunities to Participate in Committees and Groups*
 - a. Board of Trustees Nominating Committee
 - b. MRC Business Plan and Budget Input Group
 - c. Reliability Issues Steering Committee
5. Informational Items
 - a. MRC Sector Nominations and Elections Schedule*
 - b. Future Meetings*

*Background materials included

Antitrust Compliance Guidelines

I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.
- Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

III. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Draft Minutes

Member Representatives Committee

August 16, 2023 | 4:30 p.m. – 6:00 p.m. Eastern

In-Person Meeting

Westin Ottawa Hotel

11 Colonel By Dr.

Ottawa, ON K1N 9H4, Canada

Chair Jennifer Flandermeyer, with Vice Chair John Haarlow present, called to order a duly noticed meeting of the Member Representatives Committee (MRC) of the North American Electric Reliability Corporation (NERC) on August 16, 2023, at 4:30 p.m., Eastern, and a quorum was declared present. The agenda and MRC members and their proxies in attendance are attached as **Exhibits A and B**, respectively.

Introduction and Chair's Remarks

Chair Flandermeyer welcomed MRC members and virtual attendees, acknowledging the NERC Board of Trustees (Board), Pat Hoffman from the Department of Energy, David Ortiz from the Federal Energy Regulatory Commission (FERC), Anna Le from the Canada Energy Regulator, and CAMPUT representative David Morton. Chair Flandermeyer acknowledged State Commissioner CJ Manthe's recent retirement and thanked her for her contributions to the MRC. She also expressed appreciation to NERC for adding the webcast option for the August meetings and to the Reliability and Security Technical Committee leadership for their efforts to improve the transparency and clarity of its activities.

NERC Antitrust Compliance Guidelines and Public Announcement

Ms. Iwanek directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda package, and indicated that all questions regarding antitrust compliance or related matters should be directed to Sonia Rocha, senior vice president, general counsel, and corporate secretary at NERC.

Minutes

Upon motion duly made and seconded, the MRC approved the minutes of the May 10, 2023, and July 24, 2023, meetings as presented at the meeting.

Schedule for MRC Officer and Sector Elections

Chair Flandermeyer announced the annual nomination and election of the MRC chair, vice chair, and sector representatives. The schedule for the upcoming nominations and elections was included in the agenda package.

Board of Trustees Nominating Committee Update

Bob Clarke, chair of the Board Nominating Committee (BOTNC), noted that there are four Trustees with terms ending in February 2024, with all eligible for re-election. The BOTNC received input from MRC members and agreed to recommend re-nomination of all four Trustees. On August 15, 2023, the BOTNC discussed the overall nomination and election process. This included reviewing corporate governance

documents related to the BOTNC, discussing how the BOTNC operates as a committee, and discussing desired Trustee attributes and expertise. Next year, the BOTNC will be looking for a new Trustee and will continue discussions around improving the process for filling Board vacancies for 2024 and beyond.

Business Plan and Budget Input Group Update

Mr. Haarlow, chair of the business plan and budget (BP&B) input group, provided an update on BP&B activities and input group discussions since the May meeting. In May, NERC posted its draft 2024 BP&B for stakeholder comment. During the time the draft was posted for comment, U.S. Congress mandated NERC to complete an interregional transfer capability study (ITCS) which resulted in NERC having to reevaluate its resourcing and priorities for 2023 and 2024. In July, the BP&B input group received an update from NERC on its final 2024 BP&B and funding strategies for the ITCS resources. BP&B input group discussion focused on clarifying the need for permanent resources to build long-term transfer study capabilities, what work is being deferred, impacts to the Regional Entity budgets, and NERC's position on seeking other funding sources for ITCS costs.

Update on FERC Activities

David Ortiz, director, office of electric reliability at FERC, provided an update on the following FERC reliability activities: FERC-NERC joint inquiry into Winter Storm Elliott; FERC order approving inverter-based resources work plan; FERC order directing NERC to develop a new Reliability Standard or modifications to TPL-001-5.1 that addresses concerns pertaining to transmission system planning for extreme weather; FERC order directing transmission providers to file one-time informational reports describing how they conduct extreme weather vulnerability assessments; FERC order on improvements to generator interconnection procedures and agreements; August 10, 2023, physical security technical conference; and November 9, 2023, FERC annual reliability technical conference.

MRC Effectiveness Review Update

Chair Flandermeyer provided an update on efforts in response to the MRC effectiveness review conducted earlier this year. At the May 2023 meeting, the MRC endorsed initial recommendations and initiation of an evaluation around areas for additional discussion. One recent change in response to feedback received was a shift in format for the MRC informational sessions, which was initiated at the July informational session. The new format introduced the addition of topics focused on providing more background and context on NERC governance and activities. MRC leadership plans to continue this new format and welcomes feedback for continuous improvement.

Regarding the areas for additional discussion, the MRC is establishing sub-groups, with support from NERC, for each of the following areas. Each sub-group will provide an update on discussions at the MRC's October 2023 meeting and recommendations for MRC consideration at the MRC's February 2024 meeting.

- Balancing Technical and Policy Input
- MRC Structure
- Closed MRC Meeting Opportunities to Discuss MRC Strategy
- MRC Value Proposition
- Culture of Collaboration and Engagement

Board Invitation for MRC Input

Chair Flandermeyer thanked MRC members for their meaningful and substantive responses to Mr. DeFontes' July 12, 2023, letter requesting general input from MRC members on any items to bring to the Board's attention, in addition to the preliminary agenda topics for the August meetings. Responses to the letter are [posted](#) on the NERC website.

Chair Flandermeyer provided a summary of the feedback received from MRC members, highlighting comments around encouraging NERC to leverage its relationships with policymakers and reliability oversight model to ensure grid reliability and the ability to provide essential reliability services, positive feedback on the new format of the May meetings, changes to the MRC informational sessions, increased engagement with the Board on key matters, concerns about setting precedent for funding congressional directives, and encouraging NERC to continue to seek opportunities to discuss cost concerns and plans with industry.

MRC members discussed the feedback provided, focusing on prioritization, gas-electric coordination, the interregional transfer capability study, strengthening the standards process, and reviewing the registered ballot body.

Additional Discussion on August 16 Board Committee Meetings

Chair Flandermeyer reminded attendees that full presentations were conducted at the Board committee meetings and would not be repeated during the MRC meeting. Attendees did not have any additional comments related to the Board's Technology and Security, Compliance, Corporate Governance and Human Resources, and Finance and Audit Committee meetings.

Additional Discussion on August 16 Technical Session

Chair Flandermeyer noted that MRC members requested a discussion around cloud use which was originally planned for the August technical session. The topic was delayed due to the ITCS discussion and MRC leadership is working with NERC staff on an appropriate time for the cloud use discussion. Attendees did not have additional comments on the items discussed during the August 16 Technical Session.

MRC Input and Advice on August 17 Board Agenda Items

Attendees did not have any other comments on the topics included on the Board's agenda for its meeting the next day.

Compliance and Certification Committee Role in Monitoring Stakeholder Perceptions

Scott Tomaszefsky, chair of the Compliance and Certification Committee (CCC), provided an overview of the CCC and their role in obtaining feedback from industry as called for in their charter and outlined in the CCC procedure ([CCCPP-008-3](#)) for the *Program for Monitoring Stakeholders' Perceptions*. When this procedure was developed, the CCC committed to sharing information on stakeholder perceptions to the MRC. The CCC has prepared two reports under the new program that are publicly available on the [NERC website](#).

For the 2021 report, discussions focused on Compliance Oversight Plans, risk-based standards and compliance oversight, self-logging processes and enforcement, and Align and SEL implementation experience. For the 2022 report, discussions focused on the Compliance Guidance policy, Compliance Oversight Plans and COVID-19 activities and resources, Align and SEL implementation experience, and 4A

Regional Entity audit results and takeaways. For the 2023 report, the CCC is working on strengthening feedback loops in the ERO Enterprise framework and partnerships with other industry committees for agility and effectiveness and with the Standards Committee on enhanced periodic review of standards and effectiveness of process.

Future Meetings

The schedule of future meeting dates was included in the agenda package. Chair Flandermeyer noted that the virtual October MRC meeting will be on October 25, 2023.

Regulatory Update

The regulatory update, which highlights Canadian affairs, as well as past and future significant FERC filings was included in the agenda package.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Kristin Iwanechko
Secretary

Election of MRC Officers for 2024

Action

Elect officers for 2024

Background

Article VIII, Section 5 of the [NERC Bylaws](#) addresses election of the chair and vice chair of the MRC. Article VIII states:

Section 5 – Officers of the Member Representatives Committee (MRC) – Prior to the annual election of representatives to the MRC, the MRC shall select a chairman and vice chairman from among its voting members by majority vote of the members of the MRC to serve as chairman and vice chairman of the MRC during the upcoming year; provided, that the incumbent chairman and vice chairman shall not vote or otherwise participate in the selection of the incoming chairman and vice chairman. The newly selected chairman and vice chairman shall not have been representatives of the same Sector. Selection of the chairman and vice chairman shall not be subject to approval of the Board. The chairman and vice chairman, upon assuming such positions, shall cease to act as representatives of the Sectors that elected them as representatives to the MRC and shall thereafter be responsible for acting in the best interests of the members as a whole.

The nomination period for the two officer positions of the MRC for 2024 opened on August 31, 2023 for a 30-day nomination period that closed September 29, 2023. The nominees for the MRC chair and vice chair for 2024 are:

Chair – Jennifer Flandermeyer

Vice Chair – John Haarlow

MRC Effectiveness Update

Action Update

Background

Earlier this year, the MRC established a sub-team to conduct a review of the MRC's effectiveness. The sub-team identified themes, initial recommendations, and areas for additional discussion that were shared and discussed during the May 2023 meetings. At the May 10, 2023, meeting, the MRC unanimously endorsed the initial recommendations and initiation of an evaluation around areas for additional discussion resulting from the MRC effectiveness review. The MRC established sub-groups for each of the following areas for discussion with MRC members leading each group:

Area for Discussion	MRC Lead	MRC Lead
Balancing Technical and Policy Discussion	Greg Ford	Mark Spencer
MRC Structure	Rachel Snead	Jason Marshall
Closed MRC Meeting Opportunities to Discuss MRC Strategy	John Twitty	Rich Dewey
MRC Value Proposition	Joel Dembowski	Matt Fischesser
Culture of Collaboration and Engagement	Jennifer Flandermeyer	John Haarlow

The scope for each sub-group is outlined below. At the October 25, 2023, MRC meetings, the leads for each sub-group will provide an update on discussions to date as they work toward providing recommendation to the MRC at its February 2024 meeting.

Balancing Technical and Policy Discussion for the MRC

This project seeks to balance the appropriate level of technical discussion supporting effective and efficient recommendations and advice on matters pertinent to successful NERC operations from the NERC MRC to the NERC Board of Trustees.

MRC Structure

With increasing changes to the Grid and its participants, changing resource mix and evolving security threats, there is an interest in evaluation of the MRC participants to ensure Sectors represent appropriate constituents to advise the NERC Board of Trustees effectively. In addition, opportunities to increase participation in all sectors should be explored.

Closed MRC Meeting Opportunities to Discuss MRC Strategy

The MRC seeks the opportunity to engage in strategic discussions to promote opportunities to share more confidential information that promotes Grid reliability, security, and resilience. There is no intent to exclude stakeholders from the discussion and exploring ways to effectively use strategic sessions to facilitate sensitive discussions that will move the ecosystem forward more quickly. Determination of the process to involve the broader stakeholder community should be an outcome of this project.

MRC Value Proposition

The MRC listening sessions identified broad perspectives on the value that the MRC contributes or can contribute. This project will evaluate opportunities to align stakeholders on the MRC value and responsibilities as well as identify opportunities to add value to the process for consideration.

MRC Culture of Collaboration and Engagement

This project will focus on the succession planning and sustainability of the MRC as well as the awareness of the NERC structure to facilitate effective MRC engagement. During the pandemic, there was a large turnover in the MRC participants that identified opportunities to strengthen the industry networking and engagement with NERC. This work will focus on education materials, MRC sector partnerships, building opportunities to support the ERO mission and industry's support of overall success, and MRC administration.

Overview of MRC Opportunities to Participate in Committees and Groups

Action

Information

Background

In accordance with Article VIII, Section 1 of the [NERC Bylaws](#), the MRC has the following rights and obligations:

- a. to elect the independent trustees, in accordance with Article III, Section 6;
- b. to vote on amendments to the Bylaws, in accordance with Article XIV; and
- c. to provide advice and recommendations to the Board with respect to the development of annual budgets, business plans and funding mechanisms, and other matters pertinent to the purpose and operations of the Corporation.

The [MRC Governance Guidelines](#) further provide that “as part of its responsibility to provide advice and recommendations to the Board, the MRC may divide the responsibility for this activity among its membership.”

Summary

At the October 25, 2023, MRC meeting, MRC members will be given an overview of the following committees and groups that regularly require MRC volunteers to participate: Board of Trustees Nominating Committee, MRC Business Plan and Budget Input Group, and Reliability Issues Steering Committee. In addition to these committees and groups, ad hoc groups are sometimes established and look for MRC participation to address a particular topic.

Board of Trustees Nominating Committee (NC)

As outlined in the [NC Mandate](#), the purpose of the NC is to act as the nominating committee required by Article III, Section 5 of the NERC Bylaws.

Requirements and Timing for MRC Participation:

The NC includes those independent Trustees whose terms do not expire in the current year or who are not eligible for reelection and at least three members of the MRC (and not to exceed the number of Trustees on the NC). The MRC chair and vice chair participate on the NC and additional volunteers are solicited around the February MRC meeting. Following the February meeting, the MRC chair provides the names of MRC members suggested for service on the NC to the chair of the NC. Each MRC member appointed by the Board to the NC shall continue to be a member of the NC until a successor is appointed, unless such member resigns or is removed or ceases to be a member of the MRC. When a vacancy of an MRC member occurs at any time, the MRC chair shall suggest the name of a successor to the chair of the NC. The Board shall appoint any such successor.

MRC Business Plan and Budget (BP&B) Input Group

The MRC BP&B Input Group serves as an effective advisory and communication source between the MRC, NERC and ERO Enterprise Management and the NERC Board of Trustees, for

collaboration and consensus building on the NERC and ERO Enterprise BP&B priorities, assumptions, budget requirements and associated funding. While the group has no formal decision-making authority, it is considered an important part of the BP&B process.

Requirements and Timing for MRC Participation:

The input group includes approximately six or seven MRC members, including the chair and vice chair. The MRC chair assigns one of those members to be the chair of the input group. Volunteers are typically solicited around the February MRC meeting or as vacancies arise.

Reliability Issues Steering Committee (RISC)

As outlined in the [RISC Charter](#), the RISC is an advisory committee that triages and provides front-end, high-level leadership for issues of strategic importance to bulk power system (BPS) reliability and offers high-level stakeholder leadership engagement and input on issues that impact BPS reliability. The RISC advises the NERC Board of Trustees (Board), NERC standing committees,¹ NERC staff, regulators, Regional Entities, and industry stakeholders to establish a common understanding of the scope, priority, and goals for the development of solutions to address these issues, including the use of solutions other than the development of new or revised reliability standards. In doing so, the RISC provides a framework for steering, developing, formalizing, and organizing recommendations to help NERC and the industry effectively focus their resources on the critical issues needed to best improve the reliability of the BPS.

Requirements and Timing for MRC Participation:

The RISC charter requires four representatives from the MRC. There is a nomination period at the end of each year which includes a solicitation of MRC representatives to serve on the RISC. RISC members are selected by a nominating committee chaired by the MRC vice chair and appointed by the NERC Board at the February Board meeting each year (or as needed). Terms on the RISC for MRC representatives are two years, so long as the representative continues to be an MRC member during the duration of the term.

¹ The NERC Standing Committees include the Standards Committee, Compliance and Certification Committee, and Reliability and Security Technical Committee.

MRC Sector Nominations and Elections Schedule

Action

Information

Summary

The current sector nomination period for those representatives whose terms expire in February 2024 is as follows:

MRC Member Nominations and Elections

Thursday, August 31 – nomination period opens

Monday, October 30 – nomination period closes

Wednesday, November 29 – election begins

Friday, December 8 – election ends

Reference Links

[Membership of the MRC for 2023-2025](#)

[NERC Bylaws](#)

Future Meetings

Action

Information

Summary

The following are the future meeting dates for 2023 and 2024. The dates, locations, and/or platforms may be subject to change.

2023 Dates

December 12 Virtual Board Meeting

2024 Dates

January 24 Informational Session

February 14-15 Houston, TX

April 10 Informational Session

May 8-9 Washington, DC (Hybrid Schedule*)

July 17 Informational Session

August 14-15 Vancouver, BC, Canada

October TBD Virtual MRC Meeting

December 13 Virtual Board Meeting

*Hybrid schedule: MRC and Board Members will attend the MRC and Board Open meetings in-person, all other participants will attend virtually.