

Board of Trustees Regulatory Oversight Committee Mandate

Approved by the Board of Trustees: August 17, 2023

Committee Membership

The Board of Trustees Regulatory Oversight Committee (ROC or the Committee) of the North American Electric Reliability Corporation (NERC) shall be composed of not less than three and not more than six of the Independent members of the Board of Trustees (Board). The members of the ROC shall be appointed or reappointed by the Board at the regular meeting of the Board immediately following each Annual Meeting of the Members Representative Committee. Each member of the ROC shall continue to be a member thereof until a successor is appointed, unless a member resigns, is removed, or ceases to be a trustee of the corporation. When a vacancy occurs at any time in the membership of the ROC, it may be filled by the Board.

Purpose

The purpose of the ROC is to assist the Board by providing oversight of the corporation's standards development processes, Compliance Monitoring and Enforcement Program (CMEP) and NERC Organization Registration and Certification Program (ORCP), as administered by NERC and the Regional Entities to which NERC has delegated authority pursuant to Regional Delegation Agreements.

Committee Authority and Responsibilities

To carry out its purpose, the ROC shall have the following authority and responsibilities:

Standards:

1. Work with NERC management to ensure that the standards program is addressing the appropriate strategic priorities as well as emerging reliability risks.
2. Monitor overall results of the standards development process, including quality and timeliness of standards development work.
3. Assess the efficiency of standards, including their effectiveness in addressing and resolving the targeted reliability risks and any undue attributable burdens in relation to mitigated risks.
4. Monitor progress in addressing regulatory mandates and directives related to standards.
5. Respond to the Board's requests for advice and recommendations on any standards-related matters referred to it by the Board.

CMEP and ORCP:

1. Oversee the CMEP and ORCP strategies and approaches developed and implemented by the management of NERC and the Regional Entities to assure the reliability of the bulk power system, including identification of key risks to be addressed through CMEP and ORCP activities.

2. Evaluate the effectiveness of CMEP strategies and program execution by reviewing measures of bulk electric system reliability performance and other CMEP program metrics.
3. Oversee and review implementation of CMEP and ORCP programs by management of NERC and Regional Entities to ensure the programs are operated in a consistent manner and conform to all regulatory requirements, Rules of Procedure, and other practices needed to provide objective, fair, and effective compliance and enforcement, and are effective in maintaining and improving bulk power system reliability.
4. At the request of NERC Staff or on its own motion, review selected Notices of Penalty or Sanction and other enforcement actions required to be filed with the Federal Energy Regulatory Commission and other applicable governmental authorities.

Approvals and Appeals:

1. Serve as the appeal body of compliance violations, penalties, or sanctions pursuant to NERC's Rules of Procedure and any other applicable laws, rules, regulations, orders, or policies.
2. Serve as the appeal body for any appeals of findings resulting from audits of the regional implementation of the CMEP heard by the NERC Compliance and Certification Committee, pursuant to NERC's Rules of Procedure and any other applicable laws, rules, regulations, orders, or policies.
3. Hear and adjudicate any challenges by candidates for inclusion on the NERC compliance registry, pursuant to NERC's Rules of Procedure and any other applicable laws, rules, regulations, orders, or policies.
4. When resolving CMEP and ORCP conflicts among NERC, Regional Entities, and Registered Entities, where appropriate, provide a supplementary explanation for the Committee's decision due to issues raised or to provide future guidance.
5. Serve as the Level 2 Appeals Panel as set forth in the NERC Standard Processes Manual, which is an Appendix to the NERC Rules of Procedure.
6. Review the appropriateness of proposed amendments to Reliability Standard Auditor Worksheets (RSAWs) to resolve comments that have not been addressed through other applicable steps pursuant to the NERC Reliability Standard Audit Worksheet Revision Process (RSAW Revision Process), as such Process may be amended.

Communication and Coordination:

1. Ensure standards development process, CMEP, and ORCP programs and results are transparent, when appropriate, to reliability stakeholders.
2. Recommend to the Board such actions as may further the purposes of the standards development process, CMEP, and ORCP.
3. Review draft standards and, when appropriate, recommend acceptance of standards to the Board.

Additional Responsibilities:

1. Perform such other functions as may be delegated to it by the Board.

Committee Meetings

The ROC shall meet at least twice a year by conference call or in person. Meetings may occur at the same place in conjunction with the regular board meetings of the corporation, or as determined by the members of the ROC, using the same meeting procedures established for the Board. Meetings may be held in either open or closed session as set forth in the Bylaws of the Corporation.

A majority of the Committee members shall constitute a quorum. Except where prescribed differently by law: (a) any action or decision of the ROC requires a vote of a majority of the Committee members then in attendance at any Committee meeting provided a quorum is present; and (b) participation may be telephonic or by Action without a Meeting. The Committee may hold special meetings as circumstances require. Minutes of each Committee meeting shall be maintained as part of the Committee's record.

Governance

The Board, or in the event of their failure to do so, the members of the ROC, shall appoint a chair from among their members. The ROC Chair shall be responsible for leadership of the Committee, including scheduling of meetings, setting agendas, presiding over Committee meetings, and making reports to the Board. A member(s) of the NERC staff shall assist the Chair and shall serve as the non-voting secretary.

Review

The ROC shall review this mandate annually and recommend to the Board Corporate Governance and Human Resources Committee (CGHR) any changes it considers advisable. Any changes must be approved by the full Board. The ROC shall complete a self-assessment annually to determine its effectiveness.