

# Minutes

## Member Representatives Committee

February 5, 2020 | 1:00 p.m. – 5:00 p.m. Pacific

westdrift Manhattan Beach  
1400 Park View Avenue  
Manhattan Beach, California 90266

Outgoing Chair Greg Ford, with incoming Chair Jennifer Sterling and incoming Vice Chair Paul Choudhury present, called to order a duly noticed meeting of the Member Representatives Committee (MRC) of the North American Electric Reliability Corporation (NERC) on February 5, 2020, at 1:00 p.m., Pacific, 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

Mr. Ford welcomed Committee members and attendees, and expressed his appreciation for serving as Chair and Vice Chair of the Committee. He thanked the NERC Board of Trustees (Board), MRC members, Ms. Sterling, and NERC staff for their support and confidence.

Ms. Sterling welcomed new and returning MRC members, acknowledging the Board, Andy Dodge and others from the Federal Energy Regulatory Commission (FERC), Chuck Kosak from the Department of Energy, State Commissioner Kate Bailey, and CAMPUT representative David Morton. Ms. Sterling reminded attendees that full presentations were conducted at the Board committee meetings and would not be repeated during the MRC meeting. She acknowledged the MRC's responses to the policy input request from Roy Thilly, Chairman of the Board.

Mr. Thilly acknowledged Dave Goulding's retirement, as well as Janice Case's and Fred Gorbet's completion of their terms on the Board, and thanked them for their service.

### 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 Mendonca, senior vice president, general counsel, and corporate secretary at NERC.

### Minutes

Upon motion duly made and seconded, the MRC approved the minutes of the November 5, 2019, and January 9, 2020, meetings as presented at the meeting.

### **Future Meetings**

The schedule of future meeting dates, including the pre-meeting and informational webinars for 2020, was included in the agenda package. Ms. Sterling noted that a women's networking breakfast would be scheduled for one of the future meetings.

Mr. Thilly added that the Board is considering an alternate schedule for the November 2020 meetings, holding all committee meetings via conference call on a single day and holding the MRC and Board meeting in person as scheduled.

### **Election of NERC Trustees**

Board members eligible for election or re-election were excused from the room. George Hawkins, Chair of the Board Nominating Committee (BOTNC), provided a report and recommendation for election of three Board members. The MRC unanimously approved the re-election of Suzanne Keenan and Roy Thilly and election of Jim Piro for three-year terms ending in 2023. Ms. Sterling welcomed the Mr. Piro and thanked Ms. Keenan and Mr. Thilly for their continued service.

Mr. Thilly noted that Mr. Goulding's retirement results in a Canadian vacancy and the Board will start the search immediately for a replacement, separate from the regular search schedule for the Class of 2024. Ms. Sterling noted that the following MRC members will serve on this year's BOTNC for both searches: Ms. Sterling, Mr. Choudhury, Sylvain Clermont, Roy Jones, and Jason Marshall.

### **Business Plan and Budget Input Group Update**

Mr. Clermont, chair of the Business Plan and Budget Input Group, provided an update on the group's activities. During the group's most recent call, they reviewed the status of the 2021 business plan and budget development.

Ms. Sterling acknowledged that Mr. Clermont agreed to continue to serve as chair. She thanked him and the other MRC members for continuing to serve on the group, and noted that Thad Ness volunteered to join the group to fill a vacancy.

### **Regulatory Update**

Ms. Mendonca invited questions or comments regarding the regulatory report, which highlights Canadian affairs and significant FERC filings.

### **Reliability and Security Technical Committee (RSTC) Update**

Mr. Ford, chair of the RSTC, reviewed the approved committee structure and noted that the Board appointed himself and Dave Zwergel as chair and vice chair, respectively, for two-year terms. He discussed the process for filling the initial seats of the RSTC and reviewed the slate of sector and at-large representatives pending Board approval at its February 6, 2020, meeting. Mr. Ford highlighted next steps, including further developing a transition plan and work plans for the RSTC and subcommittees. In March, the Operating, Planning, and Critical Infrastructure Committees will hold its final meeting and the RSTC will hold its inaugural meeting. He noted that he and Mr. Zwergel will review the policy input from October 2019 for potential enhancements to the implementation plan and coordinate with the leadership

of the Operating, Planning, and Critical Infrastructure Committees on the transition plan details. The RSTC will also appoint an executive committee and begin developing a more detailed work plan.

### **ERO Enterprise Effectiveness Survey Update**

Ms. Iwanechko, associate director, regional and stakeholder relations at NERC, provided an update on the ERO Enterprise Effectiveness Survey. She explained that the current survey is complicated, inefficient, and ineffective, and NERC initiated an effort to reevaluate its approach to the survey. Ms. Iwanechko noted that NERC plans to focus on more targeted efforts to maintain effective stakeholder engagement and discontinue the ERO Enterprise Effectiveness Survey. The E-ISAC plans to conduct targeted surveys to E-ISAC members and the Compliance and Certification Committee (CCC) is reviewing its survey questions and reevaluating how it receives input on stakeholder perceptions. Ms. Iwanechko also stated that NERC would actively work to minimize survey burden on industry with this approach.

- MRC members suggested and agreed to establish a small sub-group to work with the CCC and NERC as they go through the process of unwinding the ERO Enterprise Effectiveness Survey and considering alternative options for stakeholder input.

### **Responses to the Board's Request for Policy Input**

Ms. Sterling acknowledged the MRC's responses to Mr. Thilly's January 2, 2020, letter requesting policy input on the Electromagnetic Pulse (EMP) strategic recommendations and Supply Chain Risk Assessment, in addition to the preliminary agenda topics for the February meetings.

### **Electromagnetic Pulse (EMP) Strategic Recommendations**

Howard Gugel, vice president of engineering and standards at NERC, reviewed key task force milestones for phase 1, which resulted in several NERC staff recommendations. He reviewed the recommendations, noting that the EMP task force will report to the RSTC, and highlighted task force and ERO Enterprise priorities. These recommendations and proposed prioritization were included in the policy input letter. Mr. Gugel provided a summary of the policy input received and changes to be made based on that input.

### **Supply Chain Risk Assessment**

Mr. Gugel reviewed the Board resolution on supply chain, recommendations resulting from the supply chain risk study, and observations from data submitted in response to the August 19, 2019, data request. The Board requested policy input on the recommendation to include low impact BES Cyber Systems with remote electronic access connectivity in a future modification of the supply chain standards. Mr. Gugel provided a summary of the policy input received and changes to be made based on that input.

- MRC members requested clarification on next steps. Mr. Gugel explained that if the Board accepts the recommendation, NERC staff would develop a Standard Authorization Request to modify CIP-003 that would go through the normal standards development process. NERC will provide periodic reports to the Board and stakeholders. After implementation of the standard, NERC staff will prepare a report evaluating the effectiveness of the standard.
- An MRC member noted current industry efforts on third party verification and asked how the results of those efforts could be coordinated with NERC. Mr. Gugel thanked the North American

Transmission Forum for their leadership in this effort and stated that NERC staff is following the progress and is supportive of the effort.

### **Additional Policy Discussion of Key Items from Board Committee Meetings**

Attendees did not have any additional comments related to the Board's Corporate Governance and Human Resources Committee, Compliance Committee, Finance and Audit Committee, and Technology and Security Committee meetings.

### **MRC Input and Advice on Board Agenda Items and Accompanying Materials**

Attendees did not have any comments on the items on the Board's agenda for the following day.

### **Update on FERC Reliability Matters**

Andy Dodge, director of the Office of Electric Reliability at FERC, provided an update on the following FERC reliability activities: the NERC five-year performance assessment; final rule on TPL-001-5; final rule on CIP-012-1; Notice of Proposed Rulemaking on the Standards Efficiency Review Phase 1; compliance filings on reform of generator interconnection procedures and agreements; compliance filings on storage rule; and grid-enhancing technologies workshop on November 5-6, 2020.

### **Grid Transformation**

This topic focused on two items: (1) a draft framework to address known and emerging risks, presented by Mark Lauby, senior vice president and chief engineer at NERC; and (2) a panel on the reliability impacts of grid transformation, moderated by Sylvain Clermont, director, operational technologies convergence at Hydro-Quebec TransEnergie.

### **Framework to Address Known and Emerging Reliability and Security Risks**

Mr. Lauby stated that the ERO Enterprise requires a consistent framework to address and prioritize known and emerging reliability risks. He reviewed a draft potential a six-step framework consistent with risk management frameworks used by other organizations and industries: (1) risk identification; (2) risk prioritization; (3) mitigation identification and evaluation; (4) deployment; (5) measurement of success; and (6) monitoring residual risk. Mr. Lauby also discussed guiding principles, risk likelihood and impact, and risk management timeframes for the reliability risk mitigation toolkit. He suggested having the Reliability Issues Steering Committee expand on this effort and develop a proposed framework.

### **Panel on Reliability Impacts of Grid Transformation**

Mr. Clermont introduced the panel, noting that the industry is in the midst of an energy transition. He highlighted three major trends: decarbonization, decentralization, and digitalization. The panel focused on the implications of digitalization, recognizing the benefits, but also discussing the implications on reliability and security. Panelists also offered thoughts on potential mitigation strategies and the way forward.

There were three panelists:

- Eric Udren, executive advisor, Quanta Technology LLC
- Howard Gugel, vice president, engineering and standards, NERC

- Mukund Kaushik, director of digital, Southern California Edison

### **Adjournment**

There being no further business, the meeting was adjourned.

Submitted by,



Kristin Iwanechko

Secretary

## Agenda

# Member Representatives Committee

February 5, 2020 | 1:00 p.m. – 5:00 p.m. Pacific

(Please note the schedule may be adjusted real-time should meetings conclude early and/or extend past their scheduled end time.)

westdrift Manhattan Beach  
1400 Park View Avenue  
Manhattan Beach, California 90266

Conference Room: Loftlight (Lobby Level)

### Introduction and Chair's Remarks

### NERC Antitrust Compliance Guidelines and Public Announcement\*

### Consent Agenda

1. **Minutes - (Approve)**
  - a. November 5, 2019 Meeting\*
  - b. January 9, 2020 Conference Call\*
2. **Future Meetings\***

### Regular Agenda

3. **Election of NERC Trustees\* - (Elect)**
4. **General Updates and Reports**
  - a. Business Plan and Budget Input Group Update\*
  - b. Regulatory Update\*
  - c. Reliability and Security Technical Committee Update\*
  - d. ERO Enterprise Effectiveness Survey Update\*
5. **Policy and Discussion Items**
  - a. Responses to the Board's Request for Policy Input\*
    - i. EMP Strategic Recommendations\*
    - ii. Supply Chain Risk Assessment\*
  - b. Additional Policy Discussion of Key Items from Board Committee Meetings\*
    - i. Corporate Governance and Human Resources Committee

- ii. Compliance Committee
- iii. Finance and Audit Committee
- iv. Technical and Security Committee
- c. MRC Input and Advice on Board Agenda Items and Accompanying Materials\*

## **Technical Updates**

### **6. Update on FERC Reliability Matters\***

### **7. Grid Transformation\***

- a. Framework to Address Known and Emerging Reliability and Security Risks
- b. Panel on Reliability Impacts of Grid Transformation

\*Background materials included.

**Member Representatives Committee - Attendance (February 5, 2020)**

**Voting Members**

<b>First Name</b>	<b>Last Name</b>	<b>Sector</b>
Jennifer	Sterling	Chair
Paul	Choudhury	Vice Chair
Jennifer	Flandermeyer	1. Investor-Owned Utility
Thad	Ness	1. Investor-Owned Utility
Carol	Chinn	2. State/Municipal Utility
Roy	Jones	2. State/Municipal Utility
Greg	Ford	3. Cooperative Utility
Jason	Marshall	3. Cooperative Utility - <b>Proxy Barry Lawson</b>
Sylvain	Clermont	4. Federal/Provincial
Martin	Huang	4. Federal/Provincial
Lloyd	Linke	4. Federal/Provincial - <b>Proxy Jeff Cook</b>
Bill	Gallagher	5. Transmission Dependent Utility
John	Twitty	5. Transmission Dependent Utility
Martin	Sidor	6. Merchant Electricity Generator
Sean	Cavote	6. Merchant Electricity Generator
Brad	Cox	7. Electricity Marketer
Chris	Haas	7. Electricity Marketer - <b>Proxy Jody Green</b>
Devin	Hartman	8. Large End-Use Electricity Customer
Venona	Greaff	8. Large End-Use Electricity Customer
Michael	Moody	9. Small End-Use Electricity Customer
Jackie	Roberts	9. Small End-Use Electricity Customer
Bill	Magness	10. ISO/RTO - <b>Proxy Brandon Gleason</b>
Gordon	van Welie	10. ISO/RTO - <b>Proxy Peter Brandien</b>
Todd	Hillman	11. Regional Entity - SERC
Simon	Whitelocke	11. Regional Entity - RF
Matt	Schuerger	12. State Government - <b>Proxy Michelle Rosier</b>
Kate	Bailey	12. State Government

**Non-Voting Members**

<b>First Name</b>	<b>Last Name</b>	<b>Sector</b>
David	Morton	Canadian Provincial
Andy	Dodge	U. S. — Federal
Tom	Kent	Regional Entity - MRO
Harvey	Reed	Regional Entity - NPCC
Melanie	Frye	Regional Entity - WECC
Liz	Jones	Regional Entity - Texas RE
Kristin	Iwanechko	Secretary