

Agenda

Member Representatives Committee

Pre-Meeting Informational Session

January 6, 2021 | 11:00 a.m. – 12:00 p.m. Eastern

Attendee WebEx: [Join Meeting](#)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines*

Agenda Items

1. **Schedule and Preliminary Agenda Topics for the February 2021 Board, Board Committees, and MRC Meetings***
2. **Overview of Policy Input Letter**
 - a. **Future Approaches to Stakeholder Engagement***

*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.

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Member Representatives Committee (MRC)

Pre-Meeting and Informational Webinar
January 6, 2021

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- Review schedule and preliminary agenda topics for:
 - February 3 Board Committee (open) meetings
 - February 4 MRC meeting
 - February 4 Board of Trustees meeting
- Review policy input letter topic

Wednesday, February 3, 2021	
11:00 a.m.-12:00 p.m.	Finance and Audit Committee Meeting — <u>Open</u>
12:45-1:45 p.m.	Compliance Committee Meeting — <u>Open</u>
2:30-3:30 p.m.	Technology and Security Committee Meeting — <u>Open</u>
4:15-5:30 p.m.	Corporate Governance and Human Resources Committee Meeting — <u>Open</u>
Thursday, February 4, 2021	
11:00 a.m.-1:00 p.m.	Member Representatives Committee Meeting — <u>Open</u>
2:00 p.m.-5:00 p.m.	Board of Trustees Meeting — <u>Open</u>

- 2020 Year-End Unaudited Statement of Activities
 - NERC 2020 Unaudited Results
 - ERO Enterprise Combined 2020 Unaudited Results
 - Regional Entity Reports
- Proposed Amendments to Committee Mandate

- Follow-up Regarding Action Items from Prior Meeting
- COVID-19 Lessons Learned Update
- Facility Ratings Activities Update
- Compliance Monitoring and Enforcement Program Annual Report
- Annual Review of Compliance Committee Mandate

- E-ISAC Operations Update
- ERO Enterprise Business Technology Projects Update
- ERO Enterprise Align Project Update
- ERO Enterprise Secure Evidence Locker Update
- Proposed Amendments to Committee Mandate

- Report on Matters Discussed in January 20 and February 1 Closed Sessions
- Approve Board Committees' Self-Assessment Surveys
- 2021 Board of Trustees Committee, Chair and Vice Chair Appointments and Related Assignments
- 2020 Work Plan Priorities Year-End Report
- Board Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Results
- NERC Governance Guidelines Annual Review
- Annual Conflict of Interest and Independence Report
- Approve Corporate Governance and Human Resources, Technology and Security, Finance and Audit, and Enterprise-wide Risk Committee Mandate Amendments
- Review Policy on Internal Audit and Corporate Risk Management
- Human Resources and Staffing Update

- Election of NERC Trustees
- General Updates and Reports
 - Business Plan and Budget Input Group Update
 - Regulatory Update
- Policy and Discussion Items
 - Responses to the Board's Request for Policy Input
 - Future Approaches to Stakeholder Engagement
 - Additional Policy Discussion of Key Items from Board Committee Meetings
 - MRC Input and Advice on Board Agenda Items and Accompanying Materials

- **Technical Updates**
 - Update on FERC Reliability Matters
 - Western Heatwave Event
 - Battery Energy Storage Report

- Approve Reliability Issues Steering Committee Membership
- Report on the January 19 and February 1 Closed Meetings
- Approve Election and Appointment of Board Chair and Vice Chair, Board of Trustees Committee Assignments, and NERC Officers
- Board Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Survey
- Board Committee Reports
 - Approve Proposed Amendments to Committee Mandates
 - Approve Policy on Internal Audit and Corporate Risk Management
 - Accept 2020 Year-End Unaudited Statement of Activities
- Standards Quarterly Report and Actions
 - Adopt Project 2015-09 Establish and Communicate System Operating Limits
 - Adopt Project 2018-03 Standards Efficiency Review Retirements
 - Approve SERC Regional Standards Development Procedure Revisions
 - Supply Chain Update

- **Other Matters and Reports**

- Discuss Policy Input and Member Representatives Committee Meeting
- Accept Framework to Address Known and Emerging Reliability and Security Risks
- Approve Rules of Procedure Revisions for Compliance Monitoring and Enforcement Program and Training and Education Program
- 2020 Year-End Review and 2021 ERO Enterprise Reliability Indicators

- **Committee, Forum, and Group Reports**

- Approve Standards Committee and Compliance and Certification Committee 2021 Work Plans

- Schedule and Preliminary Agenda Topics for the February 2021 Board, Board Committees, and MRC Meetings
- Overview of Policy Input Letter
 - Future Approaches to Stakeholder Engagement

- **December 30:** Policy input letter issued
- **January 20:** Written comments due on policy input topics and preliminary agenda topics
- **January 21:** Board and MRC agenda packages and policy input letter comments posted
- **January 28:** Board and MRC presentations posted



Questions and Answers

Future Approaches to Stakeholder Engagement

Action

Information

Summary

Stakeholder engagement is central to NERC's ability to meet its mission. Stakeholders participate directly in much of NERC's work and their expertise is essential for reaching the best outcomes, whether technical at the standing committee level or policy at the NERC Board of Trustees (Board) level. Due to the pandemic, all NERC engagements over the past nine months have been virtual, enabled by technology such as WebEx. NERC is now evaluating how to incorporate the lessons learned about remote work and virtual engagement into more efficient and effective future engagement efforts and whether there are opportunities to re-imagine its facilities.

NERC has seen increased participation in several forums and posits that the lower cost of participating and ease of access have been an attractive benefit of using remote participation technology. At the same time, the personal relationships that develop through in-person meetings and informal conversations are very important and meeting only virtually may erode existing relationships and make it difficult to build new relationships and trust over time.

To that end, NERC is considering holding a combination of in-person and virtual quarterly Board and MRC meetings when travel is deemed appropriate again. The proposal includes two in-person meetings (February and August) hosted at a hotel with a reception, including a hosted dinner at the annual meeting in February. For these meetings, NERC would explore options for remote participation for those wishing to participate in that way, which would be dependent on the hotel having sufficient audio and visual support for an engaging remote experience. The other two meetings (May and November) would be virtual and supported by WebEx or similar video technology. For these meetings, the Board itself may meet in person to hold closed briefings around ERO Enterprise security issues and other matters in the security of NERC's office.

NERC will also work with the chairs of its major stakeholder committees on their meeting plans, which may adopt a similar "two in person, two remote" rhythm. At this point, NERC intends to retain public meeting space in its Atlanta and Washington, DC offices for hosting small to medium-sized meetings.

The Board has requested policy input on whether the proposal strikes a reasonable balance to enable effective stakeholder engagement and if there are other observations about post-pandemic, in-person or virtual meetings that NERC should consider as it explores the possibility of downsizing its office space.

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Future Approaches to Stakeholder Engagement

Jim Robb, President and CEO
MRC Informational Session
January 6, 2021

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Timing	Location	Board	MRC and Stakeholders
February*	Hotel (Southwest or Florida**)	In Person	In Person***
May	NERC DC Office	In Person	Virtual
August	Hotel (Canada**)	In Person	In Person***
November	NERC Atlanta Office	In Person	Virtual

* February to be reconceived as an Annual Meeting with a celebratory dinner and acknowledgment of outgoing/incoming Trustees and Stakeholder leaders

** Goal would be to host one in-person meeting per year in the West and one in the East, each with a reception, to facilitate stakeholder participation and reduce travel burden

*** As hotel technology improves, would consider adding remote participation options for stakeholders as well



Questions and Answers