

Agenda

Member Representatives Committee

Pre-Meeting Informational Session

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

Attendee WebEx: [Click to Join](#)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines*

Agenda Items

1. Schedule and Preliminary Agenda Topics for the November 2021 Board, Board Committees, and MRC Meetings*
2. Overview of Policy Input Letter
 - a. Opportunities for Improving ERO Enterprise Agility*

*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.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Member Representatives Committee (MRC)

Pre-Meeting and Informational Webinar
October 6, 2021

RELIABILITY | RESILIENCE | SECURITY



- Review schedule and preliminary agenda topics for the November 2021 Board, Board Committees, and MRC meetings
- Review policy input letter topic
 - Opportunities for Improving ERO Enterprise Agility

- **September 29:** Policy input letter issued
- **October 20:** Written comments due on policy input topics and preliminary agenda topics
- **October 21:** Board and MRC agenda packages and policy input letter comments posted
- **October 28:** Board and MRC presentations posted
- **November 3-4:** Board Committee, Board, and MRC open meetings

Schedule of November 3-4 Board and MRC Open Conference Calls

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

- Approve Board of Trustees Self-Assessment and MRC Assessment of Board of Trustees Effectiveness Survey
- Approve Board of Trustees Compensation
- Human Resources and Staffing Update

- Review Amendment to Investment Policy
- Review Third Quarter Statement of Activities
 - NERC Summary of Results as of September 30, 2021
 - Total ERO Enterprise Summary of Results as of September 30, 2021
 - Regional Entity Variance Reports as of September 30, 2021
- 2022 Business Plan and Budget Status Update
- Review 2023 Business Plan and Budget Schedule

- COVID-19 Related Activities
- Facility Ratings Update
- 2022 CMEP Implementation Plan

- E-ISAC Operations Update
- ERO Enterprise Align Project Update
- ERO Enterprise Business Technology Projects Update

- Future Meetings
- Election of MRC Officers for 2022
- MRC Sector Nominations and Elections Schedule
- General Updates and Reports
 - Board of Trustees Nominating Committee Update
 - Business Plan and Budget Input Group Update
 - Regulatory Update
- Policy and Discussion Items
 - Responses to the Board's Request for Policy Input
 - Opportunities for Improving ERO Enterprise Agility
 - Additional Policy Discussion of Key Items from Board Committee Meetings
 - MRC Input and Advice on Board Agenda Items and Accompanying Materials

- Cold Weather Preparedness Activities
- Technical Updates
 - FERC Reliability Matters
 - Bulk Power System Situation Awareness
 - Hurricane Ida Restoration Efforts

- Committee Membership and Charter Amendments
- Report on the September 28 and November 3, 2021, Closed Meetings
- Board Committee Reports
 - Approve Board of Trustees Compensation
 - Accept Third Quarter Statement of Activities
 - Approve Investment Policy
- Standards Quarterly Report and Actions
 - Approve 2022-2024 Reliability Standards Development Plan
 - Adopt PRC-006-SERC-03 – Automatic Underfrequency Load Shedding
 - Low Impact BES Cyber Asset and Supply Chain Update

- Other Matters and Reports
 - Discuss Policy Input and Member Representatives Committee Meeting
 - Approve 2022 ERO Enterprise Work Plan Priorities
 - Long-Term Reliability Assessment Preview
 - Winter Reliability Assessment Preview
- Committee, Forum, and Group Reports



Questions and Answers

Opportunities for Improving ERO Enterprise Agility

Action

Information

Summary

The electricity industry is experiencing significant policy and technical forces that are driving rapid change in how electricity systems are designed, planned, operated, and secured. The transformed reliability, resilience, and security ecosystem will include new risks, new complexities, new terminology, new requirements, new players, and jurisdictional challenges. As noted at the August Board meeting, the Board and NERC management recognize these changes are coming large and fast. While striving for efficient and effective programs, the ERO Enterprise's core processes (like most in the electricity sector) are designed for consultation, deliberation, and consensus building, which are inherently slower and pre-disposed toward incremental change based on lessons learned and observed challenges. At the same time, over the past few years the ERO Enterprise has focused on efficiency and effectiveness with a few key initiatives — the Standards Efficiency Review, aligning compliance monitoring and enforcement program processes, improving data handling and security through Align and the Secure Evidence Locker, and looking at real estate costs with the potential for reducing that fixed cost category by 40% or more. The ERO Enterprise is interested in exploring new ways of working to manage the rapid changes to the sector while continuing to promote the technical expertise and stakeholder consensus building process which is a hallmark of ERO Enterprise programs since its inception in 2007.

As part of the September 29, 2021 Policy Input Letter, the NERC Board of Trustees is requesting input on whether the MRC agrees that more nimble ERO Enterprise programs are desirable and where there are opportunities for exploring new ways of working and making processes more efficient and agile.