

Minutes

Member Representatives Committee

February 4, 2021 | 11:00 a.m. – 1:00 p.m. Eastern

Outgoing Chair Jennifer Sterling, with incoming Chair Paul Choudhury and incoming Vice Chair Roy Jones present, called to order a duly noticed meeting of the Member Representatives Committee (MRC) of the North American Electric Reliability Corporation (NERC) via teleconference on February 4, 2021, at 11:00 a.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

Ms. Sterling welcomed attendees and expressed her appreciation for serving as Chair and Vice Chair of the MRC. She thanked the NERC Board of Trustees (Board), MRC members, Mr. Choudhury, and NERC staff for their support.

Mr. Choudhury welcomed new and returning MRC members, acknowledging the Board, Andy Dodge and others from the Federal Energy Regulatory Commission (FERC), Pat Hoffman from the Department of Energy, State Commissioners Kate Bailey and Matt Schuerger, CAMPUT representative David Morton, and Tab Gangopadhyay from the Canada Energy Regulator. Mr. Choudhury reminded attendees that full presentations were conducted at the Board committee meetings and would not be repeated during the MRC meeting. He acknowledged the MRC's responses to the policy input request from Roy Thilly, Chairman of the Board. Mr. Choudhury also thanked MRC and Board members for completing a recent survey on the effectiveness of the MRC and noted that a summary of results will be shared at the MRC's May meeting.

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, 2020, and January 6, 2021, meetings as presented at the meeting.

Future Meetings

The schedule of future meeting dates, including the pre-meeting and informational webinars for 2021, was included in the agenda package. Mr. Thilly noted that NERC has not confirmed whether the May and August meetings will be held virtually. A final decision will be made around March 10 for the May meetings and later in the spring for the August meetings.

Election of NERC Trustees

Ken DeFontes, Chair of the Board Nominating Committee (BOTNC), provided a report and recommendation for the election of four Board members. The MRC unanimously approved the re-election of George Hawkins and Rob Manning and election of Larry Irving and Sue Kelly for three-year terms ending in 2024. Mr. Choudhury welcomed Mr. Irving and Ms. Kelly and thanked Mr. Hawkins and Mr. Manning for their continued service. Mr. Thilly acknowledged Jan Schori's completion of her term on the Board and thanked her for her service.

Mr. Choudhury noted that four Board members will be up for re-election next year and MRC members are encouraged to volunteer to participate on the Board Nominating Committee. Interested MRC members should notify Mr. Choudhury, Mr. Jones, and Ms. Iwanechko.

Business Plan and Budget Input Group Update

Sylvain Clermont, chair of the Business Plan and Budget (BP&B) Input Group, provided an update on the group's activities. During the most recent call, they reviewed the 2020 BP&B results, including the status of reserves, the 2021 BP&B, and preliminary projections for 2022 and 2023. At the next meeting, the group plans to share their own organizations' budget assumptions related to returning to the office post-pandemic. He commended NERC's continued transparency and collaboration with the BP&B Input Group through the BP&B development process.

Mr. Clermont also acknowledged the contributions from MRC members that have left the group and encouraged additional MRC members to volunteer to participate. Interested MRC members should notify Mr. Clermont, Mr. Choudhury, Mr. Jones, and Ms. Iwanechko.

Stakeholder Perception Process

The Compliance and Certification Committee (CCC) has a responsibility to provide comments and recommendations to NERC with respect to stakeholders' perceptions of the policies, programs, practices, and effectiveness of the compliance monitoring and enforcement, registration, and certification programs. Following the discontinuation of the ERO Enterprise Effectiveness Survey, the CCC began an effort to review questions related to compliance, monitoring, and enforcement that were included in previous surveys, and consider what approaches could be used to optimize the value of stakeholder feedback going forward. Jennifer Flandermeyer, chair of the CCC, noted that the CCC made great strides in 2020 in collaborating and strengthening relationships with NERC, industry, and the MRC sub-group throughout the process. Scott Tomashefsky, vice chair of the CCC, noted that the CCC revised its *CCCPP-008 Program for Monitoring Stakeholder's Perceptions* to include gathering more real-time and focused feedback, which the NERC Board approved in August 2020. The revisions also introduced more flexibility in the tools used to gather stakeholder perceptions, including surveys on specific areas or initiatives, focus groups, coordinating with Regional Entities and industry organizations, and direct feedback through the Alignment Working Group (CCC working group). Mr. Tomashefsky also discussed a process for feedback loops related to stakeholder feedback.

- A Board member suggested the CCC explore providing a consolidated view of feedback received.

Regulatory Update

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

Responses to the Board's Request for Policy Input

Mr. Choudhury acknowledged the MRC's responses to Mr. Thilly's December 30, 2020, letter requesting policy input on future approaches to stakeholder engagement, in addition to the preliminary agenda topics for the February meetings. Responses to the letter are [posted](#) on the NERC website.

Future Approaches to Stakeholder Engagement

Jim Robb, president and CEO of NERC, thanked MRC members for their responses to the policy input letter. Although there did not appear to be consensus on the overall approach for future Board and MRC meetings, the responses indicated a common desire to engage in person when possible. However, stakeholders also recognized the benefits of virtual meetings, including scheduling flexibility and broader participation. Mr. Robb noted that NERC would strive to use an approach that supports both in-person and virtual interactions and any approach taken would be evaluated and adjusted as necessary. He also acknowledged that many responses suggested that NERC keep meeting space in its offices for small to medium-sized meetings.

Additional Policy Input Comments

An MRC member highlighted a request for NERC and industry to address third-party accreditation and certification concerns raised by industry.

Additional Policy Discussion of Key Items from Board Committee Meetings

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

Corporate Governance and Human Resources Committee

An MRC member requested a presentation from NERC staff at a future meeting on the overall status and accomplishments of the Standards Efficiency Review, addressing the effectiveness of the process and whether it is an efficient process to use going forward.

MRC Input and Advice on Board Agenda Items and Accompanying Materials

Attendees did not have any comments on the topics included on the Board's agenda for its meeting following the MRC meeting.

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: Order on Standards Efficiency Review retirements; Supply Chain Notice of Inquiry (NOI); Notice of Proposed Rulemaking (NOPR) for BAL-002-WECC-3; Order approving 2021 Business Plans and Budgets; Order regarding delegation agreements; Order regarding virtualization and cloud services for power grid operations; Order regarding the ERO Five-Year Performance Assessment; and NOPR regarding revisions to regulations on ERO performance assessments.

Western Heatwave Event

Mark Rothleder, senior vice president and chief operating officer at California Independent System Operator, and Branden Sudduth, vice president of reliability planning and performance analysis at WECC, discussed the extreme heatwave event in August 2020 in the Western Interconnection, which created high demands for generation across the interconnection between August 14, 2020, and August 18, 2020, and forced California utilities to cut power to customers on two occasions due to electricity shortages.

Mr. Rothleder presented high level results of a joint agency analysis that reviewed the causes of the August events, noting the analysis did not identify a single root cause. He discussed the following preliminary findings: (1) demand for electricity exceeded existing resource adequacy and planning targets; (2) planning targets in the resource mix transition have not resulted in sufficient resources to meet demand in the early evening hours or extremely hot days; and (3) several practices in the energy markets exacerbated the supply challenges under highly stressed conditions. He also reviewed priority actions identified for summer 2021.

Mr. Sudduth discussed key findings from a holistic interconnection review conducted by WECC. He noted that 11 Balancing Authorities were placed in an Energy Emergency Alert state, there were inaccuracies in day-ahead forecasting, and variable generation affected the ability to help with peak demand. Mr. Sudduth acknowledged the need to evaluate how the changing resource mix impacts planning and resource adequacy across the interconnection. Mr. Sudduth also highlighted positive observations: (1) proactive coordination among Reliability Coordinator managers; (2) support of the findings from WECC's Multi-Area Variable Resource Integration Convolution (MAVRIC) tool; (3) use of real-time synchrophasor data to monitor and take action on phase angles; and (4) impacts of energy conservation.

Meeting participants engaged in a robust discussion about potential impacts on load forecasting, load shedding, planning, resource adequacy, and future seasonal assessments as a result of the event.

Impacts of Electrochemical Utility-Scale Battery Storage Systems on the Bulk Power System

Howard Gugel, vice president of engineering and standards at NERC, provided an overview of the *Impacts of Electrochemical Utility-Scale Battery Energy Storage Systems on the Bulk Power System* report, which emphasizes some of the potential reliability benefits that battery energy storage systems can offer, such as providing peaking capacity; minimizing the need for new generation and transmission infrastructure; and providing essential reliability services (e.g., frequency response, ramping, and voltage support). He highlighted the key findings identified in the report, as well as recommendations for system planners, intermittent resources (wind and solar), NERC, and data collection.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Kristin Iwanechko
Secretary

Agenda

Member Representatives Committee

February 4, 2021 | 11:00 a.m. – 1:00 p.m. Eastern

Attendee WebEx: [Join Meeting](#)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Consent Agenda

1. **Minutes - (Approve)**
 - a. November 5, 2020 Meeting*
 - b. January 6, 2021 Conference Call*

Regular Agenda

2. **Election of NERC Trustees* - (Elect)**
3. **Future Meetings***
4. **General Updates and Reports**
 - a. Business Plan and Budget Input Group Update*
 - b. Stakeholder Perception Process*
 - c. Regulatory Update*
5. **Policy and Discussion Items**
 - a. Responses to the Board's Request for Policy Input*
 - i. Future Approaches to Stakeholder Engagement*
 - b. Additional Policy Discussion of Key Items from Board Committee Meetings*
 - i. Finance and Audit Committee
 - ii. Compliance Committee
 - iii. Technology and Security Committee
 - iv. Corporate Governance and Human Resources Committee
 - c. MRC Input and Advice on Board Agenda Items and Accompanying Materials*

Technical Updates

- 6. Update on FERC Reliability Matters***
- 7. Western Heatwave Event***
- 8. Impacts of Electrochemical Utility-Scale Battery Storage Systems on the Bulk Power System***

*Background materials included.

Member Representatives Committee - Attendance (February 4, 2021)

Voting Members

First Name	Last Name	Sector
Paul	Choudhury	Chair
Roy	Jones	Vice Chair
Jennifer	Flandermeyer	1. Investor-Owned Utility
Thad	Ness	1. Investor-Owned Utility
Carol	Chinn	2. State/Municipal Utility
John	Haarlow	2. State/Municipal Utility
Greg	Ford	3. Cooperative Utility
Jason	Marshall	3. Cooperative Utility
Edison	Elizeh	4. Federal/Provincial
Martin	Huang	4. Federal/Provincial
Sylvain	Clermont	4. Federal/Provincial
Bill	Gallagher	5. Transmission Dependent Utility
Terry	Huval	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
Travis	Fisher	8. Large End-Use Electricity Customer
Venona	Greaff	8. Large End-Use Electricity Customer
Michael	Moody	9. Small End-Use Electricity Customer
Bill	Magness	10. ISO/RTO
Gordon	van Welie	10. ISO/RTO - Proxy Peter Brandien
Liz	Jones	11. Regional Entity - Texas RE
Melanie	Frye	11. Regional Entity - WECC
Kate	Bailey	12. State Government
Matt	Schuerger	12. State Government

Non-Voting Members

First Name	Last Name	Sector
David	Morton	Canadian Provincial
Tab	Gangopadhyay	Canadian Federal
Pat	Hoffman	U. S. — Federal
Andy	Dodge	U. S. — Federal
Harvey	Reed	Regional Entity - NPCC
Todd	Hillman	Regional Entity - SERC
Simon	Whitelocke	Regional Entity - RF
Kristin	Iwanechko	Secretary