

Minutes

Member Representatives Committee

November 5, 2020 | 11:00 a.m. – 1:00 p.m. Eastern

Chair Jennifer Sterling, with 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) via teleconference on November 5, 2020, 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 MRC members and proxies, acknowledging the NERC Board of Trustees (Board), Andy Dodge and others from the Federal Energy Regulatory Commission (FERC), State Commissioner Kate Bailey, CAMPUT representative David Morton, and Tab Gangopadhyay from the Canada Energy Regulator. Ms. Sterling reminded attendees that presentations conducted at the open Board committee meetings the day before would not be repeated during the MRC meeting. She acknowledged the MRC's responses to the policy input request from Roy Thilly, Chair of the Board.

Ms. Sterling noted that current MRC and Board members will receive a short survey in January to provide input on MRC effectiveness. This survey consolidates two separate surveys that were previously conducted in January 2019.

NERC Antitrust Compliance Guidelines and Public Announcement

Ms. Iwanechko 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 August 20, 2020, and October 7, 2020, 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 the February Board, Board Committee, and MRC meetings will be held via teleconference due to the COVID-19 pandemic. A decision on the May 2021 meetings has not yet been made.

Election of MRC Officers for 2021

Ms. Sterling announced the nominations of Paul Choudhury for chair and Roy Jones for vice chair of the MRC for 2021. Upon motion duly made and seconded, the MRC unanimously approved Mr. Choudhury as

chair and Mr. Jones as vice chair. Mr. Choudhury and Mr. Jones will assume their new positions at the start of the February 2021 MRC meeting.

Schedule for MRC Sector Elections

Ms. Sterling reminded attendees the nomination period for the annual sector election closes on November 6, 2020, and elections will be held from December 7, 2020, through December 17, 2020.

Board of Trustees Nominating Committee Update

Ken DeFontes, chair of the Board Nominating Committee (BOTNC), provided an update on the BOTNC's efforts to replace Jan Schori, whose fourth and final term will expire in February 2021. A subset of the BOTNC interviewed candidates at the beginning of the week and will provide its recommendation to the BOTNC on December 8. The BOTNC is on track to make a recommendation to the MRC in December for consideration at the MRC's February 2021 meeting.

Business Plan and Budget Input Group Update

Based on a written report from Sylvain Clermont, chair of the Business Plan and Budget (BP&B) Input Group, Ms. Sterling provided an update on the group's activities. During the most recent call, they reviewed the status of the 2020 BP&B, final 2021 BP&B, preliminary projections for 2022 and 2023, and the status of key technology projects. The group also discussed the impacts of the pandemic on various items, including 2021 assumptions, office space, staff resources, and IT tool development and deployment. He commended NERC's continued transparency and collaboration with the BP&B Input Group through the BP&B development process.

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.

MRC Governance Guidelines

Ms. Sterling noted that the MRC Governance Guidelines were revised to remove unnecessary restrictions regarding logistics for MRC conference calls. Upon motion duly made and seconded, the MRC unanimously approved the MRC Governance Guidelines.

Responses to the Board's Request for Policy Input

Ms. Sterling acknowledged the MRC's responses to Mr. Thilly's September 30, 2020, letter requesting policy input on the *Framework to Address Known and Emerging Reliability and Security Risks* and the top priorities for NERC over the next three years, in addition to the preliminary agenda topics for the November meetings. Responses to the letter are [posted](#) on the NERC website.

Framework to Address Known and Emerging Reliability and Security Risks

Mark Lauby, senior vice president and chief engineer at NERC, thanked MRC members for their comments in response to the policy input questions on the *Framework to Address Known and Emerging Reliability and Security Risks*, of which he provided an overview at the October 7, 2020, MRC Informational Session. He stated that the framework would be revised in response to comments, with input from the Reliability Issues Steering Committee and Reliability and Security Technical Committee. A revised framework will be presented to the Board for acceptance at its February 2021 meeting.

Top Priorities for NERC over the Next Three Years

Mr. Lauby noted three common themes from the policy input comments on the most important reliability and security matters for NERC to address over the next three years: (1) information sharing, cyber and physical security; (2) grid transformation and interdependency; and (3) standards, compliance, and enforcement. He also noted comments related to pandemic response, committees' effectiveness, and the budget related to effective and efficient operations. Mr. Lauby reviewed current activities supporting each of the three common themes. He stated that NERC will evaluate feedback, reach out to stakeholders and trade associations, and update work plans as needed.

- MRC members requested additional details on stakeholder engagement with the Bulk-Power System Security and Grid Transformation Group that was mentioned. Mr. Lauby noted that the group is staffed by NERC and regularly coordinates with industry on its efforts, including working with the Reliability and Security Technical Committee.

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, Corporate Governance and Human Resources, Compliance, 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 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: Notice of Inquiry (NOI) regarding virtualization and cloud services for power grid operations; NOI regarding potential enhancements to the CIP Reliability Standards; cybersecurity incentives policy white paper; NOI regarding potential risks to the BES; joint FERC/NERC Cyber Planning for Response and Recovery Study; lessons learned from Commission-led CIP reliability audits; Notice of Proposed Rulemaking regarding transmission incentives; Order No. 2222 regarding participation of distributed energy resources aggregations in ISO/RTO markets; final rule on retirement of Reliability Standards requirements; and October 27, 2020, technical conference on offshore wind integration in RTOs/ISOs.

Hurricane Laura Restoration Efforts

Todd Hillman, senior vice president and chief customer officer at MISO, and Tim Ponseti, vice president of operations at SERC, provided an overview of restoration efforts following Hurricane Laura, which was the strongest storm to hit Louisiana in over 150 years and had a devastating impact on the wholesale transmission system. Mr. Hillman discussed key lessons learned outlined in the presentation, noting the importance of communication and coordination, as well as being prepared and conducting drills. Mr. Ponseti noted that the 2020 hurricane season is a record year and highlighted specific data related to the damage caused by Hurricane Laura, as well as Hurricane Delta which made landfall about a month and a half after Hurricane Laura and only 5 miles away. All customers without power were restored by October 1, 2020, following Hurricane Laura and by October 15, 2020, following Hurricane Delta. Mr. Hillman and Mr. Ponseti lauded the coordination, collaboration, and communication between SERC, MISO, Entergy, Cleco, East Texas Electric Cooperative, and state regulatory authorities in Louisiana and Texas.

- An MRC member and a Board member suggested evaluating whether there are ways to improve the design of the system in anticipation of increased hurricane activity.

Supply Chain NERC Alert Update

Manny Cancel, senior vice president and chief executive officer of the E-ISAC, provided an update on the Supply Chain Level 2 NERC Alert that was issued in July following Executive Order 13920. Mr. Cancel stated that the responses showed a relatively small extent of condition and concentration of assets manufactured or supplied by certain foreign entities of concern. NERC issued a confidential report to FERC and is continuing to assess the information and collaborate with the Department of Energy and FERC on potential next steps, which could include an additional alert focused on different types of equipment or other information.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Kristin Iwanechko
Secretary

Agenda

Member Representatives Committee

November 5, 2020 | 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. August 20, 2020 Meeting*
 - b. October 7, 2020 Conference Call*

Regular Agenda

2. **Future Meetings***
3. **Election of MRC Officers for 2021* - (Elect)**
4. **MRC Sector Nominations and Elections Schedule***
5. **General Updates and Reports**
 - a. Board of Trustees Nominating Committee Update*
 - b. Business Plan and Budget Input Group Update*
 - c. Regulatory Update*
6. **Policy and Discussion Items**
 - a. MRC Governance Guidelines*- **(Approve)**
 - b. Responses to the Board's Request for Policy Input*
 - i. Framework to Address Known and Emerging Reliability and Security Risks*
 - ii. Top Priorities for NERC Over the Next Three Years
 - c. Additional Policy Discussion of Key Items from Board Committee Meetings*
 - i. Finance and Audit Committee
 - ii. Corporate Governance and Human Resources Committee
 - iii. Compliance Committee

- iv. Technology and Security Committee
- d. MRC Input and Advice on Board Agenda Items and Accompanying Materials*

Technical Updates

- 7. Update on FERC Reliability Matters***
- 8. Hurricane Laura Restoration Efforts***
- 9. Supply Chain NERC Alert Update***

*Background materials included.

Member Representatives Committee - Attendance (November 5, 2020)

Voting Members

First Name	Last Name	Sector
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
Sylvain	Clermont	4. Federal/Provincial - Proxy Martin Huang
Martin	Huang	4. Federal/Provincial
Lloyd	Linke	4. Federal/Provincial
Bill	Gallagher	5. Transmission Dependent Utility
John	Twitty	5. Transmission Dependent Utility - Proxy Terry Huval
Martin	Sidor	6. Merchant Electricity Generator
Sean	Cavote	6. Merchant Electricity Generator
Brad	Cox	7. Electricity Marketer
Chris	Haas	7. Electricity Marketer
Devin	Hartman	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 Matthew Goldberg
Todd	Hillman	11. Regional Entity - SERC
Simon	Whitelocke	11. Regional Entity - RF
Matt	Schuerger	12. State Government - Proxy Michelle Rosier
Kate	Bailey	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
Tom	Kent	Regional Entity - (MRO)
Harvey	Reed	Regional Entity - NPCC
Melanie	Frye	Regional Entity - WECC
Kristin	Iwanechko	Secretary