

## Agenda

# Functional Model Task Force (FMTF) Meeting

September 2, 2020 | 3:00 p.m. - 4:00 p.m. Eastern

WebEx

1-415-655-0002

Access Code: 160 233 3875

### **Introduction and Chair's Remarks**

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

### **Agenda Items**

- 1. FMTF Scope Document\* - (Review)**
- 2. Next Steps and Administrative Items – (Discuss)**
  - a. Document Management
  - b. Communication
- 3. Roundtable**

\*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.

## I. 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.

## I. 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.

# Functional Model Task Force (FMTF)

July 21, 2020

## Purpose

The North American Electric Reliability Corporation (NERC) Compliance and Certification Committee (CCC) has a role to provide stakeholder feedback to the Electric Reliability Organization (ERO) related to Enterprise Programs, Standards adherence, and Enterprise Tools. The NERC CCC Functional Model Task Force (FMTF) will execute the CCC's role to identify and address potential gaps with the archival of the Functional Model (FM), and consider of the robustness of the Registry Criteria related to functional registration tasks and obligations. This task force will be directed by the Organization Registration and Certification Subcommittee (ORCS) of the CCC in conjunction with the NERC Standards Committee. The FMTF will collaborate with the ERO on these activities to ensure an open and transparent discussion is available around these topics for consideration. The FMTF will perform any necessary analysis through March 2021. If the FMTF extends beyond this date, the Compliance and Certification Committee Executive Committee (CCCEC) will evaluate the scope and work with the ORCS or FMTF to determine appropriate actions.

## Roles and Activities

In 2019, an ad hoc group was formed consisting of the leadership of the Standards Committee (SC), the Compliance and Certification Committee (CCC), Technical Standing Committees, Functional Model Advisory Group (FMAG), and NERC management to consider next steps related to the Functional Model, the group determined the most prudent course of action was to retire the FM. The Standards Committee voted to archive the FM and Functional Model Technical Documents (FMTD) in September 2019. At that time the CCC and SC leadership committed to:

- Consider concepts of the registered entity functions that are captured exclusively in the Function Model that may need to be incorporated and maintained in the Organization Registration and Certification Manual and the Compliance Registry Criteria by the Organization Registration and Certification Subcommittee (ORCS).
- Consider any gaps in Registry Criteria from reliability functions and tasks performed by functional entities not currently considered in the Registry Criteria.

The FMTF will provide suggestions on issues for discussion and recommendations to the CCC for consideration as follows:

1. Gather information on the Functional Model retirement issues.
  - a. Identify support needs and use CCC subcommittees or individual members that have the expertise to review the issues.
  - b. Initiate or request FMTF discussions as issues are identified.

- c. Identify issues representing specific concerns quickly and facilitate swift resolution or communications.
2. Develop suggested recommendations related to the issues.
3. Present work outcomes to the CCC for awareness.

### **Membership**

The FMTF membership will be comprised of those CCC or ORCS members and observers appointed by the CCC Chair. It is desired and highly encouraged that NERC and Regional Entity management participate.

1. Composition
  - a. ORCS Members
  - b. ORCS Active Participants (Observers)
  - c. ORCS Chair
  - d. ORCS Vice Chair
  - e. Standards Committee Participants
  - f. CCC Chair (optional)
  - g. CCC Vice Chair (optional)
2. Leadership
  - a. A Chair will be appointed from the FMTF membership. A Vice-Chair may be appointed if helpful to facilitate the task force deliverables.
3. Observers
  - a. The FMTF Chair may invite observers to participate in meetings, which may include additional NERC or Regional Entity staff, as well as other CCC or ORCS members (e.g., CCC subcommittee representatives). Observers may actively participate in the discussion and FMTF deliverables.

### **Meetings**

The FMTF meetings will be scheduled based on workload, as determined by the Chair or members. Due to the short duration of the FMTF, it is likely meetings will be monthly and will be conducted by conference call. Meetings may also occur in conjunction with the regular CCC meetings. The FMTF meetings will be open to other participants. The FMTF or ORCS Chair will approve this participation and work with the CCC Chair for any necessary appointments.