

Agenda

Corporate Governance and Human Resources Committee Meeting

February 14, 2024 | 11:00-11:30 a.m. Central
In-Person

The Houstonian Hotel Houston
111 North Post Oak Lane
Houston, TX 77024
Conference Room: Grand Ballroom (lower level)

Virtual Attendees

Webcast Link: [Join Meeting](#)

Committee Members

Suzanne Keenan - Chair
Robert Clarke
George Hawkins
Larry Irving
Jane Allen
Susan Kelly
Kenneth W. DeFontes Jr. – *Ex Officio*

Introduction and Chair's Remarks

[NERC Antitrust Compliance Guidelines](#)

Agenda Items

- 1. Minutes - Approve**
 - a. August 16, 2023 Meeting*
- 2. Board Committee and Board of Trustees Annual Evaluations and Committee Mandate Process* – Approve**
- 3. Annual Conflict of Interest and Independence Report* – Review**
- 4. Standards Committee Charter Proposed Amendments – Approve and Recommend for Board of Trustees Approval**
- 5. Reliability and Security Technical Committee Charter Proposed Amendments – Approve and Recommend for Board of Trustees Approval**
- 6. People and Culture* – Update**

7. Other Matters and Adjournment

*Background materials included.

Draft Minutes

Corporate Governance and Human Resources Committee Open Meeting

August 16, 2023 | 12:15 p.m.-12:30 p.m. Eastern
Hybrid Meeting

Westin Ottawa Hotel
11 Colonel By Dr.
Ottawa, ON K1N 9H4, Canada

Webcast

Chair Suzanne Keenan called to order a duly noticed meeting of the Corporate Governance and Human Resources Committee (the Committee) of the Board of Trustees (Board) of the North American Electric Reliability Corporation (NERC or the Company) on August 16, 2023, at approximately 12:15 a.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

Suzanne Keenan, Chair
Jane Allen
Robert G. Clarke
George S. Hawkins
Larry Irving
Susan Kelly
Kenneth W. DeFontes, Jr. *ex officio*

Board Members

Robin E. Manning
Jim Piro
Kristine Schmidt
Colleen Sidford

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Howard Gugel, Vice President, Compliance Assurance and Registration
Kelly Hanson, Senior Vice President and Chief Administrative Officer
Stan Hoptroff, Vice President, Business Technology
Nina Jenkins-Johnston, Assistant General Counsel and Director of Corporate Risk Management
Soo Jin Kim, Vice President, Engineering and Standards
Mark Lauby, Senior Vice President and Chief Engineer
Kimberly Mielcarek, Vice President, Communications
Sonia Rocha, Senior Vice President, General Counsel, and Corporate Secretary
Liz Saunders, Director, Human Resources Centers of Excellence
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President and Chief Financial Office

NERC Antitrust Compliance Guidelines

Ms. Buzzard directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the advance agenda package and indicated that all questions regarding antitrust compliance or related matters should be directed to Ms. Rocha.

Chair's Remarks

Ms. Keenan welcomed participants to the meeting, recognized Ms. Saunders, and summarized the August 15, 2023 CGHRC closed meeting to include the Committee's approval of the Benefits Administration Committee Charter and the 401k plan eligibility amendment.

Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the May 10, 2023 meeting as presented at the meeting.

Proposed Amendments to the Compliance Committee Mandate

Ms. Keenan reviewed the proposed amendments to the Board of Trustees Compliance Committee (CC) mandate, which were discussed in detail in the CC's open meeting and included amending the CC's responsibilities to include oversight of the standards program and renaming the CC the Regulatory Oversight Committee to reflect its authority and responsibilities. After discussion, and upon motion duly made and seconded, the Committee approved the proposed amendments to the CC mandate and recommended them for Board approval.

Other Matters and Adjournment

There being no further business and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Sônia Rocha
Corporate Secretary

Board Committee and Board of Trustees Annual Evaluations and Committee Mandate Process

Action

Approve Board Committee and Board of Trustees annual evaluation surveys and authorize distribution.

Summary

In 2023 the process for the annual Board Committee and Board of Trustees evaluations was changed from a numerical ranking survey to a more qualitative set of questions. For the Board Committee evaluations Committee Chairs reached out directly to individual Committee members in the current Committee roster, as well as prior year members (as each Chair deemed needed), to discuss the performance of that Committee. As part of the review of the results of the evaluations, Committee members provided feedback on the new process. It was determined that the direct interview approach, though valuable, is best used on a periodic basis rather than every year. Management recommends completing the direct interview approach every two years.

For 2024, NERC management presents the attached recommended approach for the Board of Trustees and Board Committees self-evaluation process. Under the recommended approach, both the Board Committee and Board of Trustees self-evaluation surveys would be distributed via Boardbooks following the first quarter meetings, and the results reviewed in the second quarter meetings. The questionnaires are based on the enhanced questions used in the Board questionnaire in 2023, as well as the conversation prompts used by the Committee Chairs in 2023.

Following the conclusion of the 2024 self-assessments process, each of the Committees would also undertake a review of their respective mandates at the second quarter meeting to consider if any changes are needed in response to the survey feedback. Any revised Committee mandates would be presented to the Corporate Governance and Human Resources Committee for its review at their August 2024 meeting.

Board of Trustees (Board) and Board Committee Self-Evaluations Process Proposal

Board of Trustees Self-Evaluation Process

The Board self-evaluation and Members Representative Committee (MRC) effectiveness survey of the Board annually assesses and monitors the performance and effectiveness of the Board. Below is the recommended evaluation process for 2024, consistent with the new qualitative framework adopted in 2023:

- The Board self-evaluation and MRC effectiveness survey of the Board questions will be presented for acceptance at the first quarter CGHRC closed meeting.
- Immediately following the CGHRC closed meeting, the survey will be released through Diligent Boardbooks with a defined deadline for submission of responses.
- NERC Staff will consolidate the responses into a thematic summary. The Chair of the CGHRC and the Board Chair will lead a discussion of the feedback at the Board's second quarter closed meeting. The Board Chair will also provide a high-level summary of the results at the Board's second quarter open meeting.

Board of Trustees Evaluation (Questionnaire for Trustees and MRC Members)

Overview

NERC appreciates the time you agreed to invest in participating in the annual evaluation of its Board of Trustees. The NERC Board is committed to continuous learning and improvement and takes the results of the evaluation process very seriously.

In an effort to fully understand what is working and what areas need improvement, the evaluation has moved away from numerical ranking and designed to elicit a more substantive narrative, free-form responses. Please be as direct and concise as possible. Please provide your perspective based on what you have been able to observe. It is understood that not all respondents will have the same ability to observe all Board interactions.

Responses will be collected by NERC staff and consolidated into themes, without attribution to the responder. The themes, as well as any particularly relevant quotes (again, without attribution) will be provided to the Board to allow the Board to consider appropriate follow-up actions.

- **Board Engagement** — Please provide your perspective on the level and quality of engagement of the Board as a whole, and the quality of the Board discussions you have observed.

- **Board Oversight Responsibilities** — Please provide your perspective on the extent to which the Board is focused on the most important issues affecting the organization and whether the existing mechanisms, including Board Committee structures, meeting cadence and agenda topics, and existing management reporting tools provide appropriate visibility and information.
- **Board Skills and Structure** — Please provide your perspective on the Trustee selection process and level of diversity of thought and skills represented in the Board, and how well these skills enable the Board to appropriately guide the organization toward its mission.
- **Board Management** — Please provide your perspective on the content of the meeting agendas and agenda packages, the quality of the materials and presentations, and the procedures for running the meetings, as well as the productivity of the meetings themselves.
- **Overall** — Is there one thing that the Board is doing exceptionally well? One thing that requires immediate improvement. In looking at NERC’s strategy and the challenges facing the industry: What advice/suggestions do you have? Please provide any suggestions and other relevant perspectives not covered in the questions above.

Board of Trustees Committee Annual Self-Evaluation Process

The Board Committees’ self-evaluations annually assess and monitor the performance of each Committee. Below is the recommended evaluation process for 2024. This process follows the more qualitative approach to survey questions which began in 2023:

- The Committees self-evaluation process will be reviewed and presented for acceptance at the first quarter Corporate Governance and Human Resource Committee (CGHRC) closed meeting.
- Immediately following the CGHRC closed meeting, the survey will be released through Diligent Boardbooks with a defined deadline for submission of responses.
- As requested, NERC staff will aid Committee Chairs in collecting and consolidating the survey feedback into a thematic summary.
- Committee Chairs will lead a discussion of the feedback in the second quarter closed Committee meetings. The Chairs will then present a high-level summary of the feedback as part of their report to the Board at the Board’s second quarter open meeting.
- Committee Chairs will review their Committee mandates and recommend any revisions consistent with the feedback to be approved by the CGHRC and full Board at the third quarter meetings.

Board of Trustees Committee Annual Self-Evaluation Questions

- Is the organization and structure of the Committee appropriate for effective operation? For example, the number of members, number of meetings, quality and timeliness of materials provided in support of the agenda, and the management of the Committee Chair.
- The purpose of [INSERT COMMITTEE NAME] is [INSERT PURPOSE]. Is the Committee effectively carrying out its purpose as stated above, [include the following if not part of Committee’s purpose “as well as performing such other responsibilities as directed by the Board or the Committee

mandate”]? Include any specific suggestions regarding where the Committee should focus further effort to address its purpose.

- Overall, what is the Committee doing exceptionally well? What suggestions do you have for improvement?
- In looking at NERC’s strategy and the challenges facing the industry: What advice/suggestions do you have so the (INSERT COMMITTEE NAME) can have the biggest impact?
- Is there anything you would particularly like to be involved in?

Annual Conflict of Interest and Independence Report

Action

Review

Background

Pursuant to its Mandate, the Committee is required to:

1. Periodically review the criteria for independence of the Board of Trustees (Board) as set out in the NERC Bylaws and recommend any changes to the Board, as appropriate.
2. Monitor the membership of the Board to determine that (i) Board members are independent; (ii) qualifications under any applicable laws are maintained; and (iii) specific situations of conflict of interest are avoided.

Consistent with past practice, the Legal and Human Resources departments have distributed and reviewed conflict of interest questionnaires for all NERC Trustees, officers, key employees and all other employees. In addition, the Legal department has reviewed the independence criteria for Trustees as set forth in the NERC Bylaws and considered any applicable legal requirements related thereto, including Section 215 of the Federal Power Act.

The Legal and Human Resources departments have advised the Committee that:

1. Based on the completed conflict of interest questionnaires, each NERC Trustee, officer, key employee and employee is in compliance with all applicable conflict of interest and independence requirements.
2. No modifications are necessary to NERC's independence and conflict of interest requirements or policies.
3. NERC's current Board meets all qualifications under applicable laws.

Standards Committee Proposed Charter Amendments

Action

Approve and recommend for Board of Trustees (Board) approval.

Background

Under its mandate, the Corporate Governance and Human Resources Committee has the authority and responsibility to “review, periodically, the charters of each of the standing committees of the Corporation and recommend changes to the Board, as appropriate.”

At its December 13, 2023 meeting, the Standards Committee (SC) endorsed revisions to the SC Charter, which was last approved by the Board on February 10, 2022.

Summary

The revised SC Charter focuses on allowing expanded use of the Standards Committee Executive Committee (SCEC) to keep projects advancing by taking action via an open and transparent process between scheduled meetings of the full SC.

The proposed SC Charter revisions to include the following:

- Expanding the authority of the SCEC to authorize administrative actions (e.g., posting for supplemental drafting team nomination periods and posting for supplemental Standard Authorization Requests (SARs) for projects in active development);
- Expanding the authority of the SCEC to approve procedural actions relating to supplemental or revised SARs postings during the standard drafting phase, as well as the authority to allow shortened informal comment periods for such SARs;
- Clarifying that the Chair and Vice chair are voting members of the SCEC;
- Allowing for the election of up to seven members to the SCEC; and
- Clarifying that all actions of the SCEC must be open to the public, documented in meeting minutes, and reported to the full SC at its next regularly scheduled meeting.

The proposed SC Charter revisions address Recommendation five of the Standards Process Stakeholder Engagement Group in part to improve how the SC facilitates the efficient administration of the standards process.¹ As such, NERC staff supports the proposed changes.

Attachments

- Standards Committee Charter – Clean

¹ Memo to NERC Board of Trustees from the Standards Process Stakeholder Engagement Group, *Recommended Enhancements to the NERC Reliability Standards Development Process and Considerations for Future Work* (Oct. 10, 2022), available here: [Recommendations of the SPSEG for Board of Trustees \(nerc.com\)](https://www.nerc.com/standards-process-stakeholder-engagement-group-recommended-enhancements-to-the-nerc-reliability-standards-development-process-and-considerations-for-future-work).

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Standards Committee Charter

Approved by the Standards Committee

TBD

RELIABILITY | RESILIENCE | SECURITY



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Atlanta, GA 30326
404-446-2560 | www.nerc.com**

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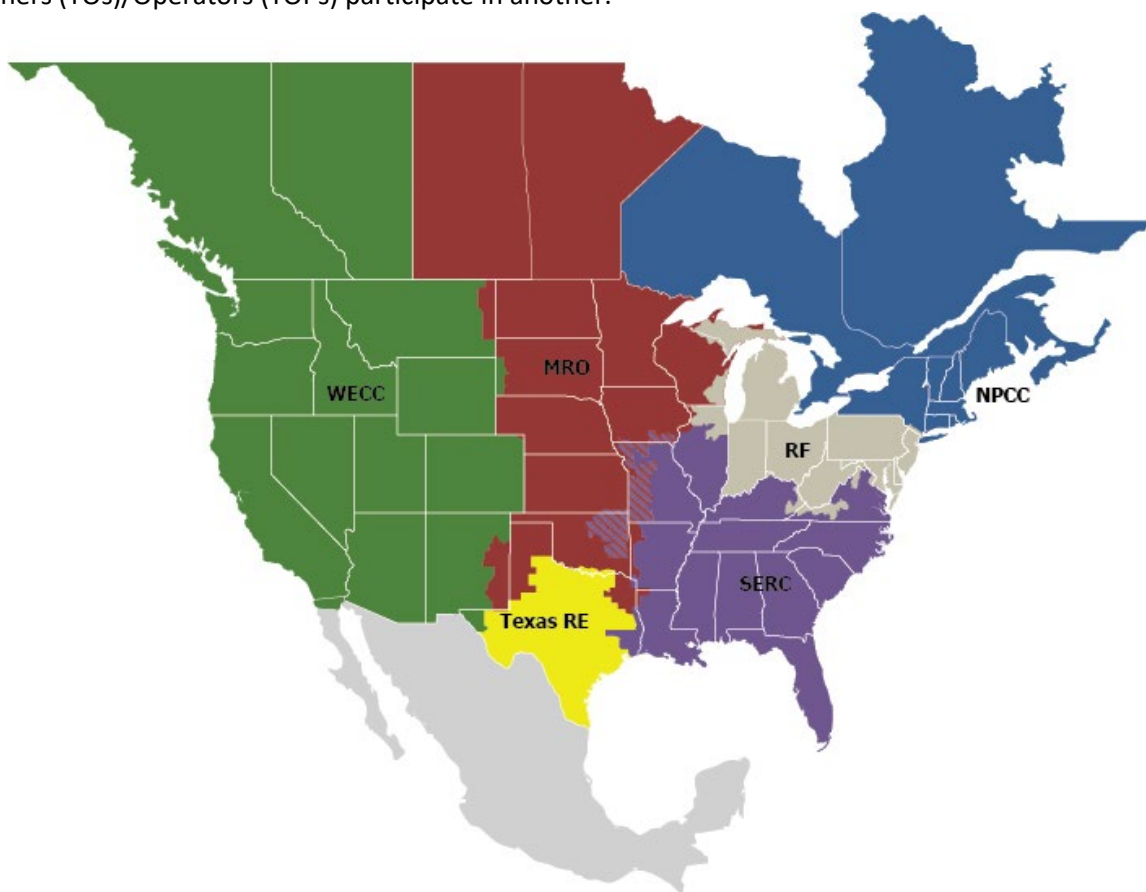
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Preface

Electricity is a key component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of the North American Electric Reliability Corporation (NERC) and the six Regional Entities (REs), is a highly reliable and secure North American bulk power system (BPS). Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.

Reliability | Resilience | Security
Because nearly 400 million citizens in North America are counting on us

The North American BPS is made up of six RE boundaries as shown in the map and corresponding table below. The multicolored area denotes overlap as some load-serving entities participate in one RE while associated Transmission Owners (TOs)/Operators (TOPs) participate in another.



MRO	Midwest Reliability Organization
NPCC	Northeast Power Coordinating Council
RF	ReliabilityFirst
SERC	SERC Reliability Corporation
Texas RE	Texas Reliability Entity
WECC	Western Electricity Coordinating Council

Chapter 1: Purpose

The Standards Committee (the Committee) of the North American Electric Reliability Corporation (NERC), working with NERC Standards Staff, manages and executes the Reliability Standards development process to timely develop and maintain a comprehensive set of results-based Reliability Standards.

Section 306 of the Rules of Procedure establish that “The Standards Committee shall provide oversight of the Reliability Standards development process to ensure stakeholder interests are fairly represented. The Standards Committee shall not under any circumstance change the substance of a draft or approved Reliability Standard.”

The Committee is responsible for ensuring that the Reliability Standards, definitions, Variances and Interpretations developed by drafting teams are developed in accordance with the processes in the Standard Processes Manual, Appendix 3A of the NERC Rules of Procedure to support NERC’s benchmarks for Reliability Standards as well as criteria for governmental approval.

The Standards Committee, as a process oversight committee, does not base its process decisions on the technical content of Reliability Standards or Standards Authorization Requests.

Chapter 2: Reporting

The Committee reports and is accountable to the NERC Board of Trustees. The Committee members have the responsibility to keep the industry segments they represent informed regarding Reliability Standards matters. The NERC Board of Trustees shall approve amendments to this Charter pursuant to Section 1300 of the NERC Rules of Procedure.

Chapter 3: Overview and Functions

The Committee manages the NERC process to develop and maintain a comprehensive set of results-based Reliability Standards. Specifically, working together with NERC Standards Staff, the Committee has the following duties:

- Develop a long-term (multi-year) strategic vision describing the goals and direction for Reliability Standards development consistent with NERC's strategic and business plans.
- Coordinate with the Reliability Issues Steering Committee (RISC) to develop a Reliability Standards Development Plan (RSDP) prioritizing and aggressively pursuing work related to the purpose of the Committee.
- Assist to develop the RSDP, inclusive of preparing the initial posting for stakeholder comment.
- Establish and facilitate informal and formal collaborative, consensus building processes with stakeholder groups and NERC committees.
- Establish quality assurance and quality control processes to develop or modify Reliability Standards and applicable associated documents to align with the criteria established in the Standards Process Manual.
- Appoint, monitor and direct teams for work related to the Standards Process Manual (inclusive of, but not limited to, standard drafting teams) generally consisting of subject matter experts, a facilitator, a technical writer and compliance, legal and regulatory experts suitably equipped to address the desired reliability objectives.
- Receive and respond to decisions of appeals panels in accordance with the Reliability Standards process.
- Develop, maintain and implement a Standard Processes Manual ensuring the integrity of Reliability Standards development in a fair, balanced, open, and inclusive manner.
- Facilitate communication with regard to NERC Standards department and Standards Committee work, such as Reliability Standards under development and Standards Committee guiding documents.
- May consult with another NERC Committee for input to technical justification or alternate approaches to issues raised in a SAR.

Chapter 4: Membership

Segment Representation

The Committee membership consists of two members elected from each industry segment in accordance with Appendix 3B (*Procedures for Election of Members of the Standards Committee*) to the NERC Rules of Procedure. Each industry segment may establish its own rules for electing and replacing its SC representatives consistent with the following requirements:

Membership Requirements

No two persons employed by the same corporation or organization or an affiliate may serve concurrently as Committee members.

- Any Committee member with such a membership conflict shall notify the Committee secretary who will inform the Committee chair.
- Members impacted by a conflict, such as through a merger of organizations, may confer between themselves to determine which member should resign from the Committee and notify the Committee secretary and chair. If the impacted members do not resolve the conflict in a timely manner, the Committee chair shall notify all members of the affected industry segments of the need to resolve the conflict. If the membership conflict remains unresolved, the Committee chair shall take the conflict to the NERC Board of Trustees for resolution.
- Any Committee member aware of an unresolved membership issue shall notify the Committee chair.

Resignation from the Committee

Any member of the Committee who resigns from the Committee shall submit a written resignation to the Committee secretary and Committee chair.

- The Committee secretary shall facilitate election of a replacement member from the applicable industry segment to serve the remainder of the resigned member's term.
- If any member of the Committee fails to attend or send a proxy for more than two consecutive regularly scheduled meetings or conference calls, or more than two e-mail ballots between regularly-scheduled meetings, the Committee chair shall send a written notice to that member requesting the member either: (i) resign; or (ii) provide an explanation of the member's absences. If the member does not provide a written response within 30 calendar days of the date of the written notice, lack of response shall be deemed a resignation

Committee Member Change of Employment

- Any Committee member who leaves one organization and is subsequently employed by another organization in the same industry segment may retain the membership position.
- If a Committee member changes employment to an organization in a different industry segment, that Committee member shall resign from the Committee no later than the date of the employment change. The resignation letter shall be addressed to the Committee chair who will provide the letter to the Committee secretary and request an election to fill the vacant position. In the absence of a formal resignation, the Committee member will be deemed to have resigned as of the date the Committee chair or secretary becomes aware of the employment change.

Membership Terms

Committee members shall serve a term of two years without limitation to the number of terms the members may

serve, with members' terms staggered so half of the members (one per segment) is elected each year by industry segment election. Membership terms start on January 1 of each year.

Vacancies Caused by Election of Officers

The vacancies in the industry segments and/or Canada representation created by selection of the chair and vice chair shall be filled at the next annual election of Committee representatives. When a representative is elected to serve as the chair or vice chair during the second year of a two year term, the representative elected to fill the vacancy shall serve a one year term.

NERC Director of Standards or Designee

Acts as a non-voting Committee member to represent NERC's position on agenda items with the assistance of NERC Standards Staff.

Chapter 5: Officers

Selection

Prior to the annual election of Committee representatives in odd numbered years, the Committee members shall select a chair and vice chair from among their membership by majority vote. The chair and vice chair cannot represent the same industry segment. Approximately 150 calendar days prior to the end of each term, a nominating committee shall solicit nominations for chair and vice chair. The nominating committee shall consult with the NERC Board of Trustees' SC liaison on the nominations received.

No less than ten calendar days before the election date, the nominating committee shall provide to the Committee members the qualifications of the chair and vice chair nominees. At the time of the election, the Committee can accept nominations from the floor. Following the election, the successful candidates shall be presented to the NERC Board of Trustees for approval. The chair and vice chair, upon assuming such positions, shall cease to act as representatives of the industry segments that elected them and thereafter be responsible for acting in the best interests of the Committee as a whole.

Terms

The term of office for the Committee chair and vice chair is two years without limit on the number of terms an officer may serve. A member of NERC staff serves as the Committee's non-voting secretary.

Voting

The Committee chair and vice chair are non-voting Committee members.

Duties of the Chair

In addition to the duties, rights and privileges discussed elsewhere in this document, the Committee chair:

- Presides over and provides general supervision of Committee and Executive Committee activities and meetings.
- Presides over all Committee meetings, including the nature and length of discussion, recognition of speakers, motions and voting.
- In concert with NERC Staff, schedules Committee meetings.
- Reviews all substitute or proxy representatives.
- Acts as Committee spokesperson at forums within and outside of NERC.
- Reports Committee activities to the NERC Board of Trustees and attends Board of Trustees meetings.
- Reports all views and objections when reporting on items brought to the Committee.
- Performs other duties as directed by the NERC Board of Trustees.
- Participates as a member of the Standing Committees Coordinating Group (SCCG).

Duties of the Vice Chair

The Committee vice chair acts as the Committee chair if requested by the chair (for brief periods of time) or if the chair is absent or unable to perform the chair's duties. If the chair resigns prior to the next scheduled election, the vice chair shall act as the chair until the Committee selects a new chair. The vice chair:

- Assists the Committee chair in managing Committee meetings, including the nature and length of discussion, recognition of speakers, motions, and voting.

- Attends meetings of the NERC Board of Trustees in the chair's absence.
- Participates as a member of the SCCG.

Duties of the Secretary

A member of NERC staff shall serve under the direction of the Committee officers as a non-voting secretary and has the responsibility to:

- Conduct the day-to-day operation and business of the Committee.
- Prepare, distribute and post notices of Committee meetings, record meeting proceedings, and prepare, distribute and post meeting minutes.
- Maintain a record of all Committee proceedings, including attendance, responses, voting records, and correspondence.
- Maintain Committee membership records.
- Offer newly elected Committee members onboarding training, in partnership with the Committee Chair and Vice Chair.

Chapter 6: Voting Members' Expectations and Responsibilities

Voting members manage the NERC process to develop and maintain a comprehensive set of results-based Reliability Standards. Voting members have the following expectation and responsibilities:

- Contribute to the Committee's work and success by, among other things, executing the Committee Strategic Work Plan.
- Have familiarity with the Standard Processes Manual and ensure all actions adhere to the processes within.
- Serve as subject matter expert representatives of their industry segments and represent their industry segments.
- Be knowledgeable of NERC Reliability Standards development activities.
- Express opinions on behalf of their segments.
- Respond promptly to all Committee requests for attendance, reviews, comments and voting.
- Assist with outreach on the Reliability Standards development process.
- When unable to attend a Committee meeting notify the secretary and identify a proxy as described under Section 9. Meetings, sub section 9. Proxies, infra. The member shall instruct the proxy on the role and responsibilities.
- Duty of Care: Use due care and are diligent with respect to managing and administering the affairs of NERC and the Committee. This duty of care is generally thought to have two components: (i) the time and attention devoted to NERC's mission, and (ii) the skill and judgment reflected in the Committee's decisions.
- Duty of Loyalty: The duty of loyalty requires the members to faithfully promote the mission of NERC and the Committee, rather than their own or their entities' interests. This duty includes compliance with NERC's policies on conflicts of interest.
- Duty to Adhere to High Ethical Standards: The duty to adhere to applicable law and high ethical standards requires Committee members to devote themselves to ensuring they further NERC's stated objectives in compliance with legal requirements and high ethical standard

Chapter 7: Executive Committee

The Committee shall have an Executive Committee (SCEC) consisting of no less than five or up to seven members as follows:

- Chair;
- Vice Chair;
- Three to Five segment members as elected by the Committee.

The segment members cannot represent the same industry segments the Committee officers previously represented, nor can any two of the segment members be from the same segment.

Each member of the SCEC is a voting member, including the Chair and Vice Chair.

The Executive Committee will be elected annually at the January Committee meeting. In the event of an SCEC vacancy before conclusion of the term, an election will be announced at the next regularly scheduled Committee meeting to be conducted at the following Committee meeting.

The Executive Committee is authorized by the Committee to act on its behalf between regular meetings on matters where urgent actions are crucial and full Committee discussions are not practical. Each meeting of the SCEC acting on the Committee's behalf shall be open to all interested parties, subject to any preregistration requirements, and publicly noticed. The Committee shall be notified of such urgent actions taken by the SCEC within a week of such actions. These actions shall also be included in the minutes of the next open meeting.

Ultimate Committee responsibility resides with its full membership whose decisions cannot be overturned by the SCEC. The Committee retains the authority to ratify, modify, or annul SCEC actions.

Additionally, the Executive Committee shall have the authority to:

- Work with NERC Standards Staff to set agendas for Committee meetings.
- Act on the Committee's behalf to authorize solicitation of drafting team members, postings of SARs, Reliability Standards, and other Standards-related documents for both new and currently active standards development projects.
- Act on the Committee's behalf to authorize Section 16.0 Waivers to shorten usual process timelines.
- Provide advice and guidance to subcommittee chairs, as needed.
- Take any actions delegated by the full Committee.

Chapter 8: Subordinate Groups

The SC organizational structure will be aligned as described by the NERC Bylaws to support a superior-subordinate hierarchy.

The SC may establish subcommittees, working groups, and task forces as necessary. The SC will be the responsible sponsor of all subordinate subcommittees, working groups, or task forces that it creates, or that its subordinate subcommittees and working groups may establish.

Officers of subordinate groups will be appointed by the chair of the SC.

Subcommittees, working groups, and taskforces will conduct business in a manner consistent with all applicable sections of this Charter.

Subcommittees

The SC may establish subcommittees to which the SC may delegate some of SC's functions. The SC will approve the scope of each subcommittee it forms. The SC chair will appoint the subcommittee officers (typically a chair and a vice chair) for a specific term (generally two years). The subcommittee officers may be reappointed for an indefinite number of additional terms. The subcommittee will work within its assigned scope and be accountable for the responsibilities assigned to it by the committee. The formation of a subcommittee, due to the permanency of the subcommittee, will be approved by the NERC Board.

Working Groups

The SC may delegate specific continuing functions to a working group. The SC will approve the scope of each working group that it forms. The SC chair will appoint the working group officers (typically a chair and a vice chair) for a specific term (generally two years). The SC will conduct a "sunset" review of each working group every year. The working group will be accountable for the responsibilities assigned to it by the SC or subcommittee and will, at all times, work within its assigned scope. The SC should consider promoting to a subcommittee any working group that is required to work longer than one term.

Task Forces

The SC may assign specific work to a task force. The SC will approve the scope of each task force it forms. The SC chair will appoint the task force officers (typically a chair and a vice chair). Each task force will have a finite duration, normally less than one year. The SC will review the task force scope at the end of the expected duration and at each subsequent meeting of the SC until the task force is retired. Action of the SC is required to continue the task force past its defined duration. The SC should consider promoting to a working group any task force that is required to work longer than one year.

Chapter 9: Meetings

Open Meetings

Committee meetings shall be open to all interested parties, subject to any preregistration meeting requirements included in the meeting announcement. Meeting notices shall describe the meeting's purpose and identify a readily available source for further information about the meeting. Only voting members may act on items before the Committee. The Committee secretary shall post meeting notices and agendas on the NERC website contemporaneously with distribution to Committee members. The Committee secretary shall publicly post final minutes of Committee meetings on the NERC website within five business days of Committee approval.

General Requirements

The Committee shall hold meetings as needed and may use conference calls or e-mail to conduct its business.

Notice

The Committee secretary shall announce regularly scheduled meetings with a written notice (letter, facsimile, or e-mail) to all Committee members not less than ten nor more than sixty calendar days prior to the meeting date.

Agenda

The secretary shall provide an agenda with a written notice (letter, facsimile, or e-mail) for Committee meetings no less than five business days before a proposed meeting.

- The agenda shall include, as necessary, background material for agenda items requiring a decision or vote. The secretary shall post the agenda on the NERC website the same day it is distributed to Committee members.
- Items not in the agenda that require a vote cannot be added at a meeting without the unanimous consent of the members present. If such a matter arises, it may also be deferred to the next meeting to allow Committee members to consult with their industry segments.

Parliamentary Procedures

In the absence of specific provisions in this Charter, the Committee shall conduct its meetings guided by the most recent edition of *Robert's Rules of Order, Newly Revised*.

Quorum

A quorum requires two-thirds of the Committee voting members.

Voting

Voting may take place during regularly scheduled meetings or through electronic means.

- All Committee actions shall be approved upon receipt of the affirmative vote of a majority of the members present and voting at a meeting with a quorum present, with the exception of revisions to the Standard Processes Manual and the Committee Charter which can be approved only upon receipt of the affirmative vote of two-thirds of the members present and voting at a meeting with a quorum present.
- Each individual member's vote for each action taken shall be included in the minutes of each meeting, unless the vote is unanimous with no abstentions.

Actions without a Meeting

The Committee may act by mail or e-mail ballot without a regularly scheduled meeting. A majority of the members participating in the voting is required to approve any action. A quorum for actions without a meeting is two-thirds of

Committee members. The Committee chair or four members (each from a different industry segment) may initiate the request for an action without a meeting. The secretary shall post a notice on the NERC website and provide Committee members a written notice (letter, facsimile, or e-mail) of the subject matter for action not less than three business days prior to the date on which the vote is to be counted. The secretary shall both distribute a written notice to the Committee (letter, facsimile, or e-mail) of the results of such action within five business days following the vote and post the results on the NERC website. The secretary shall keep a record of all responses (e-mails, facsimiles, etc.) from the Committee members with the Committee minutes.

Waivers

From time to time it may be necessary to develop a new or modified Reliability Standard, definition, Variance, Interpretation, or implementation plan under specific time constraints (such as to meet a time constrained regulatory directive) or to meet an urgent reliability issue such that there isn't sufficient time to follow all the steps in the normal Reliability Standards development process. The Standards Committee may waive any of the provisions contained in the Standard Processes Manual for good cause shown, but limited to the circumstances established in Section 16.0 of the Manual. A waiver request may be submitted to the Committee by any entity or individual. Prior to consideration of any waiver request, the Standards Committee must provide five business days' notice to stakeholders. This provision shall not be used to modify the requirements for achieving quorum or the voting requirements for approval of a standard.

Proxies

A Committee member may designate a proxy. Proxies may attend and vote at Committee meetings provided the absent Committee member notifies in writing (letter, facsimile, or e-mail) the Committee chair, vice chair or secretary along with the reason(s) for the proxy. The member shall name the proxy representative and affiliation in the correspondence. No Committee member can serve as a proxy for another Committee member. The proxy must adhere to the Voting Members' Expectations and Responsibilities as described in Section 6, above.

Reliability and Security Technical Committee Charter Proposed Amendments

Action

Approve and recommend for Board of Trustees (Board) approval.

[RSTC Charter](#)

Background

Under its mandate, the Corporate Governance and Human Resources Committee has the authority and responsibility to “review, periodically, the charters of each of the standing committees of the Corporation and recommend changes to the Board, as appropriate.”

In November 2019, the Board approved the creation of the Reliability and Security Technical Committee (RSTC). The purpose of this committee is to replace the former Operating, Planning, and Critical Infrastructure Protection committees to improve efficiency and effectiveness. The initial RSTC Charter was also approved by the Board at this time.

In September 2021, the RSTC approved initial revisions to the Charter, which were then approved by the Board in November 2021. Every two years, the RSTC reviews the Charter to determine whether any revisions are appropriate. During the latest review, certain administrative and clarifying improvements were identified that could further support the efficient operation of the RSTC.

In September 2023, NERC staff requested comments on the draft revised Charter. Comments proposing further administrative refinements were provided through October 20, 2023, and were incorporated into the final [Charter](#) document.

Summary

The posted version of the Charter reflects administrative improvements and clarifications based on lessons learned over the past two years. In particular, these revisions reflect the following:

- Section 2 (RSTC Functions)
 - Reference to the RSTC’s efforts to prioritize work streams and reflects the RSTC’s plan to present annual updates to the Strategic Plan at the Board’s February Meeting.
- Section 3 (Membership)
 - The outgoing Chair may remain a non-voting member of the RSTC for one year to support continuity (unless that individual is elected to represent a sector, in which case the relevant term for sector representation would apply).
 - For purposes of the Nominating Subcommittee (NS), the RSTC vice-chair shall recuse him/herself: (a) unless not seeking reelection; or (b) until the NS has voted to recommend the vice-chair for election to the chair position.
 - Clarifies member terms in light of the RSTC’s transition from the prior Committee structure.

- Clarifies that a change in employment does not automatically require a member's resignation and will be evaluated on a case-by-case basis.
- Clarifies the process for selection of non-voting members with the assistance of the RSTC secretary in coordination with relevant Governmental Authorities and clarifies the two-year term for non-voting members.
- Section 5 (Officers and Executive Committee)
 - The Chair and Vice -Chair shall evaluate the composition of the Executive Committee within six months of election.
 - The two-year term for serving as Chair and Vice- Chair.
- Section 6 (Subordinate Groups)
 - Clarifies that subordinate groups shall seek officers from NERC membership sectors 1 through 12 to support sufficient expertise and diversity.
 - References the NERC Antitrust Guidelines and Participant Conduct Policy.
 - Fine tunes language associated with review as to whether a Working Group or Task Force should be transitioned to a Subcommittee or Working Group respectively.
- Section 8 (RSTC Deliverables and Approval Processes)
 - Clarifies expectations around RSTC deliverables (including Whitepapers and Standard Authorization Requests) to reflect the expectations posted on the RSTC webpage.

The Charter revisions were approved by the RSTC during the December 2023 meeting. NERC Staff is presenting the Charter to the Corporate Governance and Human Resources to request approval and recommendation to the Board for approval at its February 15, 2024 meeting.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Proposed RSTC Charter Amendments

Candice Castaneda, Senior Counsel
Corporate Governance and Human Resources Committee Meeting
February 14, 2024

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- Original RSTC Charter approved November 2019
- Initial amendments November 2021
- Latest amendments were approved by the RSTC at its December 2023 meeting
 - Amendments refer to administrative and clarifying improvements aimed at facilitating the Committee's efficient operation
 - Presented to the RSTC in September 2023 for comment through October 20, 2023
- The RSTC seeks the Corporate Governance and Human Resources approval of the proposed amendments and recommendation to the Board of Trustees for approval at their February 15, 2024 meeting

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Questions and Answers

People and Culture

Action

Update

Background

This background document provides an update on the evolution of NERC's total rewards package to help attract, engage, and retain top talent at a pivotal stage in the electricity industry.

Summary

NERC is continuing to execute against its long-term strategic people and culture plan with a focus on total rewards. In the traditional sense, core rewards such as cash compensation, medical and dental benefits, retirement planning, career opportunities and paid time off were expected as part of a total rewards package.

Over the past decade, organizations have looked to add benefits that are differentiators in the market to attract, engage, and retain top talent. Not only do adding benefits like this align with NERC's culture, but it is also necessary in the midst of our industry's increasingly complex risk environment.

NERC has taken a data and people driven approach to evolve its total rewards package, with an emphasis on key differentiators to NERC's unique culture:

- Developmental Opportunities
- Hybrid work
- Diversity, Equity and Inclusion
- Mental Health resources and support

As part of NERC's 2024 work plan priorities, the people and culture team will establish a succession planning framework to expand on developmental and career opportunities at NERC. Investing in NERC's people and culture will continue to support our efforts to address the complexities we face as an industry.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

People and Culture Update

Liz Saunders, Vice President, People and Culture
Corporate Governance and Human Resources Committee Meeting
February 14, 2024

RELIABILITY | RESILIENCE | SECURITY



**2024 WPP
in Action**



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Questions and Answers