

Agenda

Corporate Governance and Human Resources Committee

May 10, 2023 | 11:15 a.m.-12:15 p.m. Eastern
Hybrid Meeting

In-Person (*Board, MRC, NERC Staff ONLY*)

NERC DC Office
1401 H Street NW, Suite 410
Washington, DC 20005

Virtual Attendees

Webinar Link: [Join Meeting](#)
Password: AttendeesMay2023 (28836333 from phones and video systems)

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines*

Agenda Items

1. **Minutes* — Approve**
 - a. February 15, 2023 Meeting
2. **Board of Trustees 2022 Evaluation Results* — Review**
3. **People and Culture* — Update**
4. **Other Matters and Adjournment**

*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.

Draft Minutes

Agenda Item 1a

Corporate Governance and Human Resources Committee Meeting

February 15, 2023 | 11:00 a.m.-11:45 a.m. Mountain

JW Marriott Tucson
3800 W Starr Pass Blvd.
Tucson, AZ 85745

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 February 15, 2023, at approximately 11:15 a.m. Mountain, and a quorum was declared present.

Present at the meeting were:

Committee Members

Suzanne Keenan, Chair
Robert G. Clarke
George S. Hawkins
Larry Irving
Robin E. Manning
Roy Thilly
Kenneth W. DeFontes, Jr., *ex officio*

Board Members

Jane Allen
Susan Kelly
Jim Piro
Colleen Sidford

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and CEO of the E-ISAC
Howard Gugel, Vice President, Engineering and Standards
Kelly Hanson, Senior Vice President and Chief Administrative Officer
Stan Hoptroff, Vice President, Business Technology
Mark Lauby, Senior Vice President and Chief Engineer
Sonia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Kimberly Mielcarek, Vice President, Communications
Lauren Perotti, Senior Counsel
Bryan Preston, Vice President, People and Culture
Andy Sharp, Vice President and Chief Financial Officer

NERC Antitrust Compliance Guidelines

Ms. Keenan directed the participants’ attention to the NERC Antitrust Compliance Guidelines included in the advance agenda package.

Chair's Remarks

Ms. Keenan welcomed participants to the meeting. She reported that the Committee met in closed session on January 18, 2023 to review NERC's performance and review executive compensation, discuss draft 2023 CEO goals, and discuss succession planning. The Committee also met in closed session on February 14, 2023 to review CEO goals, discuss the new enhanced process for Board and Board Committee assessments, and receive information on NERC's employee total rewards package. Ms. Keenan noted that the Trustees also aligned on key objectives for NERC, including building on standards process enhancements and ensuring critical issues are being addressed.

Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the November 7, 2022, meeting as presented at the meeting.

Annual Review of Committee Mandate

Ms. Mendonça reviewed the Committee mandate and noted that management is not recommending any revisions for approval at this meeting. Ms. Mendonça reported that the Committee will be asked to approve minor changes to several of the Committee mandates by written consent before the next meeting.

Revisions to Board's and Board Committees' Annual Evaluations

Ms. Keenan presented the proposed Board Committee and Board of Trustees annual evaluations questionnaires, which were revised to incorporate feedback from the Fall 2022 Board retreat to call for more open-ended responses. She highlighted that, as part of the new process, the Committee chairs will interview their members to identify successes and areas for improvement. Mr. DeFontes urged those receiving the evaluations questionnaires to respond and to be candid in their feedback. Upon motion duly made and seconded, the Committee approved the revised evaluations questionnaires.

NERC Governance Guidelines

Ms. Mendonça reviewed the NERC Governance Guidelines, noting that management is not recommending any changes at this time.

Annual Conflict of Interest Report

Ms. Mendonça reviewed the annual conflict of interest report, referring to the materials in the advance agenda package.

People and Culture

Mr. Preston provided the people and culture update, discussing broader trends in the workforce and how NERC has responded to ensure it can continue to attract, retain, and engage top talent. He introduced Ms. Jenkins-Johnston to discuss NERC's Employee Resource Groups (ERG), which NERC founded to advance NERC's focus on diversity and inclusivity. Ms. Jenkins-Johnston provided an overview of the four ERGs, including groups focused on Women, Black and African American Employees, Caregivers, and Mental Health. As co-chair of the Elevate Women ERG, she highlighted the individual and joint activities of that ERG, successes and lessons learned from 2022, and plans for continued engagement and programming in 2023. Ms. Keenan remarked on high employee satisfaction and engagement in the ERGs.

Adjournment

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

Submitted by,



Sônia Mendonça
Corporate Secretary

Review of Board of Trustees Annual Evaluation Results

Action

Review

Background

The Board self-evaluation and MRC effectiveness survey of the Board annually assesses and monitors the performance and effectiveness of the Board. Below is the evaluation process that commenced in 2023:

- The Board self-evaluation and MRC effectiveness survey of the Board questions as revised, were presented for acceptance at the 1st quarter CGHRC closed meeting.
- Immediately following the CGHRC closed meeting, the survey was released through Diligent Boardbooks with a defined deadline for submission of responses.
- NERC Staff consolidated 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 2nd quarter closed meeting. The Board Chair will also provide a high level summary of the results at the Board's 2nd quarter open meeting.

Summary

In an effort to fully understand what is working and what areas need improvement, the evaluation moved away from numerical ranking and was designed to elicit more substantive narrative, free-form responses.

The Board of Trustees Annual Self-Evaluation examined the following questions:

- **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.

The Corporate Governance and Human Resources Committee will review the Board of Trustees self-evaluation results and determine any items for focus or action.

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Results of Board of Trustees 2022 Annual Evaluation

Corporate Governance and Human Resources Committee
Open Meeting
May 10, 2023

RELIABILITY | RESILIENCE | SECURITY



- Board and MRC members show commitment to the evaluation process through a high response rate and thoughtful comments.
 - Trustee participation: 100%
 - MRC participation: 72%

- Increase engagement opportunities with primary stakeholders, new emerging stakeholders, and federal/provincial and state regulators and government.
- Focus on the emerging and changing reliability landscape to the grid by prioritizing risks, streamlining processes and increasing timeliness of activities.
- Evaluate Board of Trustees candidates for skillsets needed to address the ongoing changes in the industry.
- More robust discussions on critical issues at meetings.

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MRC Themes

- Board members are approachable, engaged, and focused on the important issues.
- Good engagement, particularly with NERC and ERO Enterprise Staff.
- Tucson dinner and new format with longer breaks praised as a great opportunity for greater engagement with industry.
- Open meetings may appear to be “scripted” due to lack of controversy.
- Increased transparency on how industry input is used would be beneficial.

Board Themes

- Board members are actively engaged, board diversity brings different perspectives.
- Appropriate focus and more time spent on strategic issues.
- Potential for straying into management’s lane, given complexity of the issues.
- 3 year plan and strategic sessions were very valuable.
- Trustees are prepared and not shy about expressing opinions.

MRC Themes

Board oversight is good and focused on important reliability issues.

Continued focus on the prioritization of risks to the BES to include focusing on all the core drivers of the resource adequacy and fuel deliverability. Continued focus on streamlining processes and increasing the timeliness of activities (i.e., standards process) to address the threats in a much timelier fashion.

Consider providing a virtual option for all Board meetings.

Board Themes

The Board is focused on and committed to the key issues.

Consider focus to the current ERO structure, is its mandate appropriate to address the emerging and changing reliability issues to the grid.

Continue to evaluate and determine gaps in Board oversight/line-of-sight in areas of importance (ex., standards development and CMEP).

MRC Themes

The Board has good depth of skills, experiences, and diversity of backgrounds.

Refocus on ensuring representation from the electric industry, this is critical for fulfilling regulatory requirements and for overseeing the dramatic transformation that is occurring in the industry.

Increase transparency of the Board selection process.

Board Themes

The Board has a great diverse set of skills, knowledge and experiences.

Continue evaluating the Board's structure and type of candidates considered to ensure the appropriate skillsets to keep pace with the changes in the industry.

MRC Themes

Meetings are well run; meeting materials and presentations are focused on relevant and important topics and provide valuable information.

More robust discussions on the critical issues facing the industry should be occurring during the course of quarterly meetings – not so procedural.

Consider the value of the policy input letters (topics seem to overlap frequently this last year) or consider alternate methods of deciding on topics and framing of questions.

Board Themes

The changes to the meeting structure focusing agendas on more strategic issues is working very well to include the implementation of the Technical Session and removing the informational technical content from the Board agendas.

Continue focus on reducing the duplication of information between Committee and Board meetings. Ensure materials are not too in the weeds and provide appropriate context and suggested responsive actions.

MRC Themes

The Board is focused on prioritization of emerging issues.

The implementation of the increased engagement opportunities at the Board meetings was excellent and the Board should continue these opportunities.

More robust discussions/debate on the critical issues facing the industry should be occurring during the course of quarterly meetings – less scripted discussions.

The Board should continue engagement with policy makers to address challenges outside its scope (natural gas).

Board Themes

The Board is operating effectively and meeting the requirements of its role.

Continued focus on improving interaction with all our primary stakeholders and the various levels of government with which we engage on priority issues to ensure solutions are moved forward in a timely manner.

Continue working on strategic issues and alignment of goals and resources.



Questions and Answers

People and Culture Update

Action

Update

Background

This background document provides an update on one way NERC is addressing the overall challenges to its leadership development.

People and Culture Update

The pandemic has posed many difficulties for NERC and its leadership team. In the face of these difficulties, NERC has implemented an integrated approach to its leadership development. The genesis of the development approach began with an employee engagement survey early after the onset of the Covid Pandemic. This survey identified career development as a key area of focus for the leadership team.

Executive interviews were conducted with the intent to determine leadership competencies that would help drive NERC to both accomplish its mission and differentiate itself as an employer. The five leadership competencies that NERC identified are:

- Decide with Speed and Conviction
- Engage for Impact
- Adapt Proactively
- Deliver Reliably
- Thinking Strategically and Building Capabilities

The leadership development training is delivered in a combination of different learning approaches (individual, paired, group learning), is executive sponsored, co-facilitated by the participants, and uses Microsoft Teams technology to address the challenges posed by a hybrid workforce.

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People and Culture Update

Bryan Preston, VP, People and Culture
Corporate Governance and Human Resources Committee Open Meeting
May 10, 2023

RELIABILITY | RESILIENCE | SECURITY

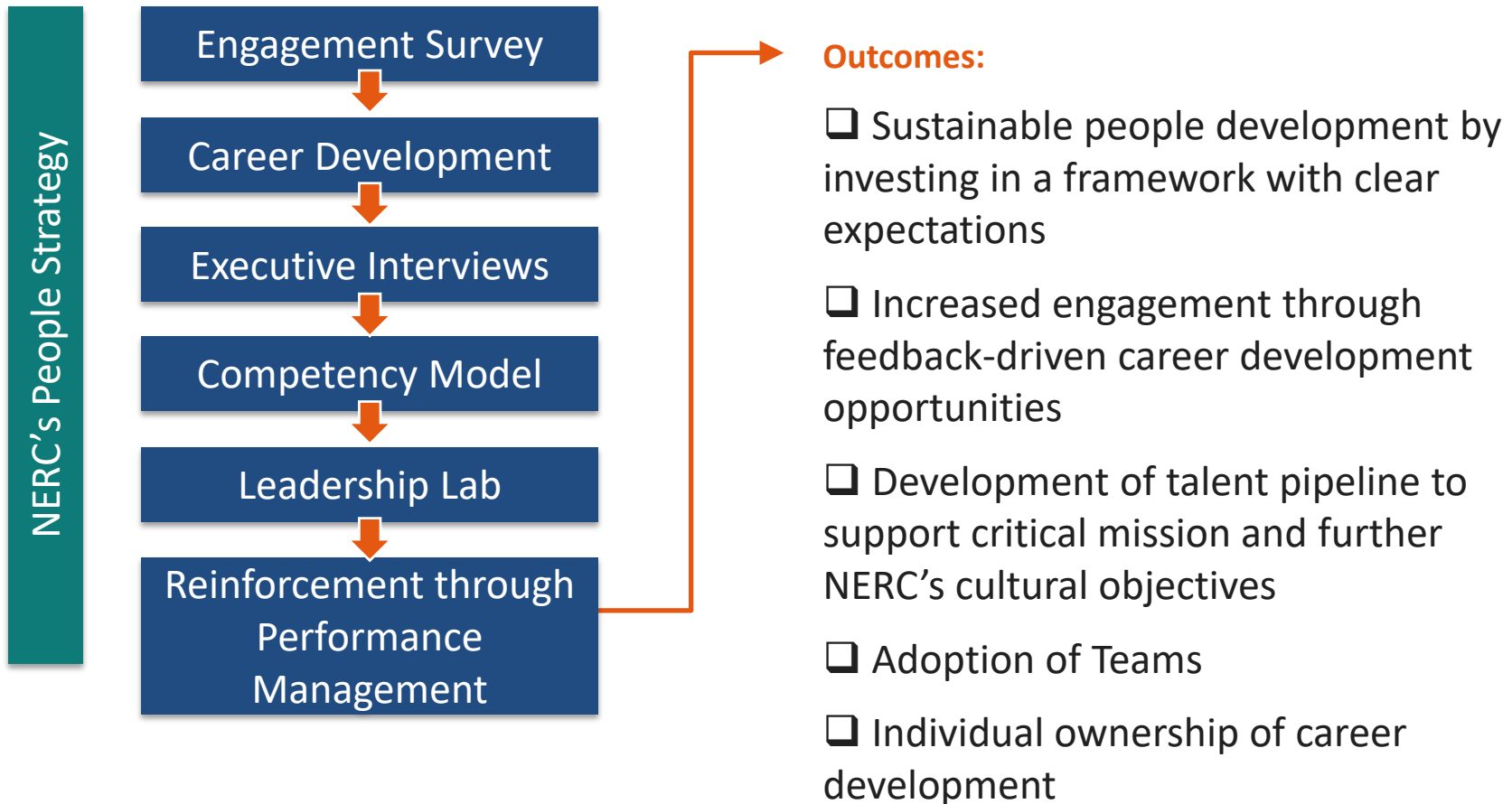




W36	Mon 29	Tue 30	Wed 31	Thu 1	Fri 2
all-day					
7 AM		8:30 AM Morning Yoga		8:30 AM Morning Yoga	
8 AM	7:30 AM Drop Off Car for Oil Chan...				
9 AM	9 AM Staff Meeting	9:30 AM Email and Client Work	8:30 AM Dentist Appointment	8:30 AM Email and Client Work	8:30 AM Email and Client Work
10 AM	10 AM Email and Client Work	10 AM Client Meeting	9:30 AM Email and Client Work		10 AM Client Meeting
11 AM	11 AM Client Meeting	11 AM Client Meeting	11 AM Client Meeting	11 AM Continue Project Work	11 AM Project Team Meeting
12:30 PM	Quick Lunch Break	12:30 PM Networking Lunch	12 PM Continue Project Work	12 PM Lunch With Student Mentee	12 PM Lunch
1 PM	12:30 PM Client Meeting		Quick Lunch Break		1 PM Continue Project Work
2 PM	1:30 PM Continue Project Work	2 PM Project Team Meeting		2 PM Client Meeting	
3 PM		3 PM Continue Project Work	2:30 PM Conference Call	3 PM Client Meeting	
4 PM	4 PM Walking Break		4:30 PM Make Tomorrow To-Do List	4:30 PM Make Tomorrow To-Do List	3:30 PM Tie Up Weekly Loose Ends
5 PM	5 PM Make Tomorrow To-Do List	5:30 PM Drinks With Bill		6 PM Dinner at Mom's	6 PM Film Screening in the Park
7 PM	7 PM Coding Workshop		7 PM Weekly Volunteering	7:30 PM Industry Meetup	
8 PM			8 PM Watch Suite		
9 PM					
10 PM					

The current work environment presents many challenges for development





Components

- ❑ Competency Based
- ❑ Establish competency proficiency levels
- ❑ Individual & group reflection
- ❑ Deliberate practice to build habits over time
- ❑ Peer accountability
- ❑ Executive Sponsorship & Participation
- ❑ LinkedIn Learning courses embedded into program





Questions and Answers