

Minutes

Compliance Committee Meeting

February 9, 2022 | 12:30-1:30 p.m. Eastern

Virtual Meeting

Mr. Robin E. Manning, Chair, called to order the duly noticed meeting of the Compliance Committee (CC or Committee) of the Board of Trustees (Board) of the North American Electric Reliability Corporation (NERC) on February 9, 2022, at approximately 12:30 p.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

Robin E. Manning, Chair

Jane Allen

Kenneth W. DeFontes, Jr., ex officio

George S. Hawkins

Susan Kelly

Roy Thilly

Board of Trustees Members

Robert G. Clarke

Suzanne Keenan

Jim Piro

James B. Robb, President and Chief Executive Officer

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, Chief Administrative Officer

Stan Hoptroff, Vice President, Business Technology

Mark Lauby, Senior Vice President and Chief Engineer

James McGrane, Senior Counsel

Sônia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary

Bryan Preston, Vice President, People and Culture, Executives

Steven Noess, Director, Regulatory Programs

Janet Sena, Senior Vice President, External Affairs

Andy Sharp, Vice President and Chief Financial Officer

Teri Stasko, Assistant General Counsel and Director of Enforcement

Mechelle Thomas, Vice President, Compliance

Introduction and Chair's Remarks

Mr. Manning welcomed the members of the CC to the meeting.

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. Mendonça.

Minutes

Upon motion duly made and seconded, the Committee approved the minutes for the November 3, 2021, meeting as presented to the Committee.

Facility Ratings

Tim Ponseti, SERC Reliability Corporation, Vice President, Operations, introduced the update noting that the presentation is a continuation of the November 2021 ERO Enterprise call to action, and what that call to action means for registered entities and for the ERO Enterprise. Mr. Ponseti provided some examples of unintended breakdowns, showing the importance of Facility Ratings awareness, adequate asset and data management, and change management. Tom Galloway, Chief Executive Officer, North American Transmission Forum (NATF), shared an overview of the NATF's Facility Ratings practices, which are consistent with practices suggested by the ERO Enterprise. Steven Noess and Teri Stasko presented additional detail on the ERO Enterprise's next steps, which include continuing a risk-based approach to monitoring and enforcing Facility Ratings matters. David Ortiz, Federal Energy Regulatory Commission (FERC), Acting Director, Office of Electric Reliability, shared comments reflecting FERC staff's alignment with the ERO Enterprise's focus on accurate and sustainable Facility Ratings programs.

Compliance Guidance

Mr. Noess provided an overview of the Compliance Guidance Policy, which the Board approved in November 2015. Pursuant to that policy, there are two types of Compliance Guidance: (1) Implementation Guidance and (2) CMEP Practice Guides. Mr. Noess explained Implementation Guidance must be "endorsed" by the ERO Enterprise. He noted that there is a perception in industry that endorsement of Implementation Guidance is difficult and time consuming. Mr. Noess highlighted numerous resources available to aid the development of Implementation Guidance and planned outreach efforts to better understand and address industry concerns. He also noted that the ERO Enterprise has added an explanatory heading to all CMEP Practice Guides to better explain that they are created exclusively by ERO Enterprise Staff, intended for use by ERO Enterprise staff to support consistency, and posted publicly solely to provide transparency.

Compliance Monitoring and Enforcement Program Annual Report

Mr. McGrane presented on the ERO Enterprise 2021 accomplishments, including the roll out of Align and the Secure Evidence Locker and continued streamlining efforts. Mr. McGrane also presented on CMEP trends, noting the ERO Enterprise is taking steps to reduce the average age of inventory, the majority of noncompliance is mitigated within one year of reporting, and Facility Ratings Self-Reports have increased over the last few years.

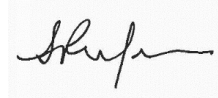
Annual Review of Compliance Committee Mandate

Mr. Manning noted that, as part of the annual review of all Board committee mandates, the Committee and NERC management reviewed the current mandate and are not recommending any revisions at this time.

Adjournment

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

Submitted by,



Sônia Mendonça
Corporate Secretary