

Draft Minutes Board of Trustees

October 8, 2024 | 11:30 a.m. – 12:00 p.m. Eastern

Hybrid Meeting

Barnsley Resort
597 Barnsley Gardens Rd NW
Adairsville, GA 30103

Webex

Call to Order

Mr. Kenneth W. DeFontes, Jr., Chair, called to order the duly noticed open meeting of the Board of Trustees (the Board) of the North American Electric Reliability Corporation (NERC or the Corporation) on October 8, 2024, at approximately 11:30 a.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Board Members

Kenneth W. DeFontes, Jr., Chair
Suzanne Keenan, Vice Chair and Chair Elect
Jane Allen
Robert G. Clarke
George S. Hawkins
Larry Irving
Susan Kelly
Robin E. Manning
Jim Piro
James B. Robb, President and Chief Executive Officer
Kristine Schmidt
Colleen Sidford

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Jamie Calderon, Director, Standards Development
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Mathew Duncan, Vice President, E-ISAC Security Operations and Intelligence
Howard Gugel, Vice President, Regulatory Oversight
Kelly Hanson, Senior Vice President and Chief Operating Officer
Fritz Hirst, Vice President, Government Affairs
Stan Hoptroff, Vice President, Business Technology
Soo Jin Kim, Vice President, Engineering and Standards
Mark G. Lauby, Senior Vice President and Chief Engineer
Kimberly Mielcarek, Vice President, Communications
Lauren Perotti, Assistant General Counsel

Sônia Rocha, Senior Vice President, General Counsel, and Corporate Secretary
Camilo Serna, Senior Vice President, Strategy and External Engagement
Andy Sharp, Vice President and Chief Financial Officer
Bluma Sussman, Vice President, E-ISAC Stakeholder Engagement
Tiffany Washington, Program Administrator

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.

Introduction and Chair's Remarks

Mr. DeFontes welcomed the attendees to the meeting and introduced Mr. Robb to provide opening remarks. Mr. Robb remarked on the success of the stakeholder processes used to develop Reliability Standards responsive to the directives in Federal Energy Regulatory Commission ("FERC") Order No. 901, including the technical conference convened under Section 321 of the NERC Rules of Procedure to develop the IBR ride-through standards. He thanked NERC stakeholders for their work addressing these important reliability issues.

Consent Agenda

Upon motion duly made and seconded, the Board approved the consent agenda as follows:

Minutes

The draft minutes for the August 15, 2024 meeting were approved as presented to the Board at this meeting.

Reliability and Security Technical Committee Proposed Charter Amendments

WHEREAS, the Reliability and Security Technical Committee ("RSTC") developed revisions to its Charter to address concerns with respect to balanced sector membership;

WHEREAS, the Corporate Governance and Human Resources Committee ("CGHRC"), by action without a meeting dated September 16, 2024, approved and recommended Board approval of the revised RSTC Charter;

NOW, THEREFORE, BE IT RESOLVED, that the Board, upon recommendation of the CGHRC, hereby approves the revised RSTC Charter, substantially in the form presented to the Board at this meeting, to replace the charter approved by the Board on February 15, 2024.

Reliability Standards

Project 2020-06 Verifications of Models and Data for Generators

Ms. Kim presented the proposed definition of "Inverter-Based Resource (IBR)." Upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby adopts the proposed definition of Inverter-Based Resource (IBR), as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the associated implementation plan for the proposed definition, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Project 2020-02 Modifications to PRC-024 (Generator Ride-through)

Ms. Kim presented the proposed Reliability Standards for generator ride-through performance, highlighting that the development of proposed Reliability Standard PRC-029-1 was completed using the special rules provided in Section 321 of the NERC Rules of Procedure. She remarked that, due to a supporting technical memorandum being posted later in the already shortened ballot period, NERC management extended the ballot such that the process completed five days past the 45 day deadline provided in the NERC Rules of Procedure. Ms. Kim requested the Board ratify this extension for good cause shown.

After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

WHEREAS, on October 19, 2023, the Federal Energy Regulatory Commission (FERC) issued a final rule, Order No. 901, directing the development of new or revised Reliability Standards to address reliability issues associated with the growth of inverter-based resources (IBR) on the Bulk-Power System (BPS), and directing that NERC submit such standards to FERC on a three-year staggered timeframe;

WHEREAS, FERC directed that new or revised Reliability Standards addressing IBR performance requirements, among other topics, be submitted by November 4, 2024;

WHEREAS, the Board, at its August 15, 2024 meeting, found it necessary and appropriate to employ the special processes described in Sections 321.2 – 321.4 of the NERC Rules of Procedure to develop proposed draft standards that are responsive to the IBR performance matters identified in the directives issued by FERC in Order No. 901;

WHEREAS, the Board directed the Standards Committee to work with NERC staff to carry out the actions specified in Section 321.2 of the NERC Rules of Procedure, with a re-ballot to be completed within 45 days of the Board's action, or by September 30, 2024;

WHEREAS, the specified actions were completed, and a revised draft of proposed Reliability Standard PRC-029-1 was posted for a re-ballot originally scheduled to end September 30, 2024;

WHEREAS, NERC Management determined to extend the re-ballot until October 4, 2024, which is five days beyond the 45-day period contemplated in Section 321.2.1, to allow stakeholders additional time to review the supporting materials posted later in the re-ballot period;

WHEREAS, the Board, after considering that this extension was undertaken to advance due process in the conduct of Section 321 with no harm expected to the interests of any of NERC's stakeholders, has determined to ratify this extension for good cause shown;

WHEREAS, the revised draft of proposed Reliability Standard PRC-029-1 Frequency and Voltage Ride-through Requirements for Inverter-based Resources achieved a greater than two-thirds majority vote of the weighted Segment votes cast, with a quorum established, meeting the requirements for consideration under Section 321.3 of the NERC Rules of Procedure;

WHEREAS, the proposed Reliability Standard PRC-024-5, a companion standard to proposed Reliability Standard PRC-029-1, achieved a greater than two-thirds majority vote of the weighted Segment votes cast, with a quorum established, successfully completing development under the usual standard development processes provided in Appendix 3A to the NERC Rules of Procedure, *Standard Processes Manual*;

WHEREAS, the Board expresses its sincere appreciation to the Standards Committee and NERC’s stakeholders for their hard work and focused efforts to address the important reliability matter of IBR performance in accordance with the timeline specified by FERC in Order No. 901;

NOW, THEREFORE, BE IT RESOLVED, the Board hereby adopts the proposed Reliability Standards and supporting documents as follows:

Proposed Reliability Standard PRC-029-1

RESOLVED, that the Board hereby adopts the proposed Reliability Standard PRC-029-1, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

Proposed Reliability Standard PRC-024-4

RESOLVED, that the Board hereby adopts the proposed Reliability Standard PRC-024-4, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the proposed retirement of Reliability Standard PRC-024-3, as presented to the Board at this meeting.

Definition for Inclusion in the Glossary of Terms used in NERC Reliability Standards

RESOLVED, that the Board hereby adopts the proposed definition of Ride-through, as presented to the Board at this meeting.

Implementation Plan

RESOLVED, that the Board hereby approves the associated implementation plan for the above-listed standards and definitions, as presented to the Board at this meeting.

Authorization and Further Action

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Mr. DeFontes thanked stakeholders for their work on this important project, including their participation in the Section 321 process.

Project 2021-04 Modifications to PRC-002

Ms. Kim presented the proposed Reliability Standards for disturbance monitoring. Upon motion duly made and seconded, the Board approved the following resolutions:

Proposed Reliability Standard PRC-002-5

RESOLVED, that the Board hereby adopts the proposed Reliability Standard PRC-002-5, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the proposed retirement of Reliability Standard PRC-002-4, as presented to the Board at this meeting.

Proposed Reliability Standard PRC-028-1

RESOLVED, that the Board hereby adopts the proposed Reliability Standard PRC-028-1, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

Implementation Plan

RESOLVED, that the Board hereby approves the associated implementation plan for the above-listed standards, as presented to the Board at this meeting.

Authorization and Further Action

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Project 2023-02 Analysis and Mitigation of BES Inverter-Based Resource Performance Issues

Ms. Kim presented the proposed Reliability Standard for addressing IBR performance issues. Upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby adopts the proposed Reliability Standard PRC-030-1, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the Violation Risk Factors and Violation Severity Levels for the proposed Reliability Standard, as presented to the Board at this meeting.

FURTHER RESOLVED, that the Board hereby approves the associated implementation plan for the proposed Reliability Standard, as presented to the Board at this meeting.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

At the conclusion of the presentations, Ms. Kim remarked on the status of development to address the FERC Order No. 901 “Milestone 3” directives due November 2025, noting that a technical conference is planned for Winter 2025. She also remarked on efforts underway to develop lessons learned from the “Milestone 2” projects to guide standards development going forward.

Other Matters and Reports

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

Submitted by,



Sônia Rocha
Corporate Secretary