

# Board of Trustees Compliance Committee Mandate

Approved by the Board of Trustees: August 13, 2015

## Committee Membership

The Board of Trustees Compliance Committee (BOTCC or the Committee) of the North American Electric Reliability Corporation (NERC) shall be composed of not less than three and not more than seven of the Independent members of the Board of Trustees (Board). The members of the BOTCC shall be appointed or reappointed by the Board at the regular meeting of the Board immediately following each Annual Meeting of the Member Representatives Committee. Each member of the BOTCC shall continue to be a member thereof until a successor is appointed, unless a member resigns, is removed, or ceases to be a trustee of the corporation. When a vacancy occurs at any time in the membership of the BOTCC, it may be filled by the Board.

## Purpose

The purpose of the BOTCC is to assist the Board with governance, oversight, guidance, and policies to help assure the NERC Compliance Monitoring and Enforcement Program (CMEP) and the NERC Organization Registration and Certification Program (ORCP), as administered by NERC and the Regional Entities to which NERC has delegated authority pursuant to Regional Delegation Agreements, support the reliability of the North American bulk power system, and are administered fairly and efficiently.

## Committee Authority and Responsibilities

To carry out its purpose, the BOTCC shall have the following authority and responsibilities:

### Oversight:

1. Oversee the CMEP and ORCP strategies and approaches developed and implemented by the management of NERC and the Regional Entities to assure the reliability of the bulk power system, including identification of key risks to be addressed through CMEP and ORCP activities.
2. Evaluate the effectiveness of CMEP strategies and program execution by reviewing measures of bulk electric system reliability performance and other CMEP program metrics.
3. Oversee and review implementation of CMEP and ORCP programs by management of NERC and Regional Entities to ensure the programs are operated in a consistent manner and conform to all regulatory requirements, Rules of Procedure, and other practices needed to provide objective, fair, and effective compliance and enforcement.
4. Oversee and review penalties, sanctions, and mitigation of noncompliance to ensure such actions are effective in maintaining and improving bulk power system reliability.

**Approvals and Appeals:**

1. Approve Notices of Penalty and other enforcement actions required to be filed with the Federal Energy Regulatory Commission and other applicable governmental authorities, provided that the BOTCC may delegate its authority to NERC staff with respect to the approval of any matter.
2. Serve as the appeal body for compliance violations, penalties, or sanctions pursuant to NERC's Rules of Procedure and any other applicable laws, rules, regulations, orders, or policies.
3. Serve as the appeal body for any appeals of findings resulting from audits of the regional implementation of the CMEP heard by the NERC Compliance and Certification Committee, pursuant to NERC's Rules of Procedure and any other applicable laws, rules, regulations, orders, or policies.
4. Hear and adjudicate any challenges by candidates for inclusion on the NERC compliance registry, pursuant to NERC's Rules of Procedure and any other applicable laws, rules, regulations, orders, or policies.
5. When resolving CMEP and ORCP conflicts among NERC, Regional Entities, and Registered Entities, where appropriate, provide a supplementary explanation for the Committee's decision due to issues raised or to provide future guidance.

**Communication and Coordination:**

1. Ensure CMEP and ORCP programs and results are transparent, when appropriate, to reliability stakeholders.
2. Recommend to the Board such actions as may further the purposes of the CMEP and ORCP.
3. Perform such other functions as may be delegated to it by the Board from time to time.

**Committee Meetings**

The BOTCC shall meet at least quarterly by conference call or in person. Meetings may occur at the same place in conjunction with the regular board meetings of the corporation, or as determined by the members of the BOTCC, using the same meeting procedures established for the Board. Meetings may be held in either open or closed session as set forth in the Bylaws of the Corporation.

A majority of the Committee members shall constitute a quorum. Except where prescribed differently by law: (a) any action or decision of the BOTCC requires a vote of a majority of the Committee members then in attendance at any Committee meeting provided a quorum is present; and (b) participation may be telephonic or by Action without a Meeting. The Committee may hold special meetings as circumstances require. Minutes of each Committee meeting shall be maintained as part of the Committee's record.

**Governance**

The Board, or in the event of their failure to do so, the members of the BOTCC, shall appoint a chair from among their members. The BOTCC Chair shall be responsible for leadership of the Committee, including scheduling of meetings, setting agendas, presiding over Committee meetings, and making reports to the Board. A member(s) of the NERC staff shall assist the Chair and shall serve as the non-voting secretary.

**Review**

The BOTCC shall review this mandate annually and recommend to the Board Corporate Governance and Human Resources Committee any changes it considers advisable. Any changes must be approved by the full Board. The BOTCC shall complete a self-assessment annually to determine its effectiveness.