

## Agenda

# Corporate Governance and Human Resources Committee Meeting

February 12, 2025 | 1:00-2:15 p.m. Eastern

### In-Person

JW Marriott Miami  
1109 Brickell Ave  
Miami, FL 33131

Conference Room: Grand Ballroom (5<sup>th</sup> floor)

### Virtual Attendees

Webcast Link: [Join Meeting](#)

Webcast Password: FEB2025BRDTECHA (33220253 when dialing from a phone)

Audio Only: +1-415-655-0002 US Toll | +1-416-915-8942 Canada Toll | Access code: 2314 546 6229

### Committee Members

George S. Hawkins, Chair

Jane Allen

Robert G. Clarke

Larry Irving

Suzanne Keenan

Colleen Sidford

Kenneth W. DeFontes, Jr., *ex-officio*

## [NERC Antitrust Compliance Guidelines](#)

### Introduction and Chair's Remarks

### Agenda Items

1. **Minutes\* - Approve**
  - a. December 9, 2024 Open 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. **Standing Committee Self-Assessment Survey Results\* - Review**
  - a. Compliance and Certification Committee
  - b. Personnel Certification Governance Committee

- c. Reliability Security Technical Committee
  - d. Reliability Issues Steering Committee
  - e. Standards Committee
- 5. People and Culture\* - Update**
- 6. Other Matters and Adjournment**

\*Background materials included.

## Draft Minutes Corporate Governance and Human Resources Committee Meeting

December 9, 2024 | 1:00 p.m.-1:30 p.m. Eastern

### Virtual Meeting

Chair George S. Hawkins 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 December 9, 2024, at 1:00 p.m. Eastern, and a quorum was declared present.

Present at the meeting were:

#### Committee Members

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

#### Board Members

Susan Kelly  
Robin E. Manning  
Jim Piro  
James B. Robb, NERC President and Chief Executive Officer  
Kristine Schmidt

#### NERC Staff

Tina Buzzard, Assistant Corporate Secretary  
Manny Cancel, Senior Vice President and CEO 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 Lauby, Senior Vice President and Chief Engineer  
Lauren Perotti, Assistant General Counsel  
Sonia Rocha, Senior Vice President, General Counsel, and Corporate Secretary  
Liz Saunders, Vice President, People and Culture  
Camillo Serna, Senior Vice President, Strategy and External Engagement  
Andy Sharp, Vice President and Chief Financial Officer

#### NERC Antitrust Compliance Guidelines

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

**Chair's Remarks**

Mr. Hawkins welcomed participants to the meeting.

**Minutes**

Upon motion duly made and seconded, the Committee approved the minutes of the August 14, 2024 meeting as presented at the meeting.

**Board of Trustees Compensation**

Mr. Clarke introduced the topic, noting that the Committee engaged the compensation consulting firm of Meridian Compensation Partners ("Meridian") to conduct an update to the market study of Board compensation completed in 2021, to aid in its determination of whether to recommend any changes to the Board's compensation program. He referred to the findings of the Meridian report summarized in the advance agenda package. Mr. Clarke then reviewed the proposed changes to existing trustee compensation, noting that the proposed target annual retainers for the Trustees, chair, and vice chair are below the median of the range contemplated by the NERC Governance Guidelines. He also reviewed a recommendation to increase the liaison retainer to \$7,500.

Following discussion and upon motion duly made and seconded, the Committee voted to accept the Meridian report and recommend for the Board's approval the following Trustee compensation program:

- Annual Retainer: Establish a target annual retainer for each Trustee of \$170,000. The new retainer will be implemented annually over the next three years with a \$15,000 increase in 2025, a \$10,000 increase in 2026, and a \$10,000 increase in 2027.
- Chair Retainer: Increase the annual retainer for the Board Chair to \$55,000.
- Vice Chair: Increase the annual retainer for the Board Vice Chair to \$15,000.
- Committee Chairs Retainer: Increase the annual retainer for Committee Chairs to \$15,000.
- Liaison Retainers: Increase the annual retainer for the Trustee(s) who is designated as the liaison to the Standards Committee and the Reliability and Security Technical Committee to \$7,500.

Mr. Hawkins thanked the Committee and the Board for their work and thoughtful discussions regarding this matter.

**Reliability Issues Steering Committee Charter Amendments**

Ms. Kim reviewed the proposed amendments to the Reliability Issues Steering Committee ("RISC") charter, highlighting that the proposed amendment would further support the efficient operation of the Committee. After discussion, and upon motion duly made and seconded, the Committee approved the proposed amendments to the RISC charter and recommended them for Board of Trustees 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 regularly.

For 2025, 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 2025 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 2025 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 2025, 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 2025. 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.

## **Standing Committees Governance Self-Assessment Survey Results**

### **Action**

Information

### **Background**

On August 14, 2024, the Corporate Governance and Human Resources Committee of the NERC Board of Trustees approved and directed NERC staff to work with Standing Committee leadership to launch a self-assessment process and report back in February 2025. The Standing Committees include the Compliance and Certification Committee (CCC), Personnel Certification Governance Committee (PCGC), Reliability Issues Steering Committee (RISC), Reliability Security and Technical Committee (RSTC), and the Standards Committee (SC).

The self-assessment process supports continuous improvement of governance of Standing Committees, consistent with the following guiding principles established in NERC Rules of Procedure (ROP) and Bylaws as well as issuances and rules from Applicable Governmental Authorities (e.g., Federal Energy Regulatory Commission (FERC)):

- Fair Stakeholder Representation: Membership is representative of NERC members, interested parties, and the public to provide for balanced decision-making (FERC Order No. 672, FERC rule 39.3, Bylaws, and ROP 1302). No two stakeholder Sectors are able to control the vote on any matter, and no single Sector is able to defeat a matter (ROP 1302).
- Open Nomination Process: Members shall be nominated and selected in a manner that is open, inclusive, and fair (ROP 1303).
- Independence: NERC shall ensure its independence from users, owners, and operators of the Bulk Power System in establishing the Standing Committees (FERC rule 39.3.b.2.ii).
- Accountability: Each Standing Committee shall be accountable to the Board for performance of its Board-assigned responsibilities (ROP 1301).

### **Summary**

Each Standing Committee, with NERC staff support, posed the following set of core questions to its members:

1. Is the organization and structure of the Standing Committee appropriate for effective operation? For example, consider the number of members, how members are selected, number of meetings, quality and timeliness of materials provided in support of the agenda, and the management of the Standing Committee.
2. The purpose of the [*name of standing committee*] is to [*list purpose or objectives from standing committee charter*].
  - a. Is the standing committee effectively carrying out its purpose as stated above? Include any specific suggestions regarding where the standing committee should focus further effort to address its purpose.

3. Overall what is the standing committee doing exceptionally well? What suggestions do you have for improvement?
4. In looking at NERC's strategy and the challenges facing the industry: What advice/suggestions do you have so the standing committee can have the biggest impact?
5. Does the standing committee understand its obligations to, and relationship with, the NERC Board and its committees? Does the standing committee effectively communicate with the NERC Board?

Members anonymously submitted responses, and NERC staff assisted Standing Committee leadership in reviewing and analyzing the responses. Standing Committee leadership each developed high-level summary of responses along with key takeaways and any identified opportunities for focus over the coming year.

## **Compliance and Certification Committee (CCC) Self-Assessment Survey Results**

### **Action**

Review

### **Background**

As a NERC Board of Trustees (Board) appointed stakeholder Committee serving and reporting directly to the Board, the CCC will engage with, support, and advise the Board and NERC regarding the NERC Compliance Monitoring and Enforcement Program (CMEP), Organization Registration and Certification Program (ORCP), and the Reliability Standards development program in accordance with the NERC Rules of Procedure (ROP).

The CCC survey was initiated on October 24, 2024, and closed on December 6, 2024 receiving 21 responses. The CCC is comprised of 32 members (20 sector seats; 12 At-large), therefore, the CCC members had a 66% response rate. All responses were anonymous and only NERC staff and CCC leadership reviewed raw responses.

### **Summary**

CCC leadership and NERC staff identified several themes and recommendations with possible next steps:

- **Stakeholder Awareness/Education.** CCC members stated additional clarity was needed on the CCC's role, purpose, and Board reporting requirements. The CCC is looking to improve the recruitment and onboarding processes to include additional information on these concerns.
- **NERC Board and Regional Entity Engagement.** Several members identified opportunities to enhance communications with Board members, including seeking feedback or input to CCC topics. In addition, Regional Entity engagement during CCC discussions was an area of opportunity. CCC leadership will evaluate opportunities to further incorporate Regional Entity staff into additional discussions, as well as collaborating with Board members.
- **CCC Member Engagement.** The CCC should identify methods to garner more input into the quarterly meeting content, identify ways for more members to be included in CCC activities, and to improve transparency into CCC Executive Committee matters.

CCC members had positive feedback regarding committee effectiveness. Members indicated the CCC is effectively carrying out its purpose to engage with, support, and advise the Board and NERC regarding the CMEP, ORCP, and the Reliability Standards development program in accordance with the NERC ROP. For example, the CCC solicits feedback from industry through focused discussion topics that provide robust discussions with NERC and across sectors.

The self-assessment has provided valuable feedback on areas for continued improvement. The CCC is already reviewing how it can implement this feedback to enhance its efficiency and effectiveness.

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# Compliance and Certification Committee (CCC)

Self-Assessment Reports

Scott Tomashefsky, CCC Chair

Corporate Governance and Human Resources Committee Open Meeting

February 12, 2025



**66% member response rate**



**Response themes**

Stakeholder awareness and education

NERC Board of Trustees and Regional Entity engagement

CCC member engagement



Positive feedback on effectiveness



Consider further engagement opportunities



Enhance transparency of CCC Executive Committee matters



# Questions and Answers



## **Personnel Certification Governance Committee (PCGC) Governance Self-Assessment Report**

### **Action**

Review

### **Background**

In accordance with the NERC by-laws, the purpose of the PCGC, shall be to provide oversight to the policies and processes used to implement and maintain the integrity and independence of NERC's System Operator Certification Program. The governance authority and structure of the PCGC shall be implemented and maintained so that policies and procedures are established to protect against undue influence that could compromise the integrity of the system operator certification process.

The PCGC survey was initiated on September 27, 2024, and closed on December 5, 2024, receiving 10 responses. The PCGC is comprised of 10 members. Therefore, the PCGC members had a 100% response rate. All responses were anonymous and only NERC staff and PCGC leadership reviewed raw responses.

### **Summary**

Respondents agreed the PCGC is effectively carrying out its purpose, particularly in protecting the integrity of the program and that it understands its obligations to and relationship with the Board of Trustees.

The PCGC is doing exceptionally well in maintaining the integrity of the NERC System Operator Certification Exam, effective communication and coordination with the Credential Maintenance Working Group and the Exam Working Group and is improving the system operator credentialing process and should continue the transition to new platforms and software.

The respondents provided positive/satisfactory feedback along with some areas the PCGC could improve or should continue the current course.

- The industry is transitioning to a new and less experienced workforce. This workforce will have to quickly evolve and learn new skills. While automation will help limit mistakes, the new workforce may not fully understand the basics needed to safely and reliably operate the grid of tomorrow. Along with some of the proposed changes to the program (i.e. increase in practiced based aka simulation hours) and the Exam Working Group's work of ensuring the items remain up to date and relevant to industry and standards.
- The PCGC should continue to ensure the NERC Certification Exam verifies that NERC Certified System Operators have the minimum knowledge, and competencies to support Bulk Electric System reliability while progressing toward a unified single credential.
- The PCGC should improve communications regarding the PCGC responsibilities related to the System Operator Certification and Credential Maintenance Program. Industry and

regulatory communications will increase in the coming year to support the upcoming program changes.

The self-assessment has provided valuable feedback on areas for continued improvement. The PCGC is already reviewing how it can implement this feedback to enhance its efficiency and effectiveness.

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# Personnel Certification and Governance Committee (PCGC)

Self-Assessment Reports

Michael Hoke, Chair, PJM

Corporate Governance and Human Resources Committee Open Meeting

February 12, 2025



100% survey participation



Positive/satisfactory feedback along with a couple of areas that could improve or should continue the current course.



Effectively carrying out its purpose



Excellent communication and coordination with its working groups



The industry is transitioning to a new and less experienced workforce. This workforce will have to quickly evolve and learn new skills. While automation will help limit mistakes, the new workforce may not fully understand the basics needed to safely and reliably operate the grid of tomorrow.



The PCGC should continue to ensure the NERC Certification Exam verifies that NERC Certified System Operators have the minimum knowledge, and competencies to support BES reliability while progressing toward a unified single credential.



The PCGC should continue to improve communications regarding the PCGC responsibilities related to the System Operator Certification and Credential Maintenance Program. Industry and regulatory communications will increase in the coming year to support the upcoming program changes.



# Questions and Answers

## **Reliability and Security Technical Committee (RSTC) Self-Assessment Survey Results**

### **Action**

Review

### **Background**

The RSTC is a standing committee dedicated to enhancing the reliability and security of North America's interconnected bulk power system (BPS) by:

- Providing a forum for gathering ideas and perspectives from diverse industry stakeholders to support the mission of the ERO Enterprise.
- Utilizing this expertise to identify solutions for studying, mitigating, and eliminating emerging risks to the BPS, ultimately benefiting industry stakeholders, the NERC Board of Trustees, and ERO Enterprise staff and leadership.
- Coordinating and overseeing the implementation of work plans developed by RSTC subgroups.

The RSTC survey was initiated on October 1, 2024, and closed on January 21, 2025, receiving 25 responses. The RSTC is comprised of 33 members, including a Chair, Vice Chair, 17 sector members, and 14 At-large members. Therefore, the RSTC members had a 75.75% response rate. All responses were anonymous, and only NERC staff and RSTC leadership reviewed the raw responses.

### **Summary**

Overall, based on the feedback received, most members feel that the RSTC is appropriately structured and operates effectively. Consistent with past practice, committee members also continued seeking ways to enhance efficiency and operations.

Some members suggested adjusting the meeting format to a three-day meeting and allowing observers to participate in-person for three of the four meetings per year. With a meeting format change, it is believed that there will be better collaboration between operating, planning and security industry experts.

Several respondents expressed the importance of greater focus on grid security. There is particular interest in longer meetings that provide greater attention and opportunity to delve into to security issues.

A few members underscored the importance of continuing to prioritize topics presented at RSTC meetings and requested more time for members to review materials prior to the meetings. Means to continue prioritizing work product were also discussed during the RSTC's annual work plan summit, January 21-22 2025. At that meeting, RSTC members provided feedback on work plan items.

The majority of members also agree that the RSTC effectively manages its meeting structure, engages with stakeholders, and maintains transparency. Responses also highlighted, though, that there is a need for more education for RSTC members regarding the committee's role in relation to Standard Authorization Requests. Members recognized that the joint Standards Committee meetings that began in 2024 were a good beginning for greater coordination. Comments also recommended examining how to increase focus on risk mitigation, increase agility in addressing important issues, and enhance collaboration with other committees. Similar comments noted the opportunity for greater engagement with industry stakeholders and trade associations

In summary, the RSTC self-assessment indicates the Committee operates efficiently, understands its role, addresses issues effectively, and communicates well. Overall, the members are meeting the needs of the committee. At the same time, the self-assessment has provided excellent feedback on opportunities for continued improvement. The RSTC is already evaluating how it can use the feedback exchanged to improve committee efficiency and effectiveness.



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# Reliability and Security Technical Committee (RSTC)

Self-Assessment Report

Rich Hydzik – Chair, RSTC

Corporate Governance and Human Resources Committee Meeting

February 13, 2025

RELIABILITY | RESILIENCE | SECURITY



**75.75% member response rate**



**Response themes**

- Increase stakeholder participation
- Prioritizing work products
- Cross committee collaboration
- Expand discussion and focus on security related issues



Positive feedback on structure and effectiveness



Adjusting the meeting format to a three-day meeting, to accommodate volume of material, greater observer participation, and further discussion of security matters.



Prioritize agenda topics



Provide greater education and focus on Standard Authorization Request process, risk mitigation, agility, and cross-committee collaboration



# Questions and Answers

## **Reliability Issues Steering Committee (RISC) Self-Assessment Report**

### **Action**

Review

### **Background**

The RISC is an advisory committee that reports directly to the NERC Board of Trustees (Board) and triages and provides front-end, high-level leadership and accountability for nominated issues of strategic importance to bulk power system reliability. The RISC assists the Board, NERC standing committees, NERC staff, regulators, Regional Entities, and industry stakeholders in establishing a common understanding of the scope, priority, and goals for the development of solutions to address these issues. In doing so, the RISC provides a framework for steering, developing, formalizing, and organizing recommendations to help NERC and industry effectively focus their resources on the critical issues needed to best improve the reliability of the bulk power system. Benefits of the RISC include improved efficiency of the NERC standards program. In some cases that includes recommending reliability solutions other than the development of new or revised Reliability Standards and offering high-level stakeholder leadership engagement and input on issues that enter the standards process.

The RISC survey was initiated on October 1, 2024 and closed on January 21, 2025, receiving 22 responses. The RISC is comprised of 30 members all of which are At-large seats. Therefore, the RISC members had a 73% response rate. All responses were anonymous and only NERC staff and RISC leadership reviewed raw responses.

### **Summary**

Based on feedback from the RISC members, the meeting structure is effective, and the members' expertise is appropriate. However, there were suggestions for more frequent meetings and increased collaboration with other standing committees to gain a better understanding of the processes and actions implemented by those committees.

A question was raised regarding the timeline of the ERO Reliability Risk Priorities Report. Is the current two-year interval still suitable, considering the increased frequency of risks? The committee values diverse opinions and provides meeting summaries to highlight key points and timelines. Improved communication between meetings regarding next steps and due dates was also recommended.

Including educational sessions on complex issues could enhance decision-making. While RISC excels at identifying risks, it should improve communication about its processes to help stakeholders understand ERO's priorities and effectiveness. Encouraging open discussions is essential, especially for newcomers who may need clarification on processes and milestones.

Gathering feedback from less vocal members could potentially improve participation, and identifying key emerging risks to the Bulk Electric System (BES) is critical. It is important to

evaluate the effectiveness of our plans, and for NERC to seek clear indicators of progress while also acknowledging challenges in the industry.

The updates provided during quarterly Board meetings appear to adequately keep the Board informed. Additionally, closing the loop on identified risk mitigation plans through defined metrics or more visible publications on the RISC website could be beneficial. Periodically reviewing obligations may also help ensure effective communication with the Board.

In summary, the RISC self-assessment demonstrates that the Committee operates efficiently, understands its responsibilities, addresses issues effectively, and communicates well. Overall, the members are meeting the needs of the committee. Furthermore, the self-assessment has provided valuable feedback on areas for continued improvement. The RISC is already reviewing how it can implement this feedback to enhance its efficiency and effectiveness.

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# Reliability Issues Steering Committee (RISC)

Self-Assessment Report

Teresa Mogensen – Chair, RISC  
Corporate Governance and Human Resources Committee  
February 12, 2025



## 73% member response rate



## Response themes

Increase Member Education

Cross committee collaboration

Expand discussion and focus on risk related issues





Positive feedback on structure and effectiveness



More frequent meetings and increased collaboration with other standing committees to gain a better understanding of the processes and actions implemented by those committees .



Including educational sessions on complex issues could enhance decision-making.



Is the current two-year interval still suitable, considering the increased frequency of risks?



# Questions and Answers

## **Standards Committee (SC) Self-Assessment Survey Results**

### **Action**

Review

### **Background**

The SC 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

The SC survey was initiated on October 1, 2024, and closed on November 15, 2024, receiving 14 responses. The SC is comprised of 22 members (2 leadership positions plus 2 members each from 10 industry segments). Therefore, the survey had a 63.6% response rate. All responses were anonymous and only NERC staff, and SC leadership reviewed raw responses.

### **Summary**

A reoccurring theme from each of the set of responses was the respondent's belief that the SC would benefit from training to increase committee effectiveness and standards development process efficiencies. Increased communication was another key takeaway from the responses. Respondents would like to see more communication between NERC staff and the SC.

Additionally, there were responses about the effectiveness of the Registered Ballot Body and governance of the Committee. Participants would like to see the Committee roles be expanded to include more engagement with the drafting teams, provide technical perspective on work items such as off-ramping projects to help alleviate industry workload, and revising appropriate segment representation based on active industry involvement.

The SC would like to provide some potential solutions to the responses above.

- Strategic training sessions with the SC may help alleviate the consistent theme of members not knowing what their roles are and facilitate the effectiveness of the Committee.
- Leverage SC executive sessions to further enhance communication and transparency with NERC staff on confidential items.
- The SC would be open to review and revise Sections 3a, 3b, and 3d of the Rules of Procedure as follows:
  - Expand the Committee roles as not only a process bound committee but to provide technical insight as needed;
  - Streamline standards development processes to eliminate obstacles that slow down the standards processes and uses unnecessary resources; and
  - Ensure the segment representation of the RBB is currently reflecting the active participation of industry.

The self-assessment has provided valuable feedback on areas for continued improvement. The SC is already reviewing how it can implement this feedback to enhance its efficiency and effectiveness.

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# Standards Committee (SC)

Self-Assessment Reports

Todd Bennett, SC Chair

Corporate Governance and Human Resources Committee Open Meeting

February 12, 2025

RELIABILITY | RESILIENCE | SECURITY



**63.6% member response rate**



**Response themes**

Increased Member Training and Communication  
Registered Ballot Body Effectiveness  
Committee Governance Expansion



Strategic Training Sessions with the Committee



Leverage the Committee executive sessions to further enhance communication and transparency



Enhance relevant sections of the Rules of Procedure



# Questions and Answers



## **People and Culture**

### **Action**

Update

### **Background**

This background serves to provide an update on the evolution of NERC's people strategy to help attract, engage and retain top talent during this pivotal stage in the electricity industry.

#### **People and Culture Update**

NERC's 2025 People and Culture initiatives are designed to support the goal of becoming an employer of choice within our 2026-2028 strategic cycle. This year we are closing the final year of our 2023-2025 strategy, and focused on initiatives that enhance operational efficiency, optimize processes, and strengthen leadership development and succession planning. These efforts are designed to align our organizational goals with the evolving needs of our workforce.

We are concentrating on optimizing workflows and leveraging systems to elevate the employee experience and drive performance. By implementing modules for performance management, succession planning, and analytics in our HRIS, we will reduce process inefficiencies and make data-informed decisions supported by analytics. These process improvements not only increase productivity but also enable better goal alignment and accountability, driving stronger organizational performance.

Leadership development and succession planning are critical components of our 2025 initiatives. We are equipping managers with the skills to effectively lead and engage a remote workforce, fostering productivity and connection in a remote environment. Additionally, we are implementing individualized development plans and creating success profiles for critical roles to ensure we have a robust leadership pipeline. These efforts demonstrate our commitment to employee growth and career advancement, reinforcing our position as an employer of choice and supporting sustainable operations.

Through these initiatives, we are fostering a workplace where employees feel valued, supported, and empowered. By aligning operational excellence with talent development, we are cultivating a culture of belonging and performance, ensuring the organization's agility and resilience in a rapidly changing environment. These efforts underscore our dedication to creating a thriving organization that meets the needs of both our employees and our business and builds a strong foundation to set the stage for our 2026-2028 strategy.

#### **Employee Total Rewards Package**

We are not anticipating any major changes to these benefit plans assumptions, and unless otherwise directed by the Committee, this benefit information will be used to develop our draft 2026 budget assumptions.

## **Medical, Dental and Vision Plans**

The company maintains both a high deductible health plan (HDHP) and a traditional co-pay medical insurance plan. For the co-pay plan, employees pay higher monthly premiums and co-pays at the point of service, but do not face the larger upfront deductible costs found with the HDHP plan. Most employees are enrolled in the HDHP plan. Premium costs under both plans are shared between the company and employees using an 85/15 percent sharing formula for employee-only coverage. As the employee adds dependents to the plan coverage, the sharing ratio shifts to 80/20. The HDHP plan includes a Health Savings Account (HSA) option for participants to which NERC contributes 75% of the deductible costs. In 2025, employer contributions to the HSA were frontloaded for all employees. For employees who are not eligible for the HSA, NERC also provides a Health Reimbursement Arrangement (HRA) for those employees to receive the NERC contribution. The co-pay plan includes a Flexible Spending Account (FSA) option. Annual contributions to the HSA and FSA are subject to applicable IRS limits and other restrictions. The company also offers a dental and vision plan with coverage competitive to market benchmarks.

- The annual economics of the high-deductible plan and co-pay plan are similar (after NERC contribution to the HSA), but the HDHP plan can create higher out of pocket exposure early in the year. Due to this, NERC has frontloaded the annual HSA contributions to participant plans effective January 1, 2025.
- In accordance with IRS guidelines, employee HSA accounts (with HDHP) can be rolled over year to year and are portable when an employee leaves NERC. Employee FSA accounts (with co-pay plan) are “use it or lose it”.

## **Life and Disability Insurance**

The company provides employees with life, accidental death and dismemberment (AD&D), and short-term and long-term disability insurance. Life insurance coverage is equal to three times base pay, capped at \$1,000,000 per employee with a guaranteed issue of \$500,000, and doubles for AD&D events. Supplemental employee-paid life and AD&D insurance is also available for employee, spouse and children.

## **Retirement Plans**

Principal Financial is recordkeeper and service provider. Gallagher Benefit Services is our fee-only investment advisor for the plans and provides benchmarking of plan fees and investment fund performance.

The company currently sponsors three retirement plans, as follows:

1. A 401(k) plan, which is available to all employees. Under this plan, the company makes two contributions. The first is a percentage match on employee deferrals equal to 75% of the first 6% (or 4.5%) of eligible employee compensation (salary plus bonus) with immediate vesting. The second contribution under the 401(k) plan is an employer discretionary contribution based on a percentage of base salary only, which is currently 8%, and contributions are made each pay period. The 8% employer contribution approved by the Committee was determined to be an integral part of our retirement and total rewards package and will stay in place until changed by the Committee and/or Board in the future. Employer contributions are vested over a five-year period.
2. A 457(b) deferred compensation plan is also available to certain eligible employees. In order to participate in the 457(b) plan, the employee must meet the IRS definition of a

“highly compensated employee” (currently defined as \$160,000 for 2025 or more in prior year earnings) and be a director level or higher in the company. The 457(b) plan is primarily employee-funded but can also include an additional contribution by the company for participants who are unable to receive the full company match and employer contributions under the 401(k)-plan due to annual IRS limitations.

3. A 457(f) plan is offered to the NERC Executives (Vice-President, Senior Vice-Presidents and CEO). The Committee and Board establish contribution levels and vesting schedules for the 457(f) awards each year.

### **The Changing Total Rewards Marketplace**

The total rewards landscape is evolving rapidly as employee expectations and market dynamics shift. Traditional approaches focused on compensation and basic benefits are no longer enough to attract and retain top talent. Employees now expect a holistic rewards package that encompasses the employee experience, including well-being initiatives, flexibility, career development opportunities, and inclusive policies. Organizations that adapt to these changes are better positioned to remain competitive in a tight labor market.

To support our goal of becoming an “employer of choice” in NERC’s 2026-2028, we plan to conduct a full market review of our benefits in 2025. This review will ensure that we are offering competitive and cost-effective plans that align with employee needs and expectations. By evaluating options for health coverage, wellness programs, and other key benefits, we can ensure our offerings support employee well-being, engagement, and productivity while maintaining fiscal responsibility.

This strategic focus on total rewards reflects our commitment to creating a workplace that attracts top talent and fosters long-term retention. By staying ahead of market trends and prioritizing employee needs, we can reinforce our position as a leading employer and support the organization’s broader goals.

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

# People and Culture

Liz Saunders, VP, People and Culture

Corporate Governance and Human Resources Open Meeting

February 12, 2025

# JOURNEY TO BECOMING AN EMPLOYER OF CHOICE



**Sustainable  
Operations**



**Optimizing  
Processes**



**Efficiency  
Gains**



**Leadership  
Development**



**Succession  
Planning**

**FOCUSED ON THE EMPLOYEE EXPERIENCE**



# Questions and Answers