

Agenda

Corporate Governance and Human Resources Committee Meeting

August 14, 2024 | 1:45-2:30 p.m. Pacific

In-Person

Hyatt Regency Vancouver
655 Burrard St.
Vancouver, BC V6C 2R7, Canada
Conference Room: Regency A/B/C

Virtual Attendees

Webcast Link: [Join Meeting](#)

Webcast Password: Day108142024ATT (32910815 when dialing from a phone)

Audio Only: +1-415-655-0002 US Toll | +1-416-915-8942 Canada Toll | Access code: 2311 130 8233

Committee Members

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

Introduction and Chair's Remarks

[NERC Antitrust Compliance Guidelines](#)

Agenda Items

- 1. Minutes – Approve**
 - a. May 8, 2024 Open Meeting*
- 2. Corporate Governance and Human Resources and other Board Committee Mandate Revisions* – Review**
- 3. Standing Committees Annual Evaluations* – Approve**
- 4. People and Culture* – Update**
- 5. Other Matters and Adjournment**

*Background materials included.

Draft Minutes Corporate Governance and Human Resources Committee Meeting

May 8, 2024 | 8:15-8:45 a.m. Eastern

NERC DC Office
1401 H Street NW, Suite 400
Washington, DC 20005

Chair George S. Hawkins called to order a duly noticed open 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 May 8, 2024, at 8:15 a.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
Kelly Hanson, Senior Vice President and Chief Operating Officer
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

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.

Chair’s Remarks

Mr. Hawkins welcomed participants to the meeting. He reported the Committee met in closed session on May 7, 2024 to discuss the Committee’s 2023 annual self-evaluation results and the Board annual evaluation results. Mr. Hawkins expressed his appreciation for the thoughtful comments provided by stakeholders on the Board evaluation

survey, and he noted that the Board is considering each of the suggestions carefully.

Minutes

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

Board Committee and Board of Trustees Annual Evaluation Results

Mr. Hawkins reviewed the Board of Trustees (Board's) annual evaluation results, summarizing Member Representatives Committee and Board feedback in the areas of Board engagement, oversight, skills and structure, management, and overall feedback. He noted suggestions to increase engagement opportunities with primary and new emerging stakeholders, conduct more robust discussions on critical issues, and continue the Board's focus on strategic, impactful issues. Mr. Hawkins highlighted suggestions in the areas of Board oversight, including increasing focus on prioritization of issues, considering an array of stakeholder viewpoints on critical issues, and reconsidering the meeting cadence. In the area of Board skills and structure, he highlighted positive feedback on the skills of the current Trustees and the Nominating Committee's Trustee selection process; he noted suggestions that the Board add expertise in the areas of cyber and physical security and inverter-based resources. In the area of Board management, Mr. Hawkins highlighted comments suggesting managing introductory remarks to allow more time for committee reports and discussion, continuing to evaluate the appropriate items for discussion in closed and open meetings, and focusing on presentation style. In terms of overall feedback, he noted commenters' support for NERC increasing its analytical capabilities, and highlighted suggestions to further engage with Canadian members and ensure that new issues are considered with the appropriate importance.

People and Culture Update

Ms. Saunders provided the people and culture update. She reviewed the composition of NERC's workforce by age, noting that efforts are made to engage and retain people at all stages of their careers and identify the next generation of leaders. She reported that NERC uses its performance management process as a key part of its HR initiatives, and it seeks to fill vacancies strategically with an eye toward the present and future needs of the company. Ms. Saunders also summarized NERC's initiatives for maintaining connection and culture in its remote workforce model.

Adjournment

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

Submitted by,



Sônia Rocha
Corporate Secretary

**Corporate Governance and Human Resources and other Board Committee
Mandate Revisions**

Action

Review

Summary

Annually, the Corporate Governance and Human Resources Committee (CGHRC) together with chairs of the other Board committees, reviews the mandate of each committee and recommends changes to the Board, as appropriate. The NERC Legal Department, with the CGHRC Chair and Committee members has reviewed the current CGHRC mandate and is not recommending any revisions at this time.

Standing Committees Annual Evaluations

Action

Approve and direct NERC staff to work with the respective leaderships to launch the self-assessment process and report back in February 2025.

Purpose

Consistent with the NERC Board of Trustees (Board) focus on the continuous improvement of the governance practices of the corporation, and the ongoing similar efforts undertaken by the Member Representatives Committee, the Corporate Governance and Human Resources Committee is directing NERC staff to support NERC's stakeholder-led Standing Committees to undertake an assessment of their activities based on principles established in authoritative documents. The Standing Committees include the: (1) Standards Committee, (2) Compliance and Certification Committee, (3) Reliability and Security Technical Committee, (4) Personnel Certification Governance Committee, and (5) Reliability Issues Steering Committee.

Objective

The objective of these efforts is to identify and execute opportunities for enhanced governance and continuous improvement of NERC Standing Committees, consistent with guiding principles identified in FERC rules, NERC Bylaws, and the NERC Rules of Procedure. Collaboration with stakeholders in a deliberate and strategic manner is key to meeting the goals of this effort. The requested self-assessments provide an opportunity for Committee members to have a voice in the direction of each Standing Committee. Furthermore, issuing the self-assessments is a routine good governance practice and should not be construed to mean that NERC or the Board determined that the Standing Committees are not meeting the guiding principles.

Guiding Principles

The following guiding principles will focus activities to help ensure appropriate governance approaches for the NERC Standing Committees:

- *Fair Stakeholder Representation*: Membership is representative of NERC members, interested parties, and the public to provide for balanced decision-making (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).

Activities

There are two primary efforts designed to identify opportunities for continuous improvement of the governance of NERC Standing Committees and enhance accountability to the Board:

- *Conducting a Self-Assessment*: As a best practice for governing bodies, a self-assessment helps identify areas where each Standing Committee can enhance governance. With the support of NERC staff, particularly as to the format and logistics of collecting the information, the Board will request that all Standing Committees report on this effort in February 2025.
- *Focusing the Bi-annual Report*: The Standing Committees report biannually to the Board. These reports provide an opportunity to enhance interactions between Board and Committee leadership and will include targeted discussions on matters of strategic interest.

People and Culture

Action

Update

Background

The following update summarizes the evolution of NERC's work plan priority of establishing a succession planning framework, and engagement and retention efforts to help attract, engage, and retain top talent in a pivotal stage in the electricity industry.

Summary

NERC is executing against its long-term strategic people plan to include the 2024 Work Plan Priority to establish a succession planning framework, which is the process of selecting and developing key talent to ensure the continuity of critical roles. The framework calls for the identification of top performers, key personnel and potential leaders, and institutes development plans for those identified to develop in their current role or move into leadership roles. Having a consistent succession framework is critical to the program's success.

In 2024, there has been a shift in the workforce climate. The *Wall Street Journal*, among other media outlets, has reported that Americans are not as restless in their jobs as they were a few years ago. The article noted that fewer adults are seeking to leave their roles and job satisfaction is rising, stating "People feel really satisfied with their compensation and they are very happy with their flexibility, which are two big drivers."

In review of previous years, NERC has not experienced a disruption to its workforce in the volatile market conditions of 2020-2023. When conditions were uncertain and workload was increasing, NERC continuously sought feedback from employees through engagement surveys and strategically prioritized efforts to retain top talent. Compensation decisions and the introduction of our "Connected Workforce" model, which focuses on flexibility and connectivity, compare favorably with the actions suggested in the *Wall Street Journal* article. To date, NERC's regrettable turnover remains low and engagement is high. This was achieved while significantly increasing workload, driving workforce optimizations, and the heightened performance management efforts we highlighted to the CGHRC in May.

While the pressure of previous years' competitive labor market has slowed, there are still pressing retention considerations. NERC has taken a multi-faceted approach to understanding how to create a framework that is engaging and successful in retaining top talent. Key elements of this approach include listening to NERC leaders and staff; researching; and using talent metrics and benchmarking data.

These data points have proven to be successful in engagement and retention efforts and recent metrics indicate healthy tenure per career stage. Achieving this year's Work Plan Priority is essential to the sustainability of NERC's business by ensuring critical roles are always filled and

the business continues to run smoothly. It will also help to develop promising talent and provide clear career paths, which will support NERC's engagement and retention efforts.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

People and Culture Update

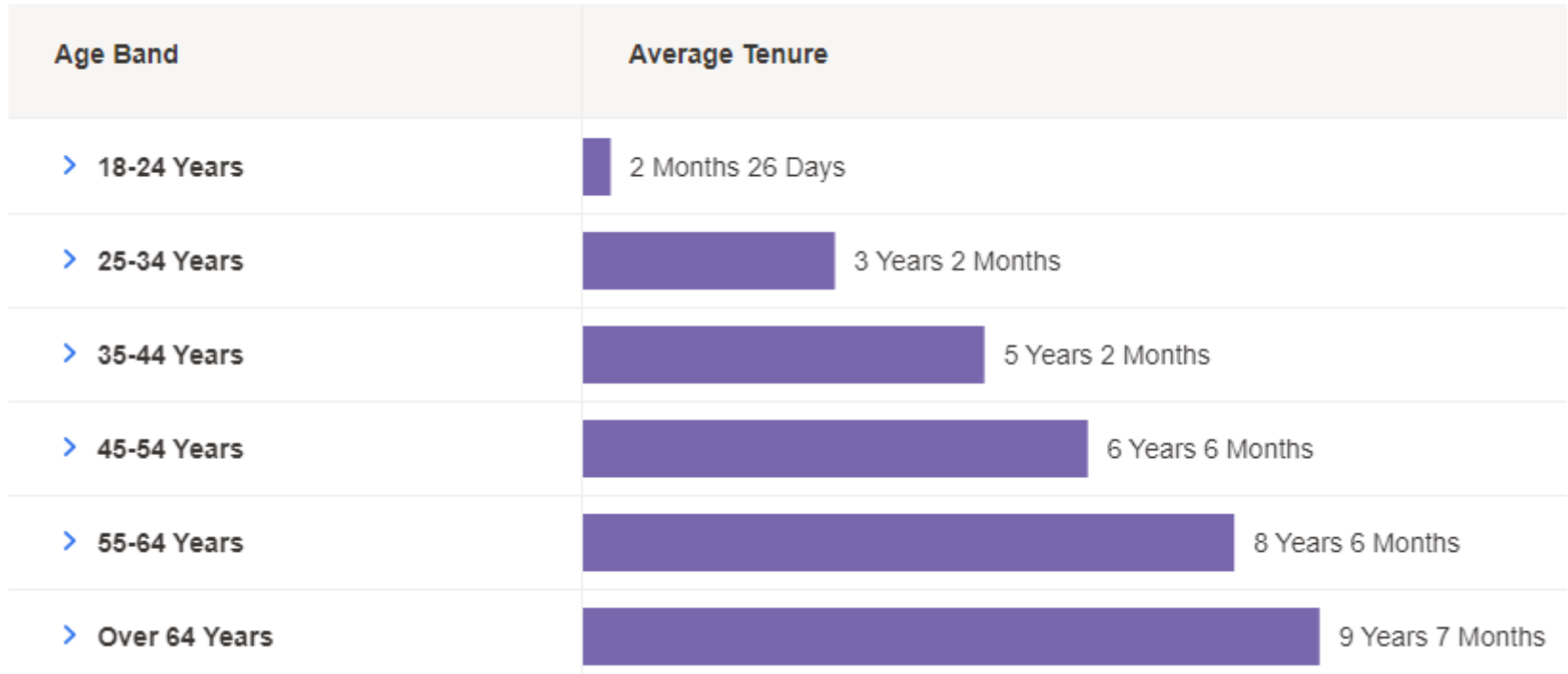
Liz Saunders, Vice President, People and Culture
Corporate Governance and Human Resources Committee Meeting
August 14, 2024

RELIABILITY | RESILIENCE | SECURITY



**2024 WPP
in Action**

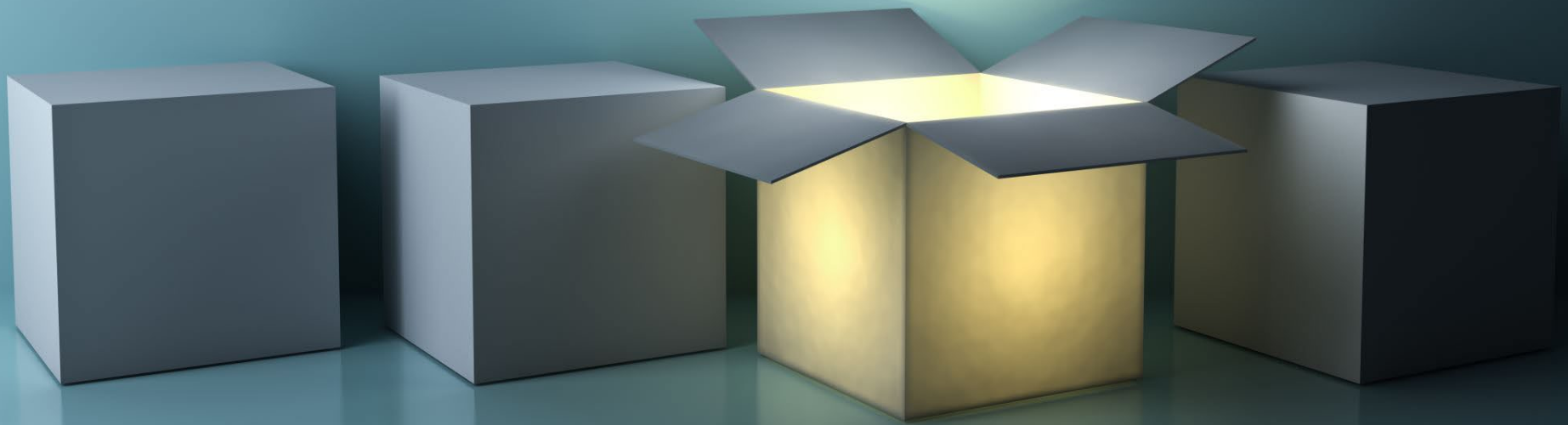




Well-Being and Growth



What Drives a Positive Culture?



A map of North America is shown in a light blue color. A dark blue horizontal band runs across the middle of the map, partially overlapping the text. The text "Questions and Answers" is centered within this band.

Questions and Answers



Appendix

