Agenda
Member Representatives Committee
Informational Session

January 16, 2025 | 3:00 p.m. – 4:30 p.m. Eastern

Attendee WebEx: Click to Register and Join
Webinar Number: 2310 910 8818
Webinar Password: 9Gep6Pt3qiP (94376783 when dialing from a phone or video system)

Join by Phone: 1-415-655-0002 US Toll | 1-416-915-8942 Canada Toll
Access Code: 2310 910 8818

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines

Agenda Items

1. **Overview of NERC Membership Sectors***

   a. Sector 2: State/Municipal Utility*

   b. Sector 10: ISO/RTO*

2. **Schedule and Preliminary Agenda Topics for the February 2025 Board, Board Committees, Technical Session, and MRC Meetings***

   a. Overview of Input Letter

      i. Understanding and Addressing Risks from Integrating Large Loads*

*Background materials included.

Overview of NERC Membership Sectors

Action
Information

Summary
At the April 2024 MRC Informational Session, the MRC initiated an educational series for MRC members to present on NERC's membership sectors[1] that are represented on the MRC, including how each sector is organized and who they represent.

During the January 16, 2025, MRC informational session, the educational series will continue with presentations on the following Sectors:

- Sector 2: State/Municipal Utility

- Sector 10: ISO/RTO

The presentations from the April, July, and November 2024 sessions were recorded and posted on NERC's YouTube channel. Following the January 2025 session, the presentation on the above sectors will be added to the channel.

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[1] NERC Membership is organized by 13 sectors (sectors 1 through 10, and sector 12 have voting representation on the MRC). MRC members are elected by NERC members. Membership in NERC is free, voluntary, and open to any person or entity with an interest in the reliable operation of the North American bulk power system.

NERC MRC Informational Session

Sector 2 - State/Municipal Sector (Public Power)

Roy Jones
Electricities of North Carolina

Scott Tomashefsky
Northern California Power Agency
January 16, 2025

PUBLIC OWNERSHIP

LOCAL CONTROL

NONPROFIT OPERATIONS

LOW-COST STRUCTURE

CUSTOMER FOCUSED

ELECTRICITIES
of NORTH CAROLINA, INC.

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NORTHERN CALIFORNIA POWER AGENCY
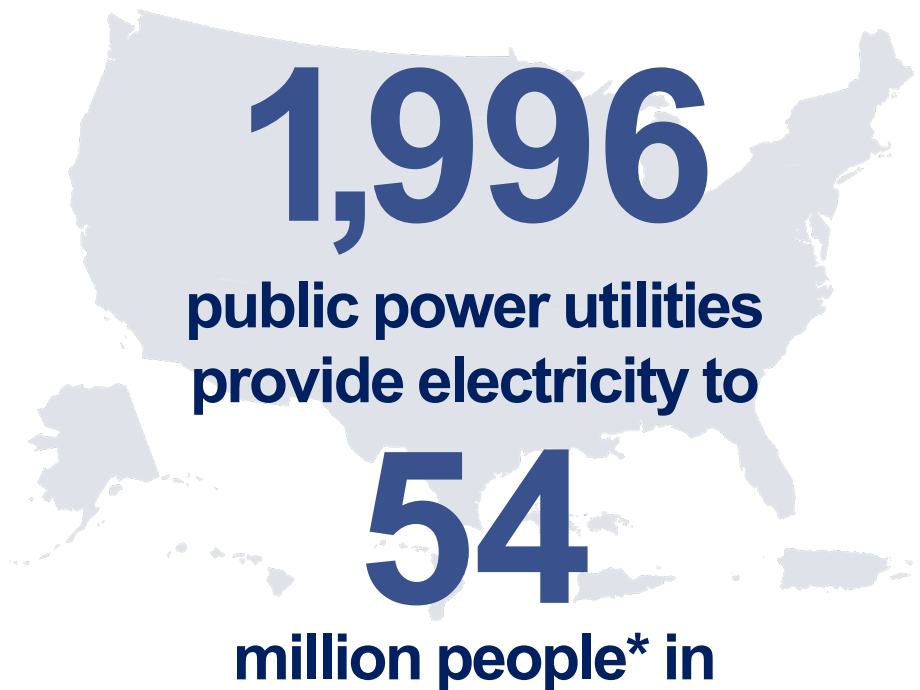
What Are Public Power Utilities?

- Public power utilities are like our public schools and libraries:
  - Division of local government,
  - Owned by the community
  - Run by boards of local officials
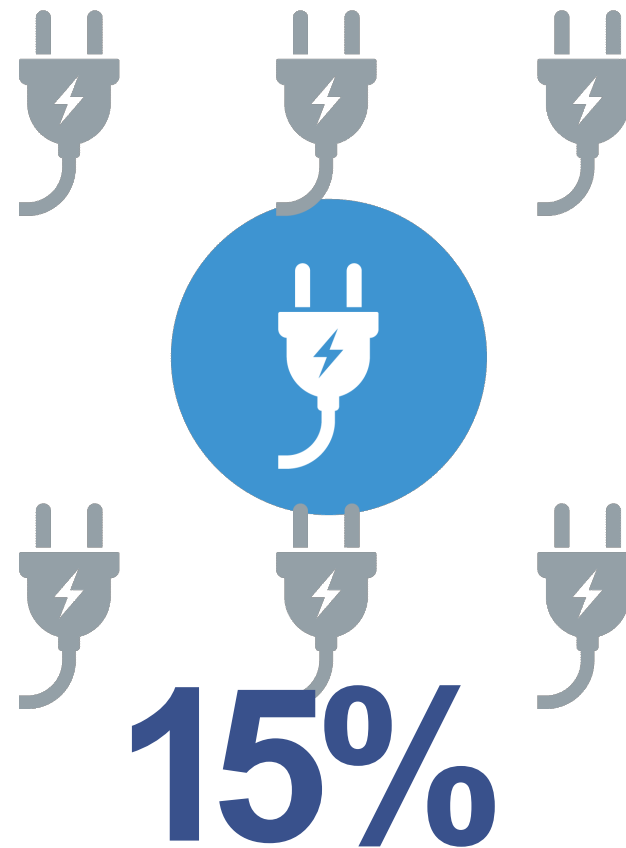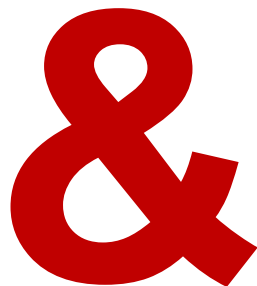 - Accountable to the citizens they represent

Providing Service from Coast to Coast

1,996
public power utilities provide electricity to

54
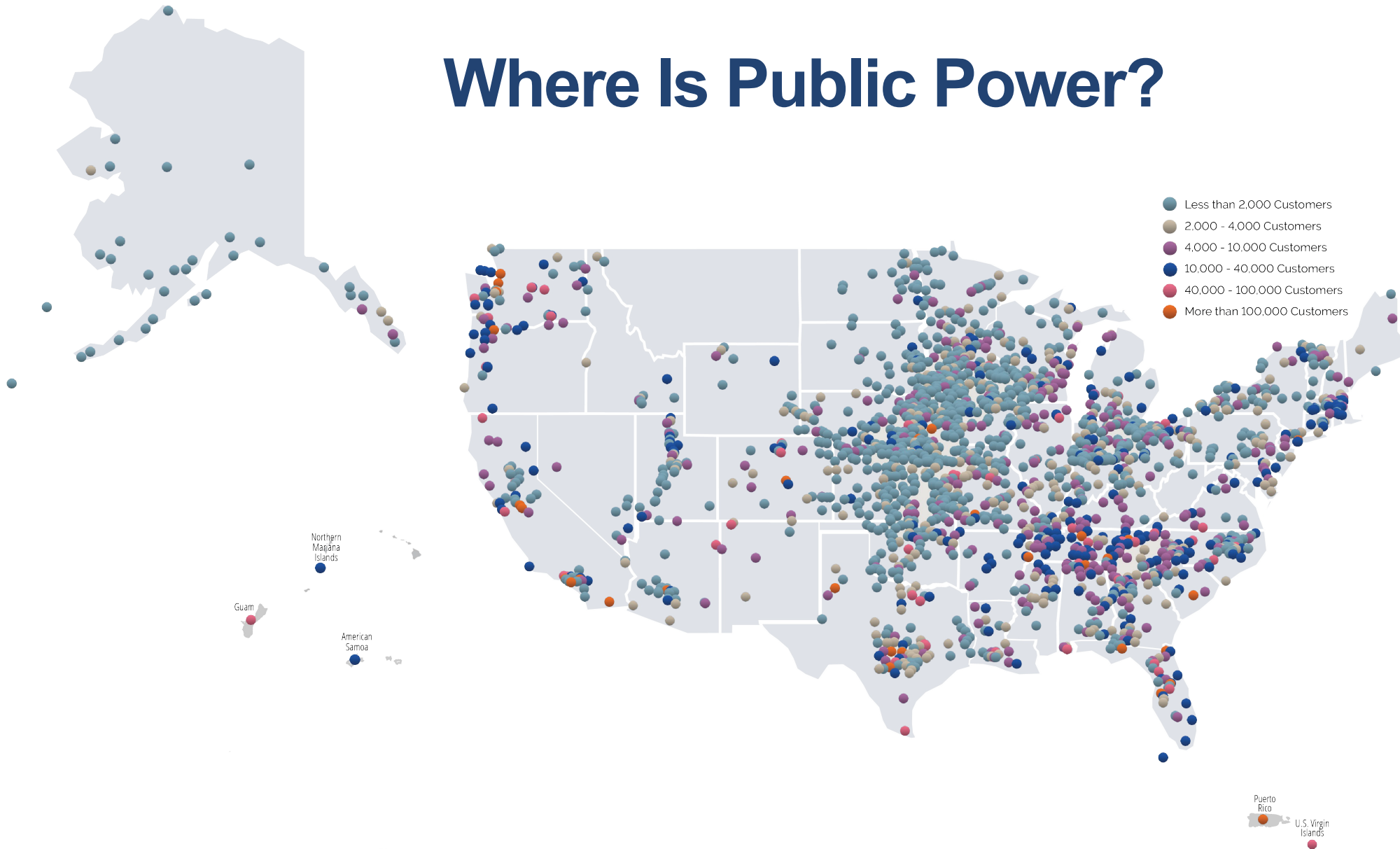million people* in

49
states and

5
U.S. territories

*Based on U.S. Census Bureau stats of 2.6 people per household/meter

&

15%
of electricity customers in the U.S. are served by public power

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Where Is Public Power?

Legend:
- Less than 2,000 Customers
- 2,000 – 4,000 Customers
- 4,000 – 10,000 Customers
- 10,000 – 40,000 Customers
- 40,000 – 100,000 Customers
- More than 100,000 Customers

Northern Mariana Islands
Guam
American Samoa
Puerto Rico
U.S. Virgin Islands

Source:
American Public Power Association

3 TYPES OF ELECTRIC UTILITIES

	PUBLIC POWER UTILITIES	**RURAL ELECTRIC COOPERATIVES**	**INVESTOR-OWNED UTILITIES**
BUSINESS MODEL	Not for profit, Community-owned	Not for profit, Member-owned	For profit, Shareholder owned
FEDERAL ENERGY REGULATORY COMMISSION JURISDICTIONS	Only for interstate transmission	Only for interstate transmission	For wholesale rates
REGULATED BY STATE PUBLIC UTILITY COMMISSION	Very limited instances	Some	All
GOVERNED BY	Elected/appointed boards, mayors, city council members and citizens	Member-elected boards	Private boards
FINANCIAL CONTRIBUTION TO LOCAL GOVERNMENT	Exempt from most taxes; instead make payments in lieu of taxes or transfers to the general fund	May neither pay taxes nor other contributions to local government	Pay taxes to local government
CAN RAISE FUNDS THROUGH	Tax-exempt municipal bonds	Loans from the Dept of Agriculture's Rural Utilities Service or cooperative or private lenders	Stock issue or corporate debt

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Source:
American Public Power Association

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America's Generating Capacity

Public Power Utilities — 9.7%

Investor-Owned Utilities — 34.5%

Rural Electrical Cooperatives — 5.0%

Federal Power Agencies — 5.7%

Independent Generators — 45.1%
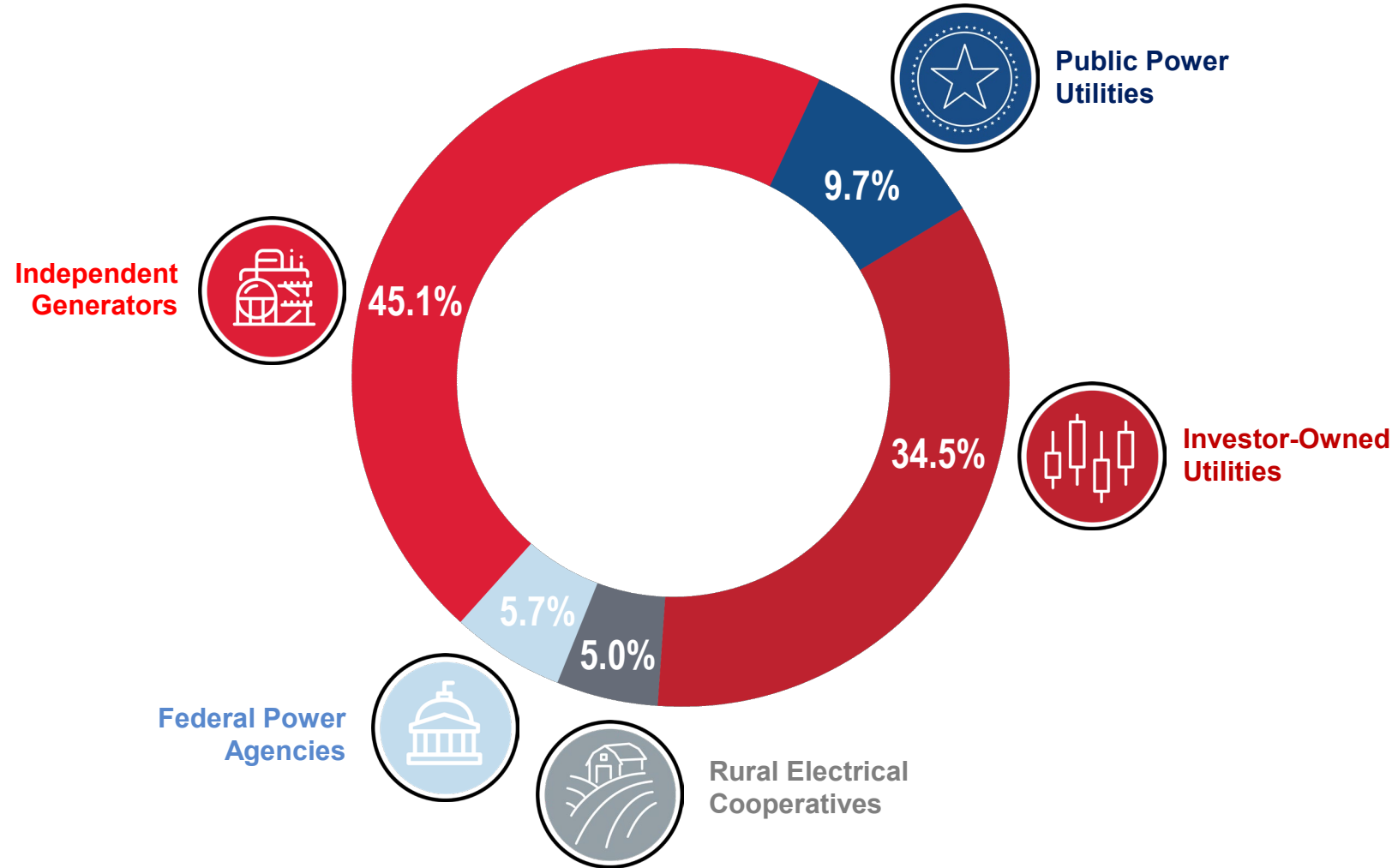
U.S. Electric Generation by Fuel Type, 2022
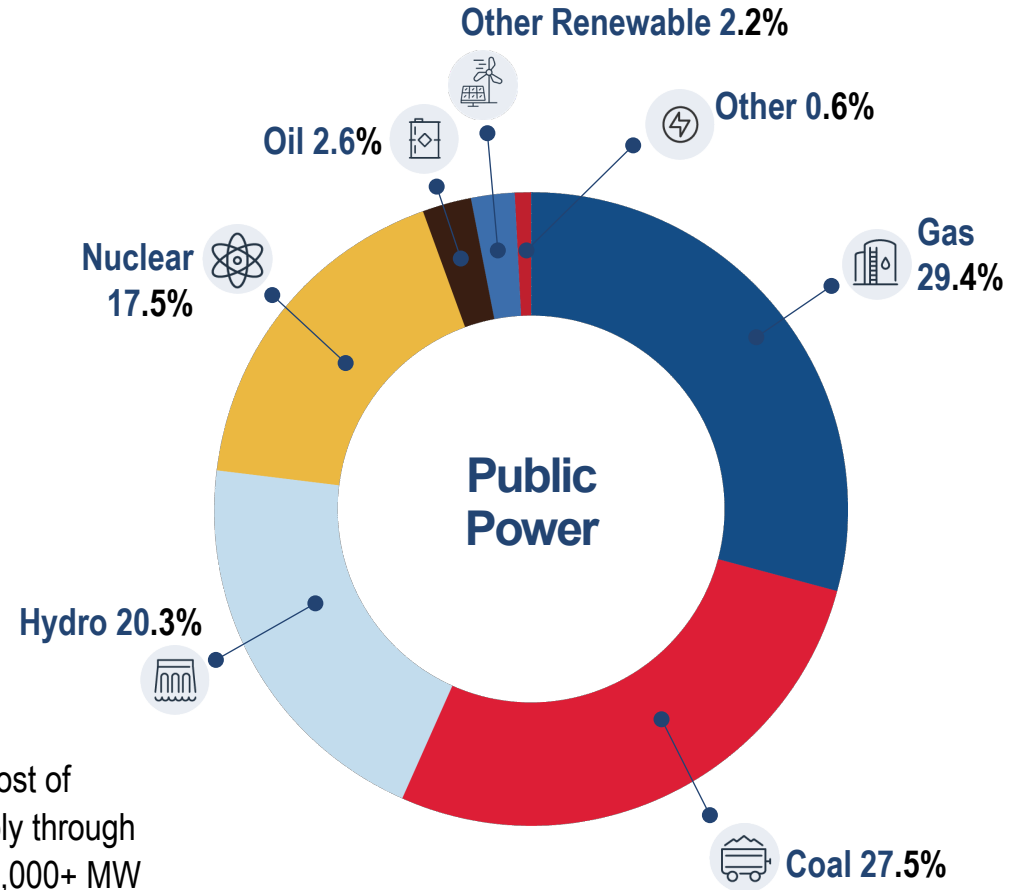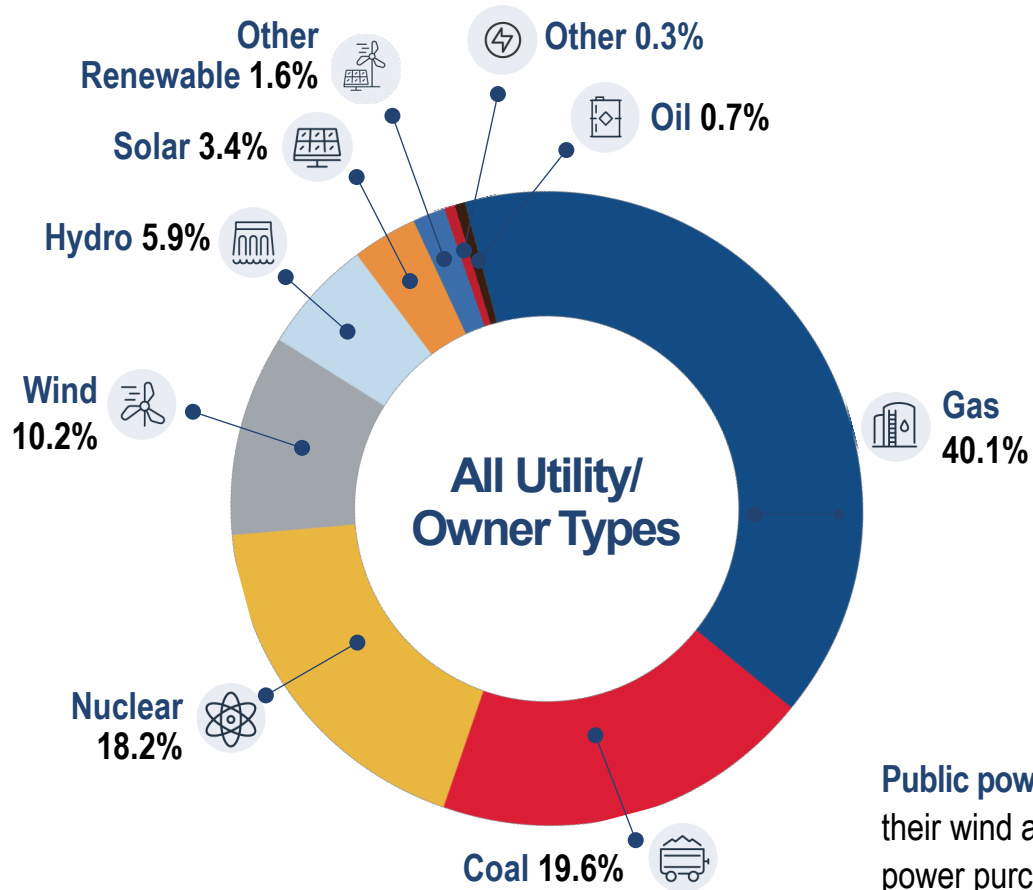
Public power utilities procure most of their wind and solar energy supply through power purchase agreements (23,000+ MW of wind, solar) rather than direct ownership.

Public Power Partners

ASSOCIATION OF TRANSMISSION-DEPENDENT UTILITIES LOCATED IN 35 STATES

RECOGNIZED VOICE OF SMALLER PUBLIC POWER UTILITIES

IOU AND COOPS PART OF THE MEMBERSHIP

NATIONAL TRADE ASSOCIATION FOR PUBLIC POWER

VOICE IN WASHINGTON, DC FOR NOT-FOR-PROFIT, COMMUNITY-OWNED UTILITIES

FOUNDED IN 1940

INCLUDES MEMBERS OF LPPC AND TAPS

29	OF THE LARGEST U.S. PUBLIC POWER SYSTEMS
80	THOUSAND+ MEGAWATTS OF GENERATION CAPACITY
40	THOUSAND+ CIRCUIT MILES OF HIGH-VOLTAGE TRANSMISSION LINES
30.5	MILLION AMERICAN CUSTOMERS
22	STATES AND PUERTO RICO

Top Issues and Risks

- Balance reliability objectives with affordability

- Minimize administrative burdens of compliance without compromising reliability

- Focus on highest impact interventions

- Maintain a focus on bulk power systems rather than distribution systems

Sector 10 (ISO/RTO)

Member Representatives Committee
January 16, 2025

Agenda

- ▶ Introduction to Independent System Operators (ISOs) and Regional Transmission Organizations (RTOs)

- ▶ The ISO/RTO Council (IRC)

- ▶ Emerging Trends

Introduction to ISO/RTOs

ISO/RTOs advance reliability and efficiency

▶ ISO/RTOs are not-for-profit entities

▶ Through wide-area infrastructure planning as well as wide-area balancing of supply and demand, ISO/RTOs are helping North America's electric grid adapt to extreme weather, maintain affordability, and integrate emerging technologies into system operations
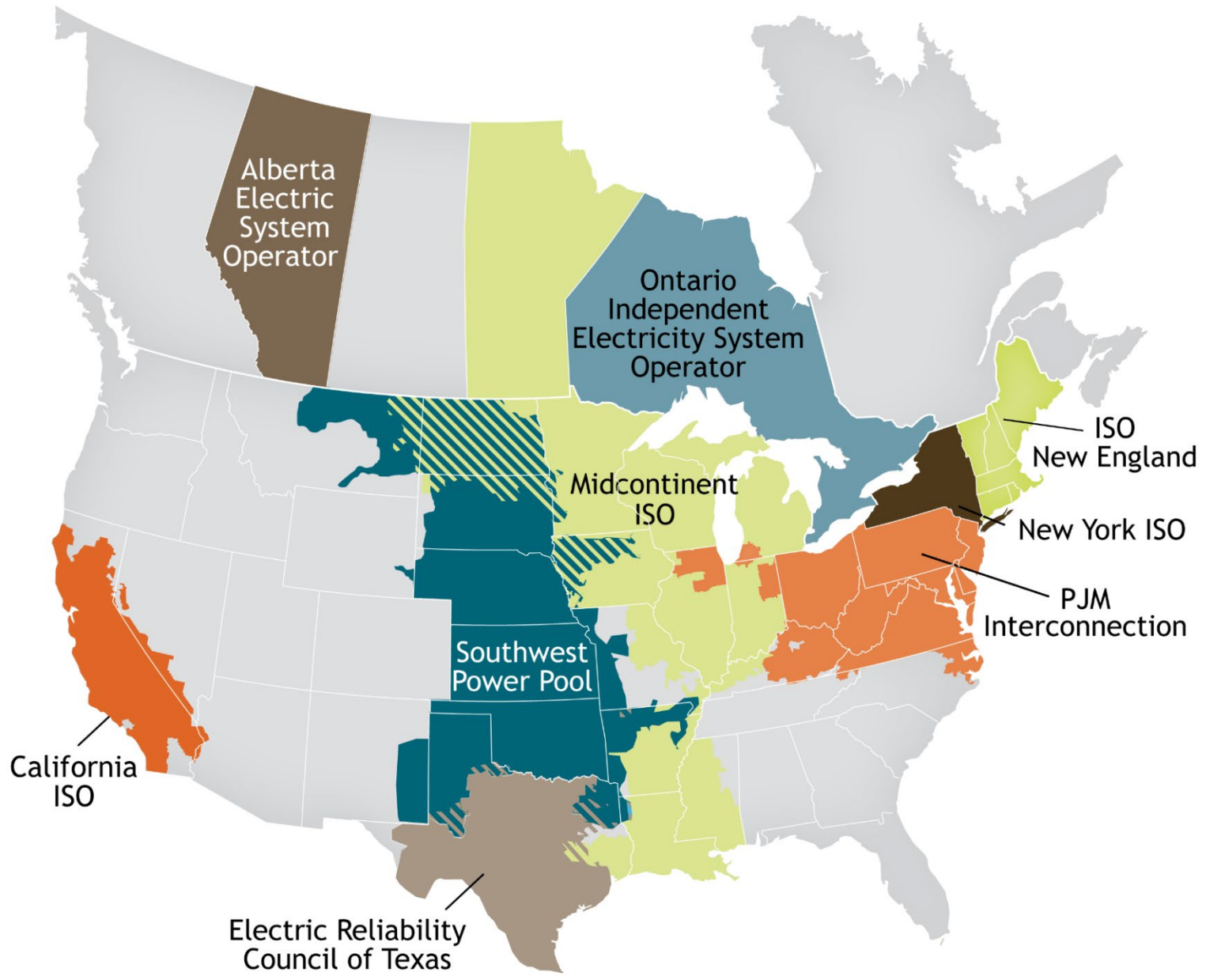
Key ISO/RTO Functions and Benefits

What ISO/RTOs Do	Implications
Provide non-discriminatory open access transmission service	Facilitates competition between generation resources
Platform for wholesale energy and capacity markets	Incentivizes efficient and cost-effective generation dispatch and new supply investment
Perform system operations through energy markets	Least-cost dispatch that accounts for reliability needs
Long-term transmission planning, resource adequacy constructs	Enhanced long-term reliability

It's also important to keep in mind what RTO/ISOs do NOT do

ISO/RTOs do NOT:

- Own power plants (our participants do)

- Own transmission lines or substations (our participants do)

- Have retail customers

The ISO/RTO Council

Alberta Electric System Operator

Ontario Independent Electricity System Operator

ISO New England

Midcontinent ISO

New York ISO

PJM Interconnection

Southwest Power Pool

California ISO

Electric Reliability Council of Texas

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The IRC

▶ By sharing innovative ideas and real-world best practices, IRC members work together to build a smarter and more efficient electric grid that's well prepared to serve the North American power market and its consumers, today and tomorrow

The IRC structure covers multiple areas

IRC Committees:

- Executive Committee

- Planning Committee

- Operations Committee

- Standards Review Committee

- Communications Committee

- Information Technology Committee

- Regulatory and Legislative Committee

- Markets Committee

Emerging Trends

Emerging Trends

- Demand growth and supply margins
  - Electrification of transportation and building sectors and growth
  - Large loads, such as data centers, manufacturing, and bitcoin operations are increasing demand in some regions
- Electric/gas coordination efforts underway focused on winter reliability/resilience
- Growth of variable resources (wind turbines and solar)
  - Impacts on operations, market design, and planning
- Growth of storage
- Dispatchable resource retirements
- Incorporating state/province policy choices into the markets

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NERC
NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Wednesday, February 12, 2025	
8:30 – 9:30 a.m.	Technology and Security Committee Meeting —**Open**
10:00 – 11:00 a.m.	Regulatory Oversight Committee Meeting —**Open**
11:15 a.m. – 12:00 p.m.	Finance and Audit Committee Meeting —**Open**
1:00 p.m. – 2:15 p.m.	Corporate Governance and Human Resources Committee Meeting —**Open**
2:30 – 5:00 p.m.	Technical Session —**Open**
Thursday, February 13, 2025	
8:00 – 10:00 a.m.	Member Representatives Committee Meeting —**Open**
10:30 a.m. – 1:00 p.m.	Board of Trustees Meeting—**Open**

*All meeting times are in Eastern Time Zone

RELIABILITY | RESILIENCE | SECURITY

Technology and Security Committee

- ERO Enterprise Business Technology Strategic Plan Update
- ERO Enterprise Stakeholder Engagement Update
- Threat Landscape Update
- E-ISAC Customer Experience Update

Regulatory Oversight Committee

- Standards Update
- CMEP Implementation Plan Update
- CMEP and ORCP Annual Report Update

Finance and Audit Committee

- Fourth Quarter Unaudited Summary of Results
- 2026 BP&B Schedule

Corporate Governance and Human Resources Committee

- Board Committee and Board Annual Evaluations and Committee Mandate Process
- Standing Committee Self-Assessment Survey Results
- People and Culture Update
- Annual Conflict of Interest and Independence Report

RELIABILITY | RESILIENCE | SECURITY

- Supply Chain Panel

- Large Load Integration Panel

RELIABILITY | RESILIENCE | SECURITY

- Election of NERC Trustees

- MRC Governance Guidelines Review/Approval

- Business Plan and Budget Input Group Update

- Update on FERC Activities

- Discussion on Responses to Input Letter

- Additional Discussion on February 12 Board Committee and Technical Session Meetings

- MRC Input and Advice on February 13 Board Agenda Items

- Update on Implementation of MRC Effectiveness Recommendations

- NERC 2026-2028 Plan Update and Next Steps

- Election and Appointment of Board Chair and Vice Chair, Board Committee Assignments, and NERC Officers
- Board Committee Reports
- Semi-Annual Standing Committee Reports to the Board and Approval of Strategic and Work Plans
- Adopt Regional Reliability Standard BAL-004-WECC-4
- Update/Adopt Revisions to ERO-012-2
- Approve TADS Section 1600 Data Request
- Approve NPCC Amended Bylaws
- Regional Delegation Agreements Renewal Timeline Update
- NERC.com Modernization Project Update
- Year-End Review of the Achievements of the 2024 NERC Work Plan Priorities

RELIABILITY | RESILIENCE | SECURITY