

Agenda Regulatory Oversight Committee Meeting

May 7, 2025 | 1:30 – 2:30 p.m. Eastern
Hybrid Meeting

In-Person (Board, NERC Staff ONLY)

NERC DC Office
1401 H Street NW, Suite 410
Washington, DC 20005

Virtual Attendees *(including presenters)*

Webinar Link: [Join Meeting](#)

Webinar Password: Day1ATTMay725 (32912886 from phones)

Audio Only: +1-415-655-0002 US Toll | +1-416-915-8942 Canada Toll | Access code: 2309 991 0780

Committee Members

Robin E. Manning, Chair
Kenneth W. DeFontes, Jr.
George S. Hawkins
Susan Kelly
Suzanne Keenan, *ex-officio*

Introduction and Chair's Remarks

[NERC Antitrust Compliance Guidelines](#)

Agenda Items

1. **Minutes* – Approve**
 - a. February 12, 2025 Open Meeting
 - b. January 10, 2025 Open Meeting
2. **Reliability Standards* — Update**
3. **Standards and CMEP Enhancements* — Update**
4. **ERO Regulatory Programs* — Update**
5. **Reference Materials* — Information**
 - a. ORCP and CMEP Dashboard
6. **Other Matters and Adjournment**

*Background materials included.

DRAFT Minutes Regulatory Oversight Committee Open Meeting

February 12, 2025 | 10:00-11:00 a.m. Eastern
In-Person

JW Marriott Miami
1109 Brickell Ave
Miami, FL 33131

Conference Room: Grand Ballroom (5th floor)

Committee Members

Mr. Robin E. Manning, Chair, called to order the duly noticed open meeting of the Board of Trustees Regulatory Oversight Committee (ROC or Committee) of the North American Electric Reliability Corporation (NERC) on February 12, 2025, at approximately 10:00 a.m. Eastern Time, and a quorum was declared present.

Present at the meeting were:

Committee Members

Robin E. Manning, Chair
Larry Irving
Susan Kelly
Kristine Schmidt
Kenneth W. DeFontes, Jr., *ex officio*

Board of Trustees Members

James B. Robb, NERC President and Chief Executive Officer
Robert G. Clarke
Suzanne Keenan
Jim Piro
Colleen Sidford

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and CEO of the E-ISAC
Shamai Elstein, Associate General Counsel
Howard Gugel, Vice President, Compliance Assurance and Registration
Kelly Hanson, Senior Vice President, Chief Operating Officer
Soo Jin Kim, Vice President, Engineering and Standards
Mark Lauby, Senior Vice President and Chief Engineer
Justin Lofquist, Director of Enterprise Applications Architecture
James McGrane, Senior Counsel
Kimberly Mielcarek, Vice President, Communications
Kaiesha Morgan, Program Specialist, Corporate Governance and Enforcement
Lonnie Ratliff, Director, Compliance Assurance and Certification
Sônia Rocha, Senior Vice President, General Counsel, and Corporate Secretary

Camilo Serna, Senior Vice President, Strategy and External Engagement
Andy Sharp, Vice President, Chief Financial Officer
Teri Stasko, Assistant General Counsel and Director of Enforcement
Jim Stuart, Director, Registration

Introduction and Chair's Remarks

Chair Manning welcomed the members of the ROC and other attendees to the meeting. Chair Manning provided a brief summary of the February 11, 2025 Closed Committee Meeting, noting the Committee received information from staff on an effort to analyze the operations of the ballot body. He thanked the many industry volunteers who participated in that effort and asked that the product serve as an input to the new task force that will review the standards process more holistically.

NERC Antitrust Compliance Guidelines

Chair Manning 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.

Reliability Standards

Ms. Kim provided an update on high-priority projects, including the recent use of 321 for Reliability Standards PRC-029-1 and EOP-012-3. She encouraged industry to participate in the comment period for EOP-012-3.

Align History, Governance and Maturity

Messrs. Thomas, Tomashefsky, and Lofquist provided an overview of the history and governance of Align and the Secure Evidence Locker (SEL). Mr. Thomas provided a brief description of the Align governance model. He also shared a Regional Entity perspective of Align and the SEL. Mr. Tomashefsky provided an industry perspective and shared how industry feedback is provided to the Align User Group. Mr. Lofquist discussed Align maturity.

Compliance Monitoring and Enforcement Program Implementation Plan

Mr. Ratliff explained that the Compliance Monitoring and Enforcement (CMEP) Implementation Plan (CMEP IP) is the annual operating plan used by the ERO Enterprise in performing CMEP responsibilities and duties. He further explained that the risk elements identified in the CMEP IP serve as inputs in determining the appropriate monitoring of risks and related Reliability Standards and requirements in the Compliance Oversight Plan for each registered entity.

Compliance Monitoring and Enforcement Program and Organization Registration and Certification Program Annual Report

Messrs. Stuart, Ratliff, and McGrane presented the 2024 CMEP and ORCP Annual Report, noting 2024 ORCP and CMEP key accomplishments and 2025 CMEP and ORCP priorities. They also provided information and statistics regarding 2024 CMEP and ORCP activities.

Closing Remarks and Adjournment

Chair Manning expressed appreciation for the work done to date on this important Reliability Standard as well as excitement to continue stakeholder involvement to ensure the timely development of revisions to Reliability Standard EOP-012-2 as directed by FERC.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,

A handwritten signature in black ink, appearing to be 'SR' with a long horizontal line extending to the right.

Sônia Rocha
Corporate Secretary

Agenda

Regulatory Oversight Committee Meeting

January 10, 2025 | 11:00 a.m. – 12:00 p.m. Eastern
Virtual Meeting

Webinar Link: [Join Meeting](#)

Attendee Password: ROCBoardJan25PAN (76226273 from phones)

Audio Only: +1-415-655-0002 US | +1-416-915-8942 Canada | Access code: 2305 638 9089

Mr. Robin E. Manning, Chair, called to order the duly noticed open meeting of the Board of Trustees Regulatory Oversight Committee (ROC or Committee) of the North American Electric Reliability Corporation (NERC) on January 10, 2025, at approximately 11:00 a.m. Eastern Time, and a quorum was declared present.

Present at the meeting were:

Committee Members

Robin E. Manning, Chair

Larry Irving

Susan Kelly

Kristine Schmidt

Kenneth W. DeFontes, Jr., *ex officio* Jim Piro

Board of Trustees Members

James B. Robb, NERC President and Chief Executive Officer

Jane Allen

Robert G. Clarke

Suzanne Keenan

Colleen Sidford

George Hawkins

NERC Staff

Tina Buzzard, Assistant Corporate Secretary

Jamie Calderon, Director, Standards Development

Manny Cancel, Senior Vice President and CEO of the E-ISAC

Howard Gugel, Vice President, Compliance Assurance and Registration Kelly Hanson,
Senior Vice President, Chief Operating Officer

Soo Jin Kim, Vice President, Engineering and Standards

Mark Lauby, Senior Vice President and Chief Engineer

Kimberly Mielcarek, Vice President, Communications

Kaiesha Morgan, Program Specialist, Corporate Governance and Enforcement Lauren
Perotti, Assistant General Counsel

Lonnie Ratliff, Director, Compliance Assurance and Certification

Sônia Rocha, Senior Vice President, General Counsel, and Corporate Secretary Camilo

Serna, Senior Vice President, Strategy and External Engagement

Teri Stasko, Assistant General Counsel and Director of Enforcement

Introduction and Chair's Remarks

Chair Manning welcomed the members of the ROC and other attendees to the meeting. He explained that the purpose of the meeting was to discuss actions the Committee may recommend the Board take to ensure the timely development of revisions to the generator cold weather standard, EOP-012, by FERC's March 27, 2025 deadline. Chair Manning also provided a brief summary of the January 13, 2025 Closed Committee Meeting.

NERC Antitrust Compliance Guidelines

Chair Manning 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.

Recommended Standards Actions to Address FERC Directives Regarding EOP-012-2 – Extreme Cold Weather Preparedness and Operations

Ms. Kim reviewed the status of the Cold Weather standards, noting the recent failed ballot of the second draft of proposed Reliability Standard EOP-012-3. Given the status, Ms. Kim explained that NERC Management has concluded that it is increasingly unlikely that NERC will be able to meet FERC's March 27, 2025, deadline for a revised EOP-012 standard addressing FERC's directives from a June 2024 Order through the usual stakeholder comment and ballot process. Therefore, Ms. Kim reviewed the options available to the Committee to recommend to the Board for consideration to meet the FERC directive.

The Committee had a robust discussion on options to address developing revisions to Reliability Standard EOP-012-2 as directed by FERC. The discussion included recognition that using Section 321.5 is a continuation of the stakeholder process; Mr. Robb shared that NERC's objective here will be to help the Standards Committee develop a Standard responsive to FERC's directives. The Committee also discussed how the deference that FERC has given us in the 5-year assessment order may be used to ameliorate some of the compliance concerns around such issues as cold weather data availability. Mr. Gugel articulated areas where the compliance monitoring approach can be flexible as we learn about this standard's efficacy.

Standards Committee Chair, Todd Bennett, stated that the Standards Committee would be ready to respond to the Board's action.

Chair Manning summarized the final recommendation to the Board of Trustees for approval as:

- In consideration of the imminent FERC deadline, the lengthy history of the EOP-012 standard, and the failure of the ballot pool to approve a revised EOP-012 standard that is responsive to the FERC directives, the Regulatory Oversight Committee recommends the Board take action to complete the development of this standard using the notice and comment format described in Section 321.5 of the NERC Rules of Procedure.
- Considering the relevant facts the ROC hereby recommends the following to the Board of Trustees, that:
 - The Board finds that the ballot body for draft Reliability Standard EOP-012-3 developed under Project 2024-03 Revisions to EOP-012-2 has failed to approve a proposed Reliability Standard

that contains provisions to adequately address specific matters identified in directives issued by FERC in its June 27, 2024 Order;

- The Board finds it is necessary to employ the notice and comment format under Section 321.5 of the NERC Rules of Procedure to ensure the timely development of a standard responsive to the FERC Order;
- The Board directs the Standards Committee, with the assistance of stakeholders and NERC staff, to prepare a responsive standard and to post it for public comment by no later than January 29, 2024;
- The Board directs NERC management to draft a responsive standard, if the Standards Committee fails to draft a responsive standard in a timely manner or determines that NERC management should draft the standard;
- The Board directs that a draft standard be posted for a 45-day public comment in accordance with the Rules of Procedure; and
- The Board directs management to bring the standard and a complete record with all public comments to the Board at a special meeting in March to be convened for this purpose.

The Committee voted unanimously to provide the recommendations to the Board.

Closing Remarks and Adjournment

Chair Manning expressed appreciation for the work done to date on this important Reliability Standard as well as excitement to continue stakeholder involvement to ensure the timely development of revisions to Reliability Standard EOP-012-2 as directed by FERC.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Sônia Rocha
Corporate Secretary

Reliability Standards

Action

Update

Background

In February 2022, the NERC Board of Trustees (Board) directed NERC staff to examine the NERC Rule of Procedures (NERC ROP) regarding the Reliability Standards development process and recommend changes that would improve NERC's ability to address urgent reliability needs with appropriate agility, while also maintaining reasonable notice and opportunity for public comment, due process, openness, and balance of interests.

NERC staff developed preliminary recommendations and convened a Standards Process Stakeholder Engagement Group (SPSEG) to provide feedback and develop consensus recommendations for improving agility of the process while maintaining the key role of stakeholders in producing consensus standards.¹ The SPSEG included representatives from the Board, NERC staff, Member Representatives Committee, Standards Committee, Compliance and Certification Committee, Reliability and Security Technical Committee, and Reliability Issues Steering Committee with representation from U.S. and Canadian entities. The SPSEG, in response to the Board directives, developed recommendations to the Board throughout 2022. These recommendations to enhance the standards development process fell into the following categories: revisions to Section 300 of the NERC ROP, revisions to Appendix 3A to the NERC ROP Standard Processes Manual, recommendations for the standing committees, and a review of the Registered Ballot Body criteria.

As directed by the Board at its November 2022 meeting, NERC staff initiated a project in early 2023 to draft the recommended revisions to Section 300 of the NERC ROP and Appendix 3A, Standard Processes Manual. The proposed revisions to the Standard Processes Manual were subject to ballot body approval; after the initial ballot achieved only a 37.7% approval rating, some of the recommended changes were not pursued. The final draft received a weighted segment approval of 96.83%. In August 2023, the Board approved the proposed revisions to the Standard Processes Manual and Section 300 of the NERC ROP. On September 15, 2023, NERC filed a petition for approval to Federal Energy Regulatory Commission (FERC).²

In November 2023, FERC issued an order approving NERC's proposed revisions. In its order, FERC expressed its support for NERC's efforts to increase the speed and flexibility of its standards process, but stated it remained concerned of the ongoing need for a timely and responsive process given the rapid pace of change in the reliability and security of the bulk power system. Therefore, FERC directed NERC to submit an informational filing no later than 18 months after

¹ [Standard Processes Manual Revisions to Address SPSEG Recommendations](#); NERC Standards Development project page

² [Petition of the North American Electric Reliability Corporation for Approval of the Revisions to the NERC Rules of Procedure Regarding Reliability Standards and Request for Expedited Action; Docket No. RR23-4-000 \(Sep. 15, 2023\)](#).

the date of the order, or by May 28, 2025, assessing the efficacy of the revisions.³ FERC stated that informational filing should contain the following:

- Statistical and numerical data such as comparison of development times for Reliability Standards before and after implementation;
 - A discussion of how NERC, with the revised procedures, has been able to expedite the successful development and approval of Reliability Standards addressing priority topics such as changing resource mix, extreme weather, and cybersecurity;
- Alternatively, the cause of delays or inability to move forward with a needed Reliability Standard;
- Recommended solutions to address identified concerns with the Reliability Standards development process; and
 - A discussion of how NERC's transparency measures, with the revised procedures including the removal of the ANSI standard requirements, have been sufficient to ensure that NERC continues to meet the Commission's requirements that the standards process be open and fair, appropriately balances the interest of stakeholders, includes steps to evaluate the effects of standards on competition, and meets the due process requirements.

NERC staff began implementing the revised process following its approval.⁴

In Q1 2025, NERC staff collected data from standards projects developed from December 2023 through Q1 2025 to address each directed item from the November 2023 order and to evaluate efficiency gains to the standards development process. NERC staff's report identifies the applied method for this evaluation; including which provisions were evaluated for effectiveness, what the presumed efficiency gain could be, and what limitations needed to be considered when reviewing the results of the evaluation. This report will be filed with FERC in accordance with their November 2023 Order no later than May 28, 2025.

Summary

Following its assessment of the 2024 and Q1 data, NERC staff has developed the following preliminary findings regarding the effectiveness of the 2023 NERC ROP revisions regarding the standard development process:

- In consideration of the modifications to the NERC ROP (Section 300 and Appendix 3A: Standard Processes Manual), in addition to the known limitations with the evaluation period data, NERC staff did not identify significant efficiency gains to the standards development process from data evaluated in this report.
- The approximate time saved as a result of specific modifications of the Standard Processes Manual was determined to not be significant; 45 days for additional comment periods (or 5.5% of all additional comment periods), and 10 days for final ballots (or 2% of all final ballots).
- For Standard Authorization Request (SAR) postings, it takes a minimum of three weeks to complete responses to comments. The approximate time saved as a result of modifications to the Standard Processes Manual clarifying informal SARs was determined to not be significant; one SAR was posted for informal comment equating to three

³ [N. Am. Elec. Reliability Corp., 185 FERC ¶ 61,146 \(2024\)](#),

⁴ [Appendix 3A to the NERC Rules of Procedure, Standards Process Manual, Version 5 \(eff. November 28, 2023\)](#);

working weeks saved. An additional 18 working weeks could have been saved but were not realized as six informal SAR postings were not approved by the Standards Committee for projects identified by NERC as originating from a vetted industry source.

- For standards projects identified as “high priority” that were in development or completed after the NERC ROP revisions were implemented, only 50% of projects (seven projects total) were developed without NERC staff seeking waivers from the Standard Processes Manual to further reduce posting times; such waivers were needed to ensure that an acceptable number of draft postings and associated comment periods could be conducted within the timelines set by FERC directives.
- Regarding the modifications in Section 300 and the Standard Processes Manual to remove reference to American National Standards Institute (ANSI) accreditation, NERC staff identified no efficiency gains to the standards development process beyond the procedural revisions that were made possible only by discontinuing the requirement for continued ANSI accreditation. NERC staff concluded that the process continues to be open and fair, appropriately balances the interest of stakeholders, includes steps to evaluate the effects of standards on competition, and meets due process requirements.

In conclusion, NERC staff identifies that no significant efficiency gains have been achieved since implementation of these changes. NERC staff concludes that further, more holistic changes are needed to effectively transform the Standards Development process into an agile and risk-responsive framework that continues to prioritize industry consensus-building in an open and inclusive environment. NERC staff emphasizes the criticality of the anticipated recommendations from the Modernize Standard Processes and Procedures (MSPP) Task Force and encourages that task force to fully consider these findings.

NERC staff is presently preparing its 2023 Revisions to the NERC ROP Regarding Standards Development Effectiveness Report. As noted above, this report will be submitted as part of an informational filing to FERC by May 28, 2025.

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Agenda Item 2

Reliability Standards

Jamie Calderon, Director of Standards
Regulatory Oversight Committee Open Meeting
May 7, 2025

RELIABILITY | RESILIENCE | SECURITY

2022

- NERC Staff examines process per Board directive and forms Standards Process Stakeholder Engagement Group (SPSEG)

2023

- SPSEG develops recommendations
- Changes to NERC Rules of Procedure approved

2024

- Modified process in effect
- Evaluation period for this report

Anticipated Gains

SAR comment periods
(formal/informal)

Additional comment
posting time reduced

Skipping final ballots

Known Limitations

1 year of data

High % of projects
seeking waivers



- Minimal efficiency gains to the Standards Development process were identified in this evaluation.
- More holistic modifications to the process are needed.



Questions and Answers

Standards and Compliance and Monitoring Enforcement Program Enhancements

Action

Update

Summary

The electric industry is experiencing rapid change in how systems are planned, designed, operated, and secured, requiring significant collaboration to assure the reliability, resilience, and security of the interconnected bulk power system. This unprecedented transformation requires an unprecedented response in how the ERO Enterprise performs its day-to-day functions in ensuring reliability and security of the bulk power system.

NERC staff will provide an update on three key activities:

- Reliability Standard Compliance Abeyance period;
- Streamlining Compliance Exception process; and
- Data analysis to report on trends, themes, and recommendations.

NERC

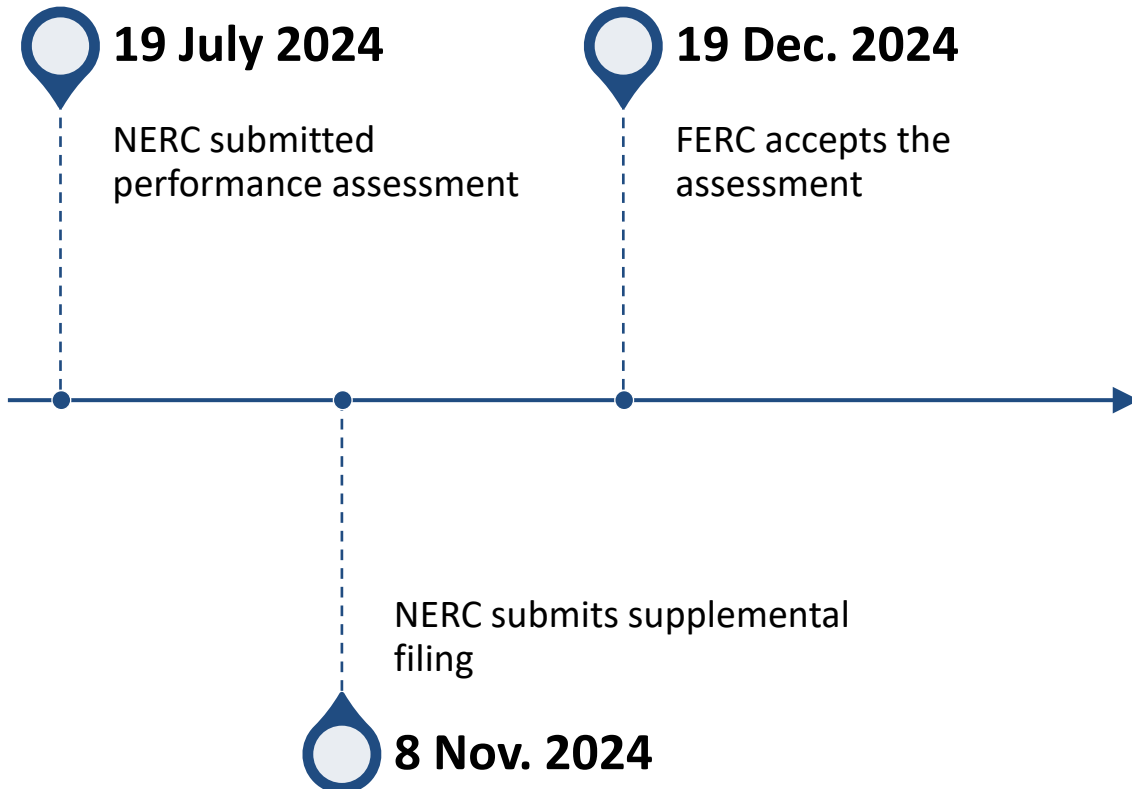
NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Agenda Item 3

Standards and CMEP Enhancements

Lonnie Ratliff, Director of Compliance Assurance and Certification
Teri Stasko, Assistant General Counsel and Director of Enforcement
Regulatory Oversight Committee Open Meeting
May 7, 2025

RELIABILITY | RESILIENCE | SECURITY



Standards Process Enhancements

Compliance Exception Processing Enhancements

Framework Established in Supplemental Filing

- FERC Docket No. RR24-4-000

Current Standards / Projects

- Project 2024-03 Revisions to EOP-012-3 (Cold Weather) *

Abeyance Observations Feedback to Standards and Industry



Challenges

- Delayed processing
- Inordinate time spent on minimal risk issues

Solution

- Streamlined processing
- Metrics tracking

ERO Enterprise Risk-Based Focus

- Focus on the higher risk noncompliance
- Identify trends, themes, patterns and lessons learned

Stakeholders

- Comprehensive self-reports
- Engage with Regional and/or NERC Staff



Compliance and Certification Committee



Regional Entity Workshops



Industry Held Meetings



Questions and Answers

ERO Regulatory Programs

Action

Update

Summary

NERC and the Regional Entities work together to implement the regulatory functions related to the Organization Registration and Certification Program (ORCP) and Compliance Monitoring and Enforcement Program (CMEP), as required under the NERC Rules of Procedures and the Regional Delegation Agreements.

NERC staff will provide an update on recent Regulatory Programs activities and provide context around the significance of those activities.

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Agenda Item 4

ERO Regulatory Programs

Jim Stuart, Director Registration

Lonnie Ratliff, Director of Compliance Assurance and Certification

James McGrane, Senior Counsel, Enforcement

Regulatory Oversight Committee Open Meeting

May 7, 2025

RELIABILITY | RESILIENCE | SECURITY

Registration

Compliance Assurance and Certification

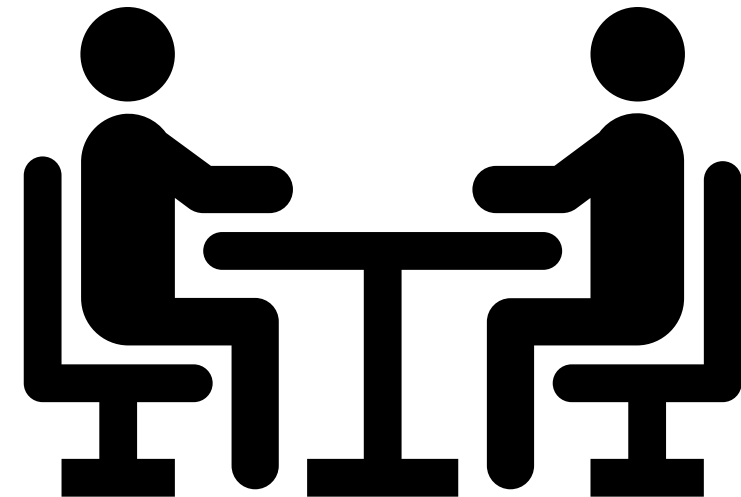
Enforcement



Registration

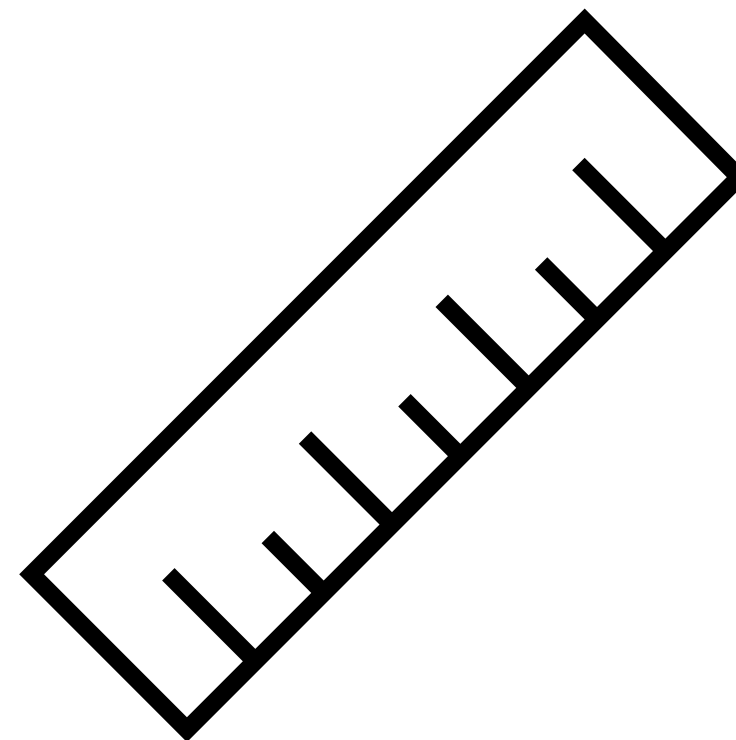
IBR-related activities

- Continued engagement by Regional Entities with candidates for Category 2 Generator Owner and Operator registration
 - Candidates identified from responses to RFIs sent to BAs and TOs (Q3 2024)
 - Data collection and assessment from direct engagement with entities including technical evaluation
 - Additional outreach to entities through regional workshops



IBR-related activities (continued)

- Practice Guide on applying registration criteria for Category 2 Generator Owner and Generator Operator of Inverter-Based Resources – January 31, 2025
- Informational webinar for industry – March 3, 2025
- Continued IT work preparing CORES for new GO-2 and GOP-2 entities
- Developing plan for phased registration beginning in Q3 2025 with effective date of May 15, 2026



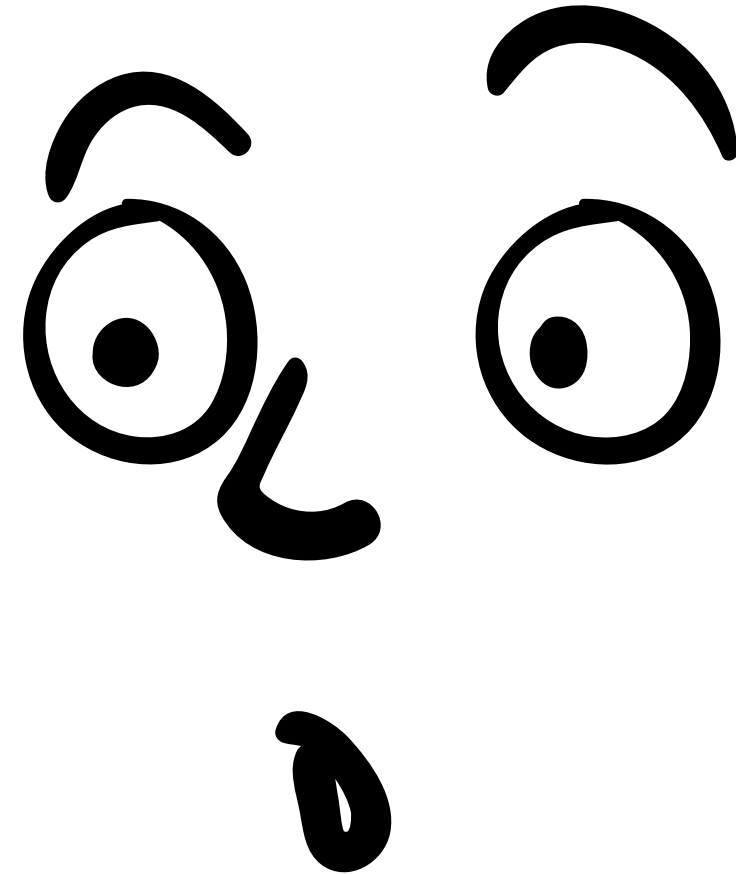
Compliance Assurance and Certification

ERO Enterprise Workshop – *“Navigating and Thriving in the New Frontier”*

- Case studies focusing on Risk
- Consistent messaging on key topics
- Transparency
- Canadian Regulators
- FERC Staff
- ERO Enterprise CMEP Staff
- ERO Enterprise Certification Staff
- Registration Staff
- Standards Staff



- Inherent Risk vs. Risk to the Bulk Power System
- Inverter-Based Resources
- Facility Interconnection Requirements and Studies
- Third Party GOP Control Rooms





- Common messaging around key topics
- Transparency
 - FERC Staff
 - Canadian Regulators
 - Standards
- Consistency
 - ERO Enterprise / FERC Staff

Regional and Stakeholder Workshops

- Abeyance

Small Group Advisory Sessions Planning

- Cold Weather
- Virtualization
- Other Standards Projects

Enforcement



Appendix 4B

Sanction Guidelines of the North American Electric Reliability Corporation

Since 2021 update to Sanction Guidelines, ERO Enterprise has sought:

- Consistency in application across Regional Entities; and
- Continuous improvement

Effective: January 19, 2021

Penalties must:

- Bear a reasonable relation to the seriousness of the violation(s)
- Mitigate overly burdensome penalties to less consequential or financially-limited entities
- Promote that no penalty is inconsequential to the entity to whom it is assessed



ERO Enterprise will be adjusting for inflation at starting point for penalties

- Initial adjustments will be phased in over several years
- Annual adjustments thereafter





Questions and Answers

NERC

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RELIABILITY CORPORATION

Agenda Item 5a

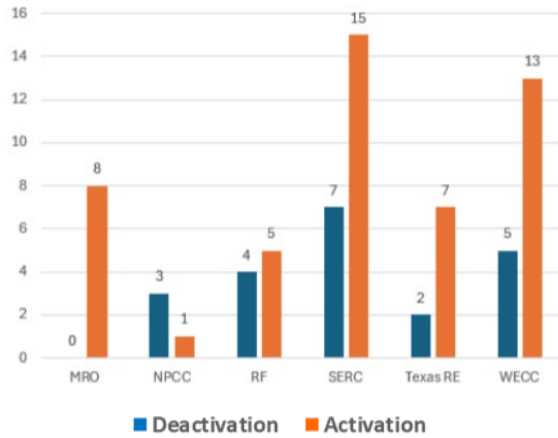
Quarterly Dashboard of ORCP and CMEP Indicators

Regulatory Oversight Committee Open Meeting
May 7, 2025

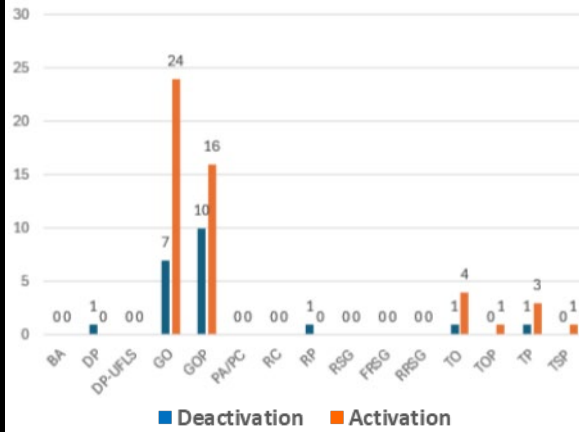
RELIABILITY | RESILIENCE | SECURITY

Q1 2025 ORCP and CMEP Indicators – U.S. Only

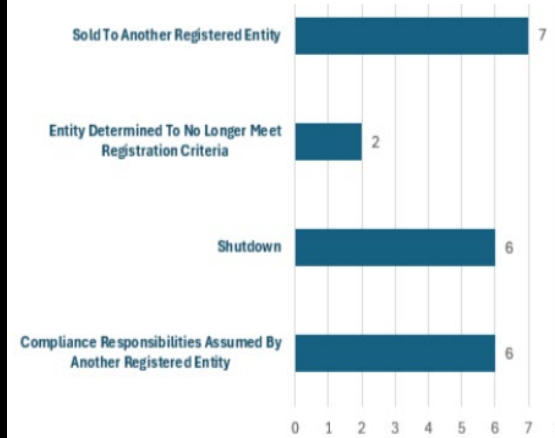
Q1 2025 Functional Registration Changes by Regional Entity



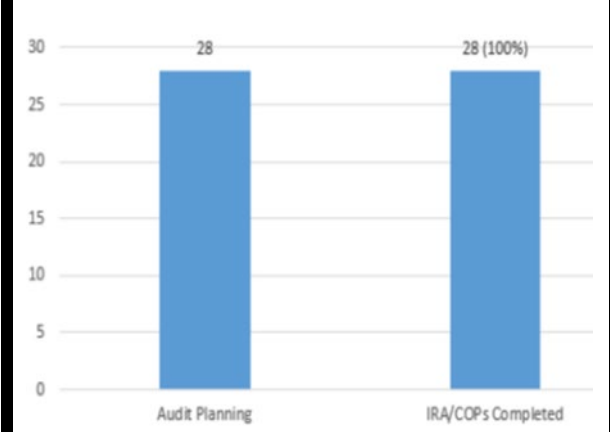
Q1 2025 Functional Registration Changed by Function



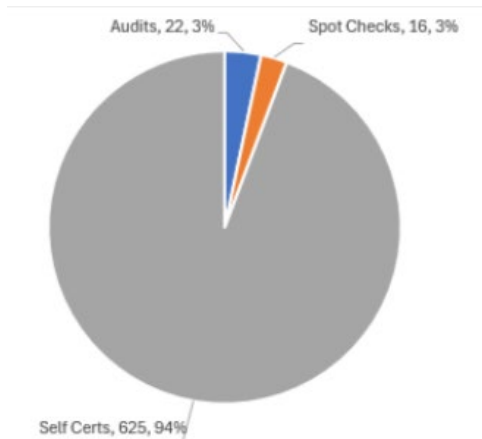
Q1 2025 Cases for Functional Registration Deactivations



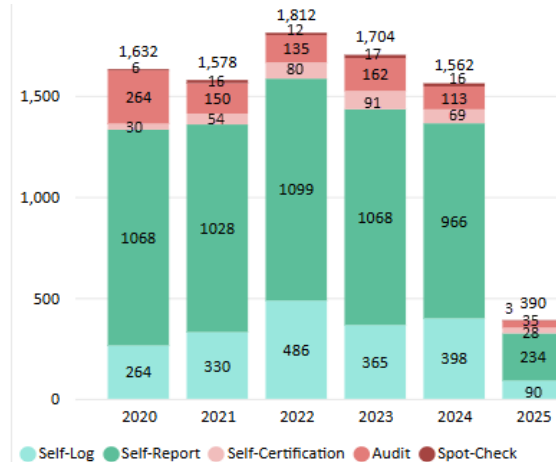
IRA/COP Completion Percentage Q1 2025



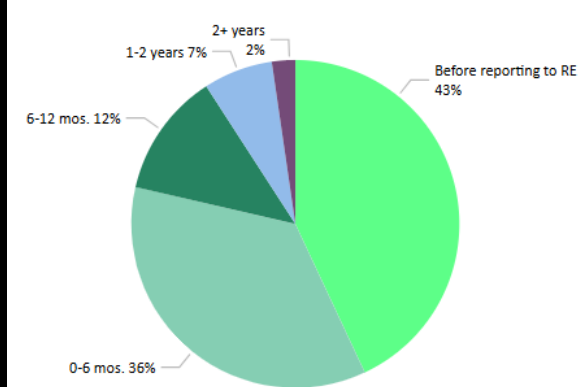
Compliance Monitoring Engagements by Type



Noncompliance Reported to EROE



Mitigation of Noncompliance in the Past 5 Years



Inventory Reduction in 2025

