

## MEMORANDUM

**TO:** Ken DeFontes, Chair  
NERC Board of Trustees

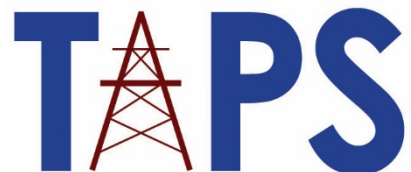
**FROM:** Jack Cashin, Director, Policy Analysis and Reliability Standards, American Public Power Association  
John Di Stasio, President, Large Public Power Council  
Terry Huval, Executive Director, Transmission Access Policy Study Group

**DATE:** April 28, 2021

**SUBJECT:** Response to Request for Policy Input to NERC Board of Trustees

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The American Public Power Association, Large Public Power Council, and Transmission Access Policy Study Group concur with the Policy Input submitted today by the State/Municipal and Transmission Dependent Utility Sectors of the Member Representatives Committee, in response to NERC Board Chair's April 7, 2021 letter requesting policy input in advance of the 2021 May MRC & Board of Trustees' meetings.



## MEMORANDUM

**TO:** Ken DeFontes, Chair  
NERC Board of Trustees

**FROM:** Carol Chinn  
William J. Gallagher  
John Haarlow  
Terry Huval

**DATE:** April 28, 2021

**SUBJECT:** Response to Request for Policy Input to NERC Board of Trustees

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The Sector 2 and 5 members of the NERC Member Representatives Committee (MRC), representing State/Municipal and Transmission Dependent Utilities (SM-TDUs), appreciate the opportunity to respond to your April 7, 2021 letter to Paul Choudhury, Chair of the MRC that requested MRC member sectors to provide input on the question: Is the Reliability Security Technical Committee (RSTC) meeting the objectives of the transition? We look forward to discussing the policy input and other agenda items during the virtual meetings of the Board of Trustees (Board), Board committees, and the MRC, on May 12, 2021.

### *Summary of Comments*

- **Is the RSTC meeting its transition objectives?**
  - **The RSTC has made significant structural improvements in its initial year. Despite the improvements, the committee's engagement (collaboration and coordination) has been limited by the pandemic and the virtual meeting format. Consequently, it is premature to provide an in-depth assessment of the RSTC.**
  - **To maintain efficiency the RSTC should remain a technical and tactical committee.**
  - **For 2021 the RSTC needs to further engage the subgroups in support of the bottoms-up approach envisioned in the RSTC Charter.**

The SM-TDUs appreciate the Board's consideration of stakeholder engagement by inquiring about the RSTC transition. As the Board notes in the policy input letter, "[s]takeholder engagement is central to NERC's ability to meet its mission and it is important that the engagement is effective and efficient." The SM-TDUs agree with this sentiment and want to see the RSTC transition into an effective technical and tactical committee working efficiently and effectively with industry and NERC.

The RSTC's first meeting was held just nine days prior to the federal pandemic emergency declaration, and pandemic-related restrictions have limited the committee's engagement and maturation. While NERC and the RSTC adjusted and provided quality virtual and remote engagement, the RSTC has lacked face-to-face interaction since that inaugural March 4, 2020 meeting. The RSTC's limited capability to engage as a committee during its first year has also

hampered the RSTC's ability to work with internal and external stakeholders, as we discuss below. The lack of engagement has had a direct impact on the RSTC's ability to meet its transition objectives in full.

In spite of limitations, the RSTC has implemented a number of meaningful structural improvements, such as developing the program areas, reducing the number of sub-groups, and instituting the sub-group sponsor program. The SM-TDUs appreciate this work and applaud the RSTC's efforts to overcome the limits on face-to-face engagement.

The Board asks for input on the five RSTC transition objectives listed below:

1. Stand up the RSTC to deliver on the goals outlined in its charter
2. Maintain continuity in all ongoing, high-value work across the subgroups
3. Capture best practices and synergies through the integration of processes across the "legacy" committees
4. Create a more collaborative and bottoms-up operating model that clearly documents roles, responsibilities, and processes, and supports subgroups while maintaining alignment to overall NERC strategy
5. Provide more effective and efficient processes for technical input on risks to North American BPS reliability and security

### **Tactical and Technical Versus Strategic**

A point that was emphasized in the policy input letter and reinforced by RSTC Chair Greg Ford during the MRC Informational Session was that the RSTC is now moving in a "more strategic direction." The SM-TDUs believe that the RSTC was meant to be a technical and tactical committee and should remain as such. The RSTC allows Subject Matter Experts (SMEs) to apply their diverse technical knowledge to risks that threaten the reliability and security of the bulk electric system. It is only through this technical, tactical approach that the RSTC will achieve the efficiency gains that the Board intended in replacing the legacy committees with the RSTC.

The Reliability Issues Steering Committee (RISC) charter describes the RISC as concerned with matters of strategy, explaining that the committee, "triages and provides front-end, high-level leadership for issues of strategic importance." The SM-TDUs believe it would be inefficient to have the RSTC duplicate the RISC's strategic function. Through coordination with the RISC, the RSTC contributes its technical expertise to risk identification/validation and prioritization. It will be both efficient and effective for the RSTC to maintain that tactical role so that the SMEs can best apply their knowledge to the key RSTC function of determining risk remediation and mitigation.

### **Charter Goals<sup>1</sup>**

The RSTC was stood up as a forum for discussion of issues and the exchange of ideas with internal and external groups. While structural elements of the RSTC have been put in place over the past year, there has been insufficient substantive discussion and exchange, which has limited

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<sup>1</sup> The RSTC purpose or goals from its Charter are to create, "a forum for aggregating ideas and interests, drawing from diverse industry stakeholder expertise, to support the ERO Enterprise's mission; and, leveraging such expertise to identify solutions to study, mitigate, and/or eliminate emerging risks to the BPS for the benefit of industry stakeholders, the NERC Board of Trustees (Board) and ERO Enterprise staff and leadership."

meaningful coordination and collaboration. To a large degree, this is attributable to limitations imposed by the COVID-19 pandemic. The relative lack of meaningful coordination and collaboration, however, can also be traced to the need to gain experience with the new committee structure. The RSTC's internal groups include the RSTC members, the RSTC Executive Committee, the committee's sector constituents, and subgroups. Each internal group is adjusting to the new structure, learning how to work effectively with the other groups. The RSTC's external coordination activities include relationships with the Board, the newly reformed Standing Committee Coordination Group (SCCG), the standing committees themselves, and the RISC. As with the coordination among the internal groups, the RSTC's relationship with each of these external groups is new, and it will take time and experience to establish pathways for fully effective coordination. The pandemic has made adjusting to the new structures for internal and external coordination all the more challenging. Given the practical obstacles to RSTC engagement with internal and external constituencies during its first year, the SM-TDUs believe it is premature to provide substantive input on how effective the RSTC has been meeting the transition objectives.

### **Transparency**

While the SM-TDUs applaud the structural improvements to the RSTC that allow the committee to effectively capture the best practices identified by technical experts, the RSTC should implement processes that provide greater transparency for industry stakeholders. In particular, early posting of meeting materials relating to important issues would be beneficial. The SM-TDUs' experience to date is that RSTC materials are often posted only shortly before meetings, leaving stakeholders/SMEs with insufficient time to digest the information and provide quality input. Further, stakeholders are still adjusting to the new committee processes and learning how and when RSTC engagement is most effective. The result is that it is not always apparent what the industry consensus has been on issues the RSTC has considered in its initial year. Greater transparency would help build greater industry consensus.

### **Sub-group Continuity and Collaboration and Bottoms-up Approach**

The RSTC has established a structure for working with the sub-groups that the SM-TDUs believe can be honed and will mature. The sub-groups brought a significant volume of ongoing work forward, making the initial RSTC agendas lengthy. The virtual format expanded the reach to more industry stakeholders, but the lengthy agendas made it difficult to discern what the meeting priorities were. The virtual format is also time compressed, which limits the RSTC Charter goal of "aggregating ideas and interests, drawing from diverse industry stakeholder expertise" when the agenda items are voluminous.

The multitude of meeting agenda items has often forced the Executive Committee to take a top-down "emergency" approach to keep the meetings moving. The SM-TDUs believe that more prioritized agendas based on sub-group input can best restore the intended RSTC bottom-up approach. The proposed sponsor relationships with the sub-groups should help to better surface priorities that can lead to more prioritized agendas. The RSTC will require time and experience to determine how sub-group work can be prioritized and allow for the diverse engagement the Charter goal envisioned. Appropriate channeling of RSTC sub-group collaboration will be key to capturing best practices and integrating the work of the legacy committees by creating the necessary feedback loop with the RSTC.

The SM-TDUs look forward to the MRC meeting discussion on the RSTC.