



Second Quarter Letter to Members

June 25, 2019



Silvia Parada Mitchell
*NextEra Energy Senior Director
NERC Standards & Compliance
and MRO Board Chair*



Sara Patrick
MRO President and CEO

From the Board Chair

Dear Members and Stakeholders:

The Midwest Reliability Organization (MRO) Board of Directors held its second quarter meeting on June 20, 2019, at MRO's offices in Saint Paul, Minnesota. At this meeting, we welcomed meeting guest speakers: Robert Clarke, NERC Board of Trustees, Mark Lauby, NERC Senior Vice President and Chief Reliability Officer, and Andrew Dodge, FERC Director of the Office of Electric Reliability.

In my opening remarks, I noted that the month of June is the mid-year point when we all reflect on what has been done and what is left to do. MRO has accomplished a lot this year, with the implementation of the advisory councils, board meeting changes, work done on 2019 goals, and the continued support of important ERO Enterprise initiatives. June is also the time that we should reassess, restore, and reenergize, preparing ourselves for work that lies ahead.

The day before the board meeting, NERC released its *2019 State of Reliability* report, which provides an excellent summary of the evolution of the electric sector and the recommendations necessary to maintain a reliable and secure North American bulk power system. We were fortunate to have Mark Lauby with us to highlight key aspects of that report. Additionally, our industry faces a common challenge among other industries with the loss of critical intelligence as people retire. Here at MRO, we have three experts leaving us. Sue Clarke, MRO's Vice President of Finance and Administration; Terry Bilke from MISO who has served on the MRO Compliance Committee and represented MRO at NERC; and Darrell Piatt, esteemed colleague and engineer at FERC. Each has made significant contributions to MRO and the electric utility industry, and I want to thank them for their accomplishments.

In closing, I would like to emphasize, that as we address the challenges before us, we continue to improve.

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From the President and CEO

At the second quarter board meeting, I shared my thoughts on the critical components of sustainable success for MRO. They are *Curiosity, Connection, Commitment* and *Competency*. I have previously addressed curiosity, connection, and competency, and with June being the most popular month for weddings, it was fitting to discuss commitment at this meeting.

Just like in the context of a wedding, commitment follows engagement. At MRO, we enjoy high levels of engagement. Gallup studies have taught us that engagement is fostered through having a best friend at work, having the right tools, having an opportunity to do your best work, and pursuing a corporate vision that makes your work important. Because we are engaged, we can commit. Commitment denotes an employee's enthusiasm for the company and the work they do. This enthusiasm hinges on understanding how each individual role contributes to the larger purpose—our *Why*. Fortunately, we share an incredibly motivating vision throughout the ERO Enterprise: “a highly reliable and secure North American bulk power system.” Achieving this vision is the focus of all that we do at MRO, and it is powerful.

Employees who exhibit a strong sense of commitment are personally invested in their work. They take the initiative to do what needs to be done to accomplish results and add value. They understand that success is a group effort, and that it requires everyone contributing his/her own strengths as well as seeking and giving support to address one's own or a teammate's weakness. Committed individuals are willing to struggle and persevere through rough patches because they are committed to our vision and purpose. They press forward to achieve the collective goal. Commitment clearly requires “grit” in addition to engagement.

I recently attended a business leaders' breakfast featuring a panel of speakers talking about “grit.” One speaker, a former youth pastor, breast cancer survivor, and contestant on the show *Survivor*, equated grit to three things: courage, resolve, and strength of character. These are three qualities that I repeatedly see demonstrated by the board, the talented and hard-working MRO staff, colleagues across the ERO Enterprise, as well as our members and registered entities. Grit is a creative tenacity, the willpower to figure out how to make it work, and the perseverance to get the job done, and done well. I think it is safe to say that MRO has exhibited a fair amount of grit throughout this past year.

A strong commitment to our vision is also evident as we plan for the future. The draft 2020 business plans and budgets of NERC and the Regional Entities make strategic investments that support a highly reliable and secure North American bulk power system by allowing us to focus on key risk areas. MRO's draft [2020 Business Plan and Budget](#) was approved at the meeting.

As I wrap up my first year as president and CEO, I remain grateful for the continued support I have received in this role and for the loyalty and dedication to our vision. Our collective commitment to what we stand for has made this year of transition very welcoming, rewarding and successful.

Our future is bright!

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Actions Taken at the Meeting

In addition to discussing important policy and operational matters, the board took the following actions:

- Passed a resolution recognizing Dr. Terry Bilke (MISO) for his service
- Approved revisions to the Governance and Personnel Committee Charter
- Approved changes to Policies and Procedures 1, 3, 10 and 13
- Appointed Baker Tilly to audit MRO's 2019 financial statements
- Approved the MRO's 2020 Business Plan and Budget, operating reserves, and postretirement medical plan funding
- Approved resolutions appointing:
 - Corporate Treasurer
 - Thrift Savings Plan Trustee
 - Individuals authorized on MRO's corporate line of credit
 - Corporate Compliance Officer

Additional information on these and other reports to the board can be found in the full draft meeting minutes, which will be available soon on [MRO's website](#). MRO's next regularly scheduled board meeting is Thursday, September 19, 2019, in Saint Paul, Minnesota.

MRO Board meetings are available to attend in person and are live streamed by web--the board encourages your attendance.

