



Approved Minutes of the Annual Member and Board of Directors Meeting

Hybrid: MRO Office, St Paul, MN & Webex

December 14, 2023, 1:00 p.m. to 4:21 p.m. Central

Notice for this meeting was electronically posted to the MRO website [here](#) on January 5, 2022. A final agenda, including advanced reading materials, was posted on November 30, 2023.

1. Call to Order and Determination of Quorum

MRO Board of Directors Chair Brad Cox, called the meeting of the MRO Board of Directors to order at 1:00 p.m. Central. Julie Peterson, Vice President General Counsel and Corporate Secretary, advised the chair that a quorum of the board was present. A complete list of attendees is included as [Exhibit A](#).

Steen Fjalstad, Director of Security, provided a safety briefing and an overview of emergency procedures.

2. Standards of Conduct and Antitrust Guidelines

Pursuant to Policy and Procedure 4, Peterson highlighted MRO's Standards of Conduct, Conflict of Interest, and Antitrust Guidelines.

3. Consent Agenda

The consent agenda included draft minutes from the board meeting held on September 14, 2023, as well as revisions to policies and procedures and board committee charters.

Upon a motion duly made and seconded, the board unanimously approved the consent agenda.

4. President's Report

Sara Patrick, President and Chief Executive Officer, welcomed guest speakers Jim Robb, President and CEO of NERC, Heather Polzin, Reliability Enforcement Counsel to the Office of Enforcement, FERC, David Huff, Electrical Engineer, Office of Electric Reliability, FERC, and Roy Snell, Co-founder of Society of Corporate Compliance and Ethics and Advisor Osprey ESG Software. She also welcomed new and incoming board members for 2024 – Fred Meyer, Michael Desselle, Paul Crist, and Sandra Johnson – who were in attendance.

Patrick next thanked outgoing board members – Charles Marshall, Michael Lamb, and Scott Nickels. Patrick introduced Resolution 23-006 expressing appreciation for outgoing board members, Lamb, Marshall, Nickels.

Upon a motion duly made and seconded, the board adopted Resolution 23-006: Appreciation of Outgoing Board Members recognizing Charles Marshall, Michael Lamb, and Scott Nickels.

Patrick then thanked outgoing board chair Brad Cox for his years as a board member and his leadership of the board. Patrick introduced Resolution 23-007 expressing appreciation for outgoing board chair Brad Cox.



Upon a motion duly made and seconded, the board adopted Resolution 23-007 recognizing outgoing MRO Board of Directors Chair Brad Cox.

Patrick reflected on 2023 by recalling challenges, celebrating accomplishments, and acknowledging the work that remains. Notable challenges included new strains of malware and risks to the reliability of the bulk power system including extreme weather conditions, generator retirements, and increased power demand. Among MRO's accomplishments, Patrick highlighted seasonal assessments, the Regional Risk Assessment, the risk matrix, the annual risk meeting, and stakeholder outreach. She added that MRO had accomplished all its strategic target goals and all but one of their stretch goals and thanked MRO staff for their commitment to reliability and MRO.

5. Chair's Remarks

Chair Cox welcomed board members and attendees and thanked staff for their continued support of the hybrid meeting format. Cox highlighted the accomplishments of MRO over the twelve years he served on the board, including the questioning of the zero tolerance approach in 2009, a proposal of a risk based pilot program in 2012 that became the Reliability Assurance Initiative (RAI), and the SPP RE transition in 2018. Cox reviewed the notable milestones in the evolution of the electric power industry during his career – from providing basic electrification to operating a large regional grid framework efficiently, reliably, and securely. He commended the industry for the planning, design, and maintenance providing benefit to consumers, and expressed interest in the transitions ahead for the future of the industry.

6. NERC Staff Remarks

Jim Robb, President and CEO of NERC, addressed the MRO Board of Directors, outlining challenges on the horizon for industry and how the ERO Enterprise is working to address risk. He reflected on the pace of the energy transition and increasing extreme weather risks, which are having profound impacts on system planning and operation. Robb highlighted the winter reliability assessment and long term reliability assessment recently released by NERC, to address these risks. He added that the growing gap between the supply and demand of electricity, particularly in the winter, was an increasing risk.

He also introduced NERC's 2024 Work Plan Priorities that include tackling energy challenges posed by the changing resource mix and extreme weather, mitigating security risks, creating more agility in NERC's program areas, and investing in the enterprise's sustainability. Although addressing these challenges is a tremendous amount of work, Robb indicated NERC and the ERO Enterprise are up to the challenge.

7. Finance and Audit Committee Report

Dr. Dana Born, Chair of the Finance and Audit Committee (FAC), provided a report on behalf of the FAC, which held its latest meeting on October 19, 2023. Born reported that the FAC continues to review quarterly treasurer reports, comply with governance requirements, and the FAC charter. She reported that the 990 form was shared with the full board for review and comment from August 10 through October 1, and that no comments or questions were received. Born highlighted efforts related to the 2024 Business Plan and Budget and added that FERC had issued an order of approval on



October 20, 2023. Born added that MRO is currently projected to end the year 10 percent under budget. There were no questions.

8. Governance and Personnel Committee Report

Chair of the Governance and Personnel Committee (GPC), Thomas Graham, shared that the GPC met on October 26, 2023, and December 11, 2023, and had completed its annual review of MRO policies and procedures, and noted that proposed changes were approved earlier in the meeting via the consent agenda. He recognized recent initiatives related to employee retention, recruitment, and training, highlighting that MRO's headcount is currently at 77 of 78 budgeted full time employees, adding that MRO's people are key to its resilience. He advised that there have been no reports to the compliance hotline and confirmed that board attendance has been reviewed and no issues found. There were no questions.

9. Organizational Group Oversight Committee Report

Chair of the OGOC JoAnn Thompson, reported that the OGOC conducted its annual joint meeting with the advisory council leadership the day prior on December 13, 2023. She reported that staff shared a presentation previewing the 2024 MRO Regional Risk Assessment and on the work of the breakout groups to discuss areas of focus and draft work plans. Thompson noted a key takeaway was to seek additional opportunities for cross-council collaboration. The organizational groups will incorporate feedback from the discussion and seek OGOC approval of their updated work plans at the OGOC's first quarter meeting in 2024.

Thompson called attention to the annual summary of accomplishments of the Compliance Monitoring and Enforcement Program Advisory Council (CMEPAC), Reliability Advisory Council (RAC), and Security Advisory Council (SAC). She commended the councils for their contributions. There were no questions.

10. HERO Award Recognition

Patrick next provided background for MRO's annual HERO Award, through which MRO recognizes a volunteer for exemplary initiative and commitment to advancing the concept and principles of HEROs throughout the MRO region and in support of MRO's vision and mission.

Brett Lawler, Xcel Energy, was announced as the recipient of the 2023 MRO HERO Award. JoAnn Thompson, Chair of the Organizational Group Oversight Committee, thanked Lawler, noting that he was nominated for his initiative and commitment to advancing the HERO concepts and principles as an industry-wide leader on security risks for the electric industry, through his efforts associated with the Security Advisory Council Threat Calls.

Patrick introduced 23-008: Resolution Regarding HERO Award Recipient

Upon a motion duly made and seconded, the board unanimously approved 23-008: Resolution Regarding HERO Award Recipient.

Lawler addressed the board and expressed gratitude to the MRO board, staff, council members, and his employer Xcel Energy, who has been supportive of his involvement. He underscored the



importance of security and the way that the region works toward the shared mission to protect the electric grid.

Patrick then introduced Resolution 23-009: Appreciation of Outgoing Organizational Group Members recognizing Ron Gunderson and John Stephens for their years of service on MRO organizational groups.

Upon a motion duly made and seconded, the board unanimously approved Resolution 23-009: Appreciation of Outgoing Organizational Group Members recognizing Ron Gunderson and John Stephens.

The Board recessed for a break from 2:41 p.m. to 2:55 p.m. Jeanne Tisinger left the meeting.

11. FERC Inquiry on Winter Storm Elliot

Heather Polzin, Reliability Enforcement Counsel to the Office of Enforcement, FERC, David Huff, Electrical Engineer, Office of Electric Reliability, FERC, Mark Tiemeier, Principal Technical Advisor, MRO, and John Grimm, Principal Systems Protection Engineer, MRO addressed the board regarding the findings of the FERC, NERC, and Regional Entity joint inquiry on the Winter Storm Elliot event which occurred in December 2022. Polzin emphasized the urgency surrounding this topic, as cold weather events have become a nearly annual occurrence. She noted that this event had an unprecedented unplanned electric generation outage of 90,500 MW, representing 18 percent of the US portion of the anticipated resources in the Eastern Interconnection.

Grimm noted that demand peaked at the time to when production reached its low point, with approximately 96 percent of the generating unit outages caused by freezing issues and fuel issues.

Tiemeier explained that black start units serve the critical grid reliability function of restarting the grid in the event of total or partial failure, but 155 black start designated units experienced outages and failed to start. He highlighted that of these, 23 percent of the unit losses were due to startup failures, which is the essential function of black start units.

Huff presented that although Balancing Authorities projected higher electricity demands for the impending winter storm, most core BAs significantly underestimated the peak loads in advance of December 23 and 24, the most extreme cold weather days of the event.

Tiemeier noted that the report included eleven recommendations to address the findings of the report, including some which had been part of the 2021 Winter Storm Uri Inquiry report.

Polzin concluded by noting that there is no regulatory entity ensuring the reliability of the natural gas infrastructure and that demand for natural gas is likely to increase. She encouraged the board and attendees to read the executive summary of the report and the recommendations.

John Rhea left the meeting and did not return. Jeanne Tisinger rejoined the meeting.

12. Ethics and Compliance with ChatGPT

Roy Snell, Co-founder of Society of Corporate Compliance and Ethics and Advisor Osprey ESG Software shared a presentation focused on the ethics and compliance with ChatGPT. He provided a



brief history of OpenAI, the company that created ChatGPT. He also outlined four pillars of integrity - that authenticity leads to honesty, that overcoming bias reduces our blind spots, that civil debate facilitates learning, and that critical thinking leads to knowing the truth. He highlighted historical instances of societies' reaction to new technologies such as the integration of computers or even the invention of electricity, all of which were met with concerns. Snell noted that good procedures and regulation around AI will help society use it as a tool for good, instead of evil. He highlighted that the tools for addressing AI already exist – policy development, education, risk assessment, and auditing and monitoring controls. He recommended that organizations study the impact of AI on human behavior in the workplace, evaluate the impact of AI on organizational dynamics, and use that research to identify solutions to improve the well-being of an organization and leverage these new tools.

Michael Lamb left the meeting and did not return.

In response to a question about bias found in data sets, Snell underscored the importance of always having a human in the control or decision group with an understanding of those bias would be key to the success of utilizing these tools.

Roy Snell left the meeting and did not return.

13. Written Reports

Chair Cox referred board members to the written reports on operational activities, external affairs, and outreach. There were no questions.

14. Other Business and Adjourn

Vice Chair Born expressed the board's gratitude to Chair Cox for his years of service on the board, and especially as board chair and presented Chair Cox with an Airforce Command Coin.

Chair Cox highlighted the upcoming meeting dates. Having no further business to discuss, the meeting was adjourned at 4:21 p.m.

Prepared by: Carolina Margaría, Assistant Corporate Secretary and Governance Administrator

Reviewed and submitted by: Julie Peterson, Vice President General Counsel and Corporate Secretary



Exhibit A – Meeting Attendees

MRO Board of Directors Present	
Name	Sector
Brad Cox, <i>Chair</i>	Generator and/or Power Marketer Sector
Dr. Dana Born, <i>Vice Chair</i>	Independent Director
Darcy Neigum	Investor Owned Utility Sector
Daryl Maxwell	Canadian Utility Sector
Dehn Stevens	Investor Owned Utility Sector
Eric Miller	Transmission System Operator Sector
Eric Schmitt	Independent Director
Iqbal (Q) Dhama	Canadian Utility Sector
James (JP) Brummond	Investor Owned Utility Sector
James (Jim) Nail	Regional Director
Jeanne Tisinger	Independent Director
Jennifer Flandermeyer	Regional Director
JoAnn Thompson	Investor Owned Utility Sector
John Rhea	Generator and/or Power Marketer Sector
James (JP) Brummond	Investor Owned Utility Sector
Lloyd Linke	Federal Power Marketing Agency Sector
Maurice Moss	Municipal Utility Sector
Michael Lamb	Investor Owned Utility Sector
Priti Patel	Cooperative Sector
Scott Nickels	Municipal Utility Sector
Tom Finco	Transmission System Operator Sector
Thomas Graham	Independent Director



MRO Board of Directors Not Present	
Name	Sector
Ben Porath	Cooperative Sector
Chuck Marshall	Transmission System Operator Sector

Other Attendees	
Name	Company
Alexis Larson	MRO
Andree Duecker	MRO
Anna Martinson	MRO
Anne Richards	MRO
Benjamin Widder	MGE
Becky Holien	MRO
Brett Lawler	Xcel Energy
Bryan Clark	MRO
Carl Stelly	SPP
Carolina Margaria	MRO
Courtney Vetter	Montana Dakota Utilities
Cris Zimmerman	MRO
David Huff	FERC
Dick Pursley	Great River Energy
Fred Meyer	Algonquin Power & Utilities Corporation
Gina March	MRO
Grant Gunderson	Minnkota Utilities
Heather Polzin	FERC



Jess Syring	MRO
Jessie Mitchell	MRO
Jim Robb	NERC
Joshua Hebert	MRO
Julie Peterson	MRO
Kabir Dogubo	MRO
Karla Schiller	MRO
Ken Gartner	MRO
Kristine Albrecht	MRO
Lam Chung	MRO
Larry Heckert	Alliant Energy
Lauren Mcclary	MRO
Lee Felter	MRO
Lisa Stellmaker	MRO
Lori Frisk	Minnesota Power
Margaret Eastman	MRO
Mark Flanary	MRO
Mark Tiemeier	MRO
Mary Agnes Nimis	FERC
Max Desruisseaux	MRO
Max Vang	MRO
Melinda Campbell	Liberty Utilities
Michael Desselle	SPP
Michael Spangenberg	MRO
Michelle Olson	MRO
Nazra Gladu	Manitoba Hydro
Nelson Brandao	Manitoba Hydro



Paul Crist	LES
Paul Mehlhaff	Sunflower Electric Power Corporation
Rebecca Schneider	MRO
Richard Burt	MRO
Roy Snell	Society of Corporate Compliance and Ethics and Osprey ESG Software
Ryan McNamara	MRO
Sandra Johnson	Xcel Energy
Sara Patrick	MRO
Sara Smith	MRO
Sharon Mayers	Cam Industrial Solutions
Shawn Keller	MRO
Steen Fjalstad	MRO
Tasha Ward	MRO
Taylor Holte	Moorhead Public Service
Terry Harbour	MidAmerican Energy Company
Tiffany Lake	Evergy
Willaim Steiner	MRO

*The above list may not reflect all meeting attendees
as the meeting was open for observation via Webex.*