



First Quarter Letter to Members

April 14, 2022



Brad Cox
*Generator and/or Power Marketer
Sector and Board Chair*



Sara Patrick
MRO President and CEO

From the Board Chair and President and CEO

Dear Members and Stakeholders:

The Midwest Reliability Organization (MRO) Board of Directors held its first in-person meeting of the year on April 7, 2022. A momentous occasion for the organization considering it has been more than two years since the board and staff have had any face-to-face interaction. The meeting was held in a hybrid format, with some attendees in person and some participating remotely. This hybrid format was a notable “first” for the organization and a significant amount of preparation was required to ensure a “best of both worlds” experience – one where both remote and in-person attendees can equally participate. The meeting proved to be productive and went off without a hitch.

A few pending MRO staff retirements were announced at the beginning of the meeting. John Seidel, principal technical advisor, is retiring after a 40-year career in the electricity industry. Seidel began his career as a planning and operations engineer with Commonwealth Edison in Chicago before transitioning to MRO’s predecessor Mid-Continent Area Power Pool (MAPP) in 1999. There he managed the tariff administration and congestion management policies and performed planning studies for what would eventually become the original MRO footprint. Seidel has been an instrumental member of MRO’s operations and reliability analysis departments, leading both analyses of bulk power system events and the annual development of MRO’s regional risk assessment. He has represented MRO on several NERC and ERO technical committees and task forces throughout his tenure.

Russ Mountjoy, principal reliability specialist, also boasts a nearly 40-year career in the industry that began as a plant operator for Pacific Gas and Electric. He moved to the MRO region in 1987, holding various positions with Xcel Energy, Great River Energy, and MISO before joining MRO in 2007. Mountjoy served as one of MRO’s initial auditors and was the first manager of MRO’s compliance department. He helped to form MRO’s risk assessment and mitigation department and has led the organization’s registration, certification and standards efforts from the very beginning of

his time with MRO. He recently joined the reliability analysis department and is leading MRO's Generator Winterization Program and related efforts. Both Seidel and Mountjoy represented MRO on the joint FERC/ERO Enterprise inquiry team charged with assessing the February 2021 severe cold weather event.

Last but not least, Jim Morales, principal compliance auditor for operations and planning, will retire in August after 35 years in the industry. Following service with the U.S. Navy on the USS Carl Vinson, Morales began his post military career with Northern States Power (NSP) at the Prairie Island Nuclear Plant as a plant equipment and reactor operator. He then moved to NSP's control room in downtown Minneapolis and worked as a control area operator, transmission operator, network reliability lead, and control center training coordinator. After 24 years at Xcel Energy/NSP, Jim joined MRO's compliance department in 2011 where he has generously shared his experience and expertise in roles as audit team lead, conference presenter, and mentor.

The depth and breadth of knowledge, experience and expertise these gentlemen have shared within MRO and the ERO Enterprise is invaluable. Their contributions will be felt for many years and their commitment to MRO's success is much appreciated. Please join us in wishing them the very best in retirement.

We were fortunate to have a number of guest speakers at the first quarter board meeting. Vice chair of the NERC Board of Trustees George Hawkins joined the board remotely to provide his perspectives on a number of challenges facing the industry and the ERO Enterprise. He provided information on NERC's strategic plan objectives and focus areas – highlighting the importance of coordination and collaboration during these unprecedented times. We were also joined by FERC staff Heather Polzin and David Huff, who along with NERC's compliance assurance manager Kiel Lyons, provided the final findings and recommendations from the joint FERC/ERO Enterprise [report on the 2021 cold weather event](#). This event resulted in the largest firm load shed event in U.S. history and the fourth event in the past ten years that jeopardized bulk power system reliability due to unplanned generating unit outages from extreme cold weather. The report highlights the causes of generation shortfalls, critical interdependencies between the gas and electric sectors, and recommendations for improving cold weather preparedness to prevent recurrence.

A presentation was provided to the board on MRO's [2022 Regional Risk Assessment](#). Of the twenty-one North American-wide risks assessed during development of this report, seven were identified as having a higher probability of occurrence in the MRO region based on risk history, available trends, and controls that exist to mitigate the risk. This important report not only raises awareness of the risks most relevant in MRO's regional footprint, but also allows MRO and its registered entities to prioritize activities around these risks. MRO's advisory councils will provide outreach on each specific risk area and will share mitigation recommendations throughout 2022.

The board also reviewed and accepted the final 2021 audit report from Baker Tilly, MRO's external financial auditing firm. The 2021 audit report resulted in a clean audit opinion – the highest an organization can achieve.

MRO's Reliability Advisory Council met the day before the board meeting, and met jointly with the board's organizational group oversight committee. The joint meeting participants discussed the upcoming 2022 Annual Reliability Conference, the four high reliability risks identified in the 2022 Regional Risk Assessment, as well as ways to improve engagement with MRO-sponsored NERC representatives.

The Organizational Group Oversight Committee advised the board of open seats on various MRO organizational groups. Please consider submitting a nomination for these open positions:

MRO Organizational Group Seats

- (2) Security Advisory Council Threat Forum (SACTF)
- (2) NERC Standards Review Forum (NSRF) – Canadian Utility
- NERC Standards Review Forum (NSRF) – Generator and/or Power Marketer
- NERC Standards Review Forum (NSRF) – Federal Power Marketing Agency

MRO-Sponsored NERC Representatives

- (1) Security Working Group (SWG)
- (1) Project Management and Oversight Subcommittee (PMOS)
- (1) Supply Chain Task Force (SCTF)

In addition to hearing board committee reports, the board also took action on:

- Approving the 2022 strategic metrics; and
- Approving the 2023 MRO Independent Director Compensation.

You can read more about the discussions and actions taken at the first quarter board meetings in the full meeting minutes, which will be available on [MRO's website calendar](#) soon. Future board meetings are available on MRO's website calendar and the board encourages you to attend.



Brad Cox, Board Chair



Sara Patrick, President and CEO



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380 St. Peter Street, Suite 800, Saint Paul, MN 55102 | www.MRO.net | 651-855-1760