

## Third Quarter Letter to Members

October 6, 2021



**Thomas (Tom) Kent**  
*NPPD President and CEO,  
Board Chair*



**Sara Patrick**  
*MRO President and CEO*

Dear Members and Stakeholders:

The MRO Board of Directors gathered virtually last week on September 28-30, 2021, for its third quarter board of directors meetings. The purpose of this letter is to keep you apprised of the work of the board and the different initiatives and activities taking place across the organization.

During Tuesday's strategic planning session with MRO senior leadership and key staff, the board charted a course for the organization to achieve its vision and mission. Key topics included future thinking and innovation, alignment with others across the entire ERO ecosystem, and resources and workload. The meeting was very productive and several key initiatives and objectives were identified to help carry the organization forward over the next three years. The final three-year strategic plan will be approved by the board at the December annual member and board meeting.

The board's Organizational Group Oversight Committee (OGOC) also met last week and held a joint meeting with the CMEP Advisory Council following its meeting. During the OGOC meeting, the committee heard reports from representatives of each of the three advisory councils on current activities and progress towards council work plans.

The CMEP Advisory Council (CMEPAC) continues to host a monthly call with regional stakeholders to discuss existing and new regulatory requirements and other compliance monitoring and enforcement matters. The CMEPAC hosted over 400 attendees at MRO's Annual CMEP Conference, the largest attendance the conference has ever garnered since its inception in 2007, and more than double the attendance from 2020. Members of the CMEPAC will assist with the development of MRO's 2021 Reliability Risk Assessment.

The Reliability Advisory Council (RAC) has assigned resources to review the MRO Regional Winter Assessment and to assist with MRO's identification and ranking of the 2022 regional reliability risks. The RAC also hosted MRO's Annual Reliability Conference on August 24, 2021. The RAC has been

preparing for its first-ever Cold Weather Preparedness Workshop scheduled for October 21, 2021, and has a Long-Term Reliability Assessment (LTRA) Webinar planned for December 8, 2021. The Security Advisory Council (SAC) has been preparing for MRO's Annual Security Conference – a weeklong event currently underway. The event is bookended by two full days of security training and the annual Regional Security Risk Assessment. The SAC Threat Forum continues to meet weekly to discuss and share information on emerging risks.

More information on how to participate in these important outreach events can be found on the [calendar page](#) of our website.

Also at the meeting, the OGOC received an update regarding efforts it approved to increase diversity across MRO's organizational groups. With an immediate aim of impacting the current nominations for MRO's organizational groups, the [nomination solicitation announcement](#) highlights the importance and value of increasing diversity, and staff have attended organizational group meetings to promote the initiative as well. Longer-term solutions, including an awareness campaign and recruitment of diversity ambassadors, will progress in 2022. Other actions taken by the committee include:

- Annual review and approval of its charter;
- Approval of changes to the SAC charter and SACTF charter;
- Review of the status of MRO Reliability Risk Matrix; and
- Review of a draft agenda for the fourth quarter Annual Risk Meeting.

At the board's executive session, a representative from MRO's insurance carrier provided an overview of the organization's directors and officers liability insurance coverage. The board also heard a report on IT security initiatives and efforts underway to protect the organization from threats and vulnerabilities, and a reliability analysis report on addressing the top risks to industry. These risk discussions were timely given the strategic planning discussions earlier in the week. In addition to the normal board committee reports, staff provided an update on efforts of the Reliability Analysis Department to address top regional risks, and an update on the facility expansion and renovation project, which finished under the anticipated budget.

The open board meeting was held on the afternoon of September 30. Thad Ness, formerly with Xcel Energy, was recognized for his service on the CMEPAC and for promoting reliability initiatives across the regional footprint. Condolences were also expressed to the family of John Allen of City Utilities of Springfield who passed away suddenly earlier in the week. Allen was well known by MRO staff as a strong proponent of reliability of the bulk power system and someone willing to volunteer significant time and effort to promoting reliability initiatives across the MRO region.

We were fortunate to have NERC president and CEO Jim Robb and FERC staff engineer David Huff in attendance at the meeting. Jim Robb commented on the rapid changes the industry is seeing and provided his insights on how the ERO Enterprise best positioned itself to respond. Having the tools to improve system resiliency, transforming the planning and operating paradigm, and taking a hard look at the cybersecurity standards were all topics of discussion.

MRO Principal Technical Advisor John Seidel and David Huff provided a presentation on the results of the [joint FERC and NERC inquiry](#) on February's severe cold weather event that critically impacted the electric grid in the state of Texas and affected much of the southern portion of MRO's region. Seidel reviewed the impacts of the cold weather event on the bulk power system and Huff reviewed

the preliminary results of the joint review of the event, which identified nine key recommendations. The findings and recommendations from the joint inquiry will be the focus of ERO Enterprise outreach as we enter into the upcoming winter season. Notably, MRO is hosting a [severe weather preparedness workshop](#) for registered entities through Webex on October 21.

The other two board committees have also been busy this quarter with governance work. The Finance and Audit Committee reported that MRO anticipates being under budget at year end given the ongoing pandemic. The Governance and Personnel Committee is reviewing revisions to the board committee charters and MRO's policies and procedures for recommendation to the board in the fourth quarter, and also recommended the board nominate the following directors to the members for election later this month:

- Jeanne Tisinger, Independent Director
- Eric Schmitt, Independent Director
- Jennifer Flandermeyer, Regional Director
- Stuart Lowry, Regional Director

If elected, the above individuals will serve three-year terms ending in December 2024.

Carl Stelly from Southwest Power Pool and chair of the CMEPAC provided the full board with a report on the CMEPAC activities and discussions from the council's meeting earlier in the week. He provided information on the CMEPAC's monthly call, a relatively new initiative of the group, which was turned into a closed call to encourage more information sharing and participation from attendees. The CMEPAC is also helping staff pilot readiness reviews with registered entities, which is initially focused on the CIP-012 standard and its requirements. One challenge the council has encountered is finding available resources within industry to serve on the CMEPAC to help carry out these important initiatives.

You can read more about the discussions and actions taken at the third quarter OGOC and board meetings in the full meeting minutes, which will be available on [MRO's website calendar](#) soon. MRO's annual member and board meeting will be held by Webex on December 1-2, 2021, and we encourage you to attend!



Tom Kent, Board Chair



Sara Patrick, President and CEO

