# Draft Minutes of the Board of Directors Meeting

## Hybrid: MRO Offices, St. Paul, MN & Webex

#### June 23, 2022, 11:00 a.m. to 2:05 p.m. Central

*Notice for this meeting was electronically posted to the MRO website on January 8, 2021. A final agenda, including advanced reading materials, was also posted on May 24, 2022.*

### 1. Call to Order, Determination of Quorum, and Introductions

MRO Board of Directors Chair Brad Cox, called the meeting of the MRO Board of Directors to order at 11:00 a.m. Central. Lisa Zell, Vice President General Counsel and Corporate Secretary, advised the chair that a quorum of the board was present. Board members introduced themselves. A complete list of attendees is included as [Exhibit A](#_Exhibit_A_–).

### 2. Hybrid Meeting Logistics

Julie Peterson, Assistant Corporate Secretary and Senior Counsel shared a presentation regarding best practices for a smooth hybrid meeting experience.

### 3. Standards of Conduct and Antitrust Guidelines

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

### 4. Consent Agenda

The consent agenda included draft minutes from the board meeting held on April 7, 2022.

*Upon a motion duly made and seconded, the board approved the consent agenda without objection.*

### 5. President’s Report

Sara Patrick, President and Chief Executive Officer, addressed the board. She welcomed board members, as well as special guests, Howard Gugel, NERC Vice President of Engineering and Standards, and John Moura, Director of Reliability Assessment and Performance Analysis.

Patrick recalled the strategic planning efforts from September 2021, which contemplated challenges arising from the pace of change. She discussed how thriving in constant change requires adaptability, flexibility, and resiliency – themes which resonate throughout MRO’s work and are reflected in MRO’s Strategic Plan, Regional Risk Assessment, and Regional Summer Assessment.

**6. Chair’s Remarks**

Chair Cox shared remarks with the board. He welcomed all meeting participants and the special guest speakers. He highlighted the fifteen year anniversary of the reliability standards and recalled milestones achieved during that time.. He reviewed examples of how the standards have been refined, streamlined, and consolidated over the years. He also acknowledged the important work of industry stakeholders, and applauded the industry for all the hard work that has brought us to this point.

**7. The Brave New World of Resilience**

Howard Gugel, NERC Vice President of Engineering and Standards, joined the board to provide a presentation regarding the brave new world of resilience. He reviewed NERC’s mission – to develop and enforce reliability standards, annually assess reliability, monitoring the bulk power system (BPS) for system awareness, and educate, train, and certify industry personnel. He outlined how the grid’s resilience is enabled with an Adequate Level of Reliability (ALR).

He explained how the grid and risk are both transforming, and how the grid is transforming via three “Ds” – decarbonization, decentralization, and digitization. He noted such concerns are beyond what we can do with standards, but are nonetheless an issue for reliability. He emphasized that the future resource mix will be more variable and less fuel-diverse, and reviewed the location of renewables and the impact on reliability. Gugel highlighted how distributed energy resources are only going up. He highlighted a symbiotic relationship between solar resources and gas generation, which are dependent on the other as a back-up.

Gugel discussed the Odessa disturbance, and shared observations regarding inverter-based resources. He outlined the related planning and operations challenges, and offered standards considerations for addressing the challenges. He added that NERC Board has commissioned a group seeking recommendations for ways to improve the agility of the standards process. He noted that recommendations would be shared for public comment when available. In response to a question from a board member, Gugel acknowledged that the creation of standards can be slow, but noted that once created the standards are very rarely challenged.

The board recessed for lunch from 11:52 a.m. to 1:00 p.m.

Ben Porath departed the meeting.

**8. 2022 MRO and NERC Summer Reliability Assessments**

John Moura, NERC Director of Reliability Assessment and Performance Analysis, and Bryan Clark, MRO Director of Reliability Analysis shared a presentation regarding the NERC and MRO Summer Reliability Assessments, respectively.

First, discussing the NERC Summer Reliability Assessment, Moura underscored that understanding weather is key to assessing reliability, and highlighted that the weather outlook included more severe drought conditions and high temperatures driving peak electricity demands. Planning must take into account these extremes. Overall, peak demand has grown since last summer. He noted that parts of North America would be at elevated or high risk of energy shortfalls during peak summer conditions. The west would be at an elevated risk of weak hydro and wildfire risk to threaten electricity tranfers. In Texas, there would be an elevated risk of drought-related heat events raising a risk of extreme demand. In the Southwest Power Pool, there would be an elevated risk where output from thermal generators may be reduced due to water levels in the Missouri River.. Saskatchewan would be at an elevated risk of capacity being stretched to meet growth in peak demand projection. And, MISO would be at a high risk of capacity shortfall from generator retirements and increased demand. He cautioned that these are not predictions, rather assessments beyond the bounds of risk thresholds of an otherwise incredibly reliable grid.

Beyond weather, Moura highlighted other reliability issues, including supply chain issues and commissioning challenges on new resource and transmission projects, electricity and other critical infrastructure sectors facing added cyber security threats in current geopolitical situation, unexpected tripping of solar photovoltaic (PV) resources during grid disturbances which continue to be a reliability concern, and active later-summer wildfire season anticipated in western US and Canada.

Next, discussing the MRO Summer Reliability Assessment, Clark reviewed the tools utilized in MRO’s reliability assessment toolbox, and the top reliability and security risks. He reviewed key MRO findings – that MISO North and Central areas are at high risk for energy emergencies, and that both SPC and SPP would be at an elevated risk for energy emergencies. He underscored that the grid would be reliable under normal conditions, including throughout normal outage situations, and that the elevated risks would arise during extreme peak scenarios.

**9. Finance and Audit Committee Report**

Dr. Dana Born, Chair of the Finance and Audit Committee (FAC) shared a report on behalf of the FAC, which met for its second quarter meeting on May 5, 2022. She noted the FAC had reviewed the year-to-date financial statements, and evaluated Baker Tilly as MRO’s independent financial auditor. Born reported that the FAC unanimously recommended approval of Resolution 22-001 for re-appointment of Baker Tilly.

*Upon a motion duly made and seconded, the board approved Resolution 22-001 to approve re-appointment of Baker Tilly to conduct the 2022 independent financial audit for MRO.*

Dr. Born next reviewed the FAC’s work on the 2023 business plan and budget, which had been out for comment and was an iterative work product incorporating multiple cycles of feedback. A primary objective of the budget is to be proactive and ensure MRO is appropriately resourced to get out ahead of risks. Born reported that the FAC unanimously recommended approval of Resolution 22-002 for approval of the Post-Retirement Medical Fund, 2023 Reserves, and the 2023 MRO Business Plan and Budget.

*Upon a motion duly made and seconded, the board approved without objection Resolution 22-002 to approve the Post-Retirement Medical Fund, 2023 Reserves, and the 2023 MRO Business Plan and Budget.*

Born further noted the FAC will be reviewing Policy and Procedure 13 – regarding the 30-day reserve policy – and sharing an update regarding MRO’s cyber insurance policy, at its third quarter meeting. She reported that the FAC is on target with respect to its governance tasks. There were no questions.

**10. Governance and Personnel Committee Report**

Jeanne Tisinger, chair of the Governance and Personnel Committee (GPC), next provided a report on behalf of the GPC. She advised that the GPC discussed a quarterly human resources report, received an update regarding the MRO corporate data project, and discussed actions taken in response to the employee engagement survey. She also confirmed that there has been no activity on the whistleblower hotline. There were no questions.

**11. Organizational Group Oversight Committee Report**

Paul Crist, chair of the Organizational Group Oversight Committee (OGOC), provided a report on behalf of the OGOC. He reported that the OGOC approved an outreach campaign for the organizational group diversity initiative, and several organizational group charters. He advised that the OGOC also received an update from the Compliance Monitoring and Enforcement Program Advisory Council regarding the CIP-012 Readiness Assessment pilot, which was the subject of a successful webinar, and shared that the Reliability Advisory Council held a successful Reliability Conference attended by 365 participants in an in-person and virtual format and receiving strong favorability ratings.

**12. Security Advisory Council Report**

Clayton Whitacre, chair of the Security Advisory Council (SAC), joined the board to provide a report on behalf of the SAC. He noted that the group is focused primarily on outreach, published a newsletter article and hosted five webinars. He noted the Security Advisory Council Threat Forum (SACTF) continues to hold weekly calls and provide an information sharing document. He noted the Security Conference is scheduled for October 4-5, 2022, to include training. There were no questions.

**13. Written Reports**

Chair Cox referred the board to written reports provided in the agenda material regarding Canadian affairs, operational activities, outreach, external affairs, and policy matters. There were no questions.

### 14. Other Business and Adjourn

Chair Cox highlighted the upcoming meeting dates. Having no further business to discuss, the meeting was adjourned at 2:05 p.m.

**Prepared by:** Julie Peterson, Assistant Corporate Secretary and Senior Counsel

**Reviewed and Submitted by:** Sara Patrick, President and Chief Executive Officer, and Lisa Zell, Vice President General Counsel and Corporate Secretary

# Exhibit A – Meeting Attendees

|  |  |
| --- | --- |
| **MRO Board of Directors Present** | |
| **Name** | **Sector** |
| Brad Cox, ***Chair*** | Generator and/or Power Marketer Sector |
| Dr. Dana Born, ***Vice Chair*** | Independent Director |
| Ben Porath | Cooperative Sector |
| Daryl Maxwell | Canadian Utility Sector |
| Dehn Stevens | Investor Owned Utility Sector |
| Eric Schmitt | Independent Director |
| Iqbal Dhami | Canadian Utility Sector |
| Jeanne Tisinger | Independent Director |
| Jennifer Flandermeyer | Regional Director |
| JoAnn Thompson | Investor Owned Utility Sector |
| JP Brummond | Investor Owned Utility Sector |
| Michael Desselle | Transmission System Operator Sector |
| Paul Crist | Municipal Utility Sector |
| Priti Patel | Cooperative Sector |
| Scott Nickels | Municipal Utility Sector |
| Stuart Lowry | Regional Director |
| Thomas Graham | Independent Director |
| Tom Finco | Transmission System Operator Sector |
| **Other Attendees** | |
| **Name** | **Title** |
| Alexis Larson | MRO IT Support Analyst |
| Becky Holien | MRO Accounting Specialist |
| Bryan Clark | MRO Director of Reliability Analysis |
| Beverly Laios | American Electric Power Company |
| Bobby Welch | MISO |
| Carolina Margaria | MRO Executive Assistant |
| Clayton Whitacre | Great River Energy |
| Cris Zimmerman | MRO Manager of Outreach and Stakeholder Engagement |
| Daniel Graham | Basin Electric Power Cooperative |
| David Gadberry | MRO Principal Risk Assessment & Mitigation Engineer |
| Donna Wood | Tri-State Generation and Transmission |
| Gina March | MRO Senior Accountant |
| Howard Gugel | NERC Vice President of Engineering and Standards |
| Jeff Norman | MRO Director of Compliance Monitoring |
| Jessica Mitchell | MRO Director of Communications |
| John Moura | NERC Director of Reliability Assessment and Performance Analysis |
| John Seidel | MRO Principal Technical Advisor |
| Josh Hebert | MRO Senior Compliance Engineer/Auditor, O&P |
| Julie Peterson | MRO Assistant Corporate Secretary and Senior Counsel |
| Karla Schiller | MRO Director of Human Resources |
| Ken Gartner | MRO Director of Internal Oversight and Information Technology |
| Lam Chung | MRO Vice President and Engineer for Strategy, Innovation, and Finance |
| Larry Heckert | Alliant Energy |
| Lee Felter | MRO Principal Risk Assessment & Mitigation Engineer, CIP |
| Lisa Zell | MRO Vice President General Counsel and Corporate Secretary |
| Mahmood Safi | Omaha Public Power District |
| Mary Agnes Nimis | FERC, Energy Industry Analyst |
| Max Vang | MRO IT Support Analyst |
| Michael Spangenberg | MRO CIP Risk Assessment and Mitigation Engineer III |
| Michelle Olson | MRO Compliance Monitoring Administrator |
| Omar Elabbady | Xcel Energy, Senior Reliability Standards Analyst |
| Paul Mehlhaff | Sunflower Electric Power Corporation, Manager, NERC Compliance |
| Ricardo Rodriguez | City of Ames |
| Richard Bou | Xcel Energy |
| Richard Burt | MRO Senior Vice President and Chief Operating Officer |
| Ryan McNamara | MRO CIP Risk Assessment and Mitigation Engineer III |
| Salva Andiappan | MRO Principal Reliability Assessment Engineer, Assessments |
| Sam Ellis | Southwest Power Pool |
| Sam Zewdie | MRO Compliance Engineer |
| Sara Patrick | MRO President and Chief Executive Officer |
| Steen Fjalstad | MRO Director of Security |
| Tasha Ward | MRO Director of Enforcement and External Affairs |
| Terry Harbour | MidAmerican Energy Company |
| Tracey Gennrich | MRO Security Administrator |
| William Steiner | MRO Director of Risk Assessment and Mitigation |

*The above list may not reflect all meeting attendees*

*as the meeting was open for observation via Webex.*