

## MEMORANDUM

**TO:** Roy Thilly, Chair  
NERC Board of Trustees

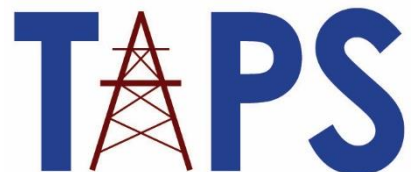
**FROM:** Jack Cashin, Director, Policy Analysis and Reliability Standards, American Public Power Association  
John Di Stasio, President, Large Public Power Council  
John Twitty, Executive Director, Transmission Access Policy Study Group

**DATE:** April 25, 2018

**SUBJECT:** Response to Request for Policy Input to NERC Board of Trustees

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The American Public Power Association, Large Public Power Council, and Transmission Access Policy Study Group concur with the Policy Input submitted today by the State/Municipal and Transmission Dependent Utility Sectors of the Member Representatives Committee, in response to NERC Board Chair Roy Thilly's April 4, 2018 letter requesting policy input in advance of the May 9-10, 2018 NERC Board of Trustees meetings.



## MEMORANDUM

**TO:** Roy Thilly, Chair  
NERC Board of Trustees

**FROM:** Carol Chinn  
William J. Gallagher  
John Twitty

**DATE:** April 25, 2018

**SUBJECT:** Response to Request for Policy Input to NERC Board of Trustees

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The Sector 2 and 5 members of the NERC Member Representatives Committee (MRC), representing State/Municipal and Transmission Dependent Utilities (SM-TDUs), appreciate the opportunity to respond to your letter dated April 4, 2018 to Mr. Jason Marshall, Chair of the MRC, detailing the discussion and adoption of a new approach to the policy input timing concerns. The letter further expresses that the Board of Trustees (BOT) does not have specific issues for policy input this quarter and invites MRC member sectors to provide written comments on preliminary agenda topics. The SM-TDUs provide these brief comments on the new approach to policy input timing concerns, as well as on various NERC-produced documents on which stakeholders rely to carry out their reliability responsibilities. We look forward to discussing these two items, along with the balance of the agenda packages coming out on April 26, at the upcoming meetings of the BOT, Board committees, and the MRC on May 9-10, 2018 in Washington D.C.

### *Summary of Comments*

- **Increasing Efficiency and Effectiveness of ERO and Stakeholder Engagement**
  - SM-TDUs are open to the new approach outlined in the April 4 letter regarding the timing associated with quarterly policy input. More generally, we believe that greater transparency with respect to NERC documents would enhance stakeholder engagement.

### **SM-TDU Policy Input**

The SM-TDUs appreciate the Board's continued commitment to seek policy input from the MRC and its attention to the concerns raised during the MRC's February 2018 meeting, including the expedient development and adoption of the protocols detailed in the April 4 letter. We are hopeful that these changes will allow stakeholders to better execute their responsibilities as participants in the ERO enterprise. SM-TDU MRC members believe that having a specific MRC agenda item will provide all MRC members with an opportunity to provide input to the Board on final agenda materials and will increase the value of that input, and the meetings overall. Currently, the SM-TDUs regularly consult with, and seek input from, their sectors; having the benefit of meeting materials in a timely manner should enhance the meeting colloquy. We look forward to having the new approach in place and utilizing it in the future.

For stakeholders to execute their roles in the ERO enterprise, transparency and timeliness are essential. The process for developing documents (such as reference documents, RSAWs, and Lessons Learned, to name a few examples) must be clear, and must allow for meaningful stakeholder input. Where a draft document could be seen as making or changing ERO policy, or controversial, early and meaningful stakeholder involvement is important. For example, the recently-posted Directly Connected guidance document seems to take a new policy position. Had stakeholders been consulted earlier in what was apparently a multi-year effort by NERC and Regional Entity staff, a better solution could have been reached to whatever problem ERO staff sees. Instead, the document was presented as final. (We hope that a better approach is still possible, but the fact remains that the process followed in this case lacked the transparency to which stakeholders are entitled when significant decisions are being made). Stakeholder feedback should be solicited early in the process and, when feedback is received, it should be considered by the NERC staff responsible for drafting and should be posted on the NERC website.

Thank you for the opportunity to provide this policy input. We look forward to the discussion at the meetings.