

MEMORANDUM

TO: Suzanne Keenan, Chair,
NERC Board of Trustees

FROM: Roy Jones
Scott Tomashefsky
Tom Heller
Colin Hansen

DATE: July 29, 2025

The Sector 2 and 5 members of the North American Electric Reliability Corporation (NERC) Members Representatives Committee (MRC), representing State/Municipal and Transmission Dependent Utilities (SM-TDUs), appreciate the opportunity to respond to your July 10, 2025, letter to the members of the MRC in which the NERC Board of Trustees (Board) requests MRC input on the Modernization of Standards Processes and Procedures Task Force (MSPPTF). Your letter specifically asks:

1. Are there additional outreach and engagement opportunities the MSPPTF should consider to ensure diverse industry engagement?
2. What additional outreach and engagement channels should the MSPPTF consider?
3. How can the MRC support the MSPPTF expand its outreach and engagement efforts?

SM-TDUs appreciate the Board's continued attention to stakeholder engagement, particularly with the MRC. And we appreciate the continued efforts of NERC management to collaborate with Sectors 2 and 5 through strong engagement with our trade associations and through direct contact with our sector members. Engagement on issues such as MSPP has been positive, and we believe that our participation on these issues will facilitate our shared goal of improving the process through which high-quality reliability standards are developed. We look forward to continued collaboration, especially through greater in-person engagement between the Board and MRC members.

SUMMARY OF COMMENTS

- We support the MSPPTF's outreach efforts and encourage continued engagement with industry as it develops its recommendations to the Board.
- Any changes made to the standards process should include broad consensus across industry.
- Decisions to modernize the standards process should rely on data to ensure that changes translate to improved outcomes.

SM-TDU COMMENTS

We appreciate and support the MSPP task force's outreach and engagement plan, though we stress that outreach must remain ongoing.

We have members of our community participating on the task force who have been providing regular updates to our stakeholders through calls organized by the American Public Power Association, Large Public Power Council, and Transmission Access Policy Study Group. We also appreciate that we had the opportunity to provide written comments early in the process through the MSPP survey and we look forward to the upcoming opportunity to provide feedback on the MSPP's white paper for changes to the standards development process. The MSPPTF has already held two workshops and announced Q&A sessions to be held in early August—we strongly urge the task force to continue providing opportunities

for industry to provide feedback, particularly as they draw closer to finalizing their recommendations for the NERC board.

We emphasize the importance of reaching broad consensus on any changes.

The outreach and engagement plan is designed to facilitate consensus building among all stakeholders, but that will only work if the task force is amenable to making—potentially significant—changes to its white paper proposals in response to stakeholder feedback. Changes to the Standard Process Manual must be approved by the Registered Ballot Body, so any improvements to the standards development process must be designed to be supported by a broad range of stakeholders.

The recommendations of the MSPP task force will have far-reaching impacts on the way standards will be developed for years to come. It is therefore imperative that NERC carefully weighs each recommendation with both process efficiency and resulting standard quality in mind. There have been multiple recent instances of standards that have been developed on tight timelines with limited industry feedback that have been remanded back to NERC after being approved by the Board. We firmly believe that the deliberative nature of the process and buy-in from industry stakeholders result in higher quality standards amenable to fair application to the broad range of registered entities that will be subject to compliance. We therefore urge NERC to ensure that industry’s essential role in standard development through the balloting process is preserved.

We believe that the changes to the standard development process should be supported by data.

We support the objectives of the MSPP task force to make the standard development process more efficient while retaining the stakeholder participation and balloting that has produced the technically exceptional reliability standards that NERC is known for. As the Board considers changes proposed by the MSPP task force, it will be important to consider whether there are data to support a conclusion that each change, and all the changes collectively, are likely to shorten time frames to develop a standard or build consensus while ensuring high-quality standards.

The MSPPTF’s white paper sought to identify issues and thoughtfully develop corresponding potential solutions across the standards process. However, we would request supporting justification for several of the identified issues. For example, two issues identified in balloting were entities that vote more than once and balloters whose votes do not align with their entity—if these are large enough issues to skew ballot results, then data supporting these claims should be shared with industry. This transparency is important to ensuring that solutions are found for issues that have a material impact on the standards process as a whole.

To this end, we have been conducting our own review of the publicly available data on NERC’s website to better understand the areas where modernization will have the greatest benefit. We request that the MSPPTF share the data they reviewed to identify the issues outlined in the white paper so that industry members may perform their own analysis.

Sectors 2 and 5 Responses to Board Questions

- 1. Are there additional outreach and engagement opportunities the MSPPTF should consider to ensure diverse industry engagement?*

Prior to launching the MSPPTF, NERC provided limited analysis or quantifiable data regarding the standards development process and the areas where modernization would have the greatest impact. We

therefore urge the MSPPTF to include the data and/or analysis it used to identify issues in future outreach sessions to ensure that industry has a complete understanding of the relative importance of each issue. The MSPPTF's use of technical webinars and planned Q&A sessions has been appropriate and we encourage the task force to continue holding events where stakeholders can provide feedback. Additionally, the MSPPTF should clearly articulate the timeline for public input after the draft report is released in the fall and emphasize what in-person and virtual feedback opportunities industry can expect to see. Finally, regional outreach meetings should also be used to solicit feedback in addition to providing updates on the task force's work-to-date.

2. What additional outreach and engagement channels should the MSPPTF consider?

Technical webinars and Q&A sessions should be recorded and made available on YouTube to ensure that interested stakeholders who were unable to attend these meetings stay informed of MSPPTF progress. These publicly available recordings can then be used by regional organizations for outreach to smaller utilities that may not be monitoring the MSPPTF. We also urge the MSPPTF to issue surveys after the white paper and future drafts to gauge industry support of identified issues and potential solutions—this will provide the MSPPTF additional data for the recommendations that they ultimately present to the Board.

3. How can the MRC support the MSPPTF expand its outreach and engagement efforts?

MRC members should utilize their connections across their sectors to ensure maximum participation in the MSPP process. The creation of materials, such as the recordings of webinars mentioned above, would provide additional educational tools for disseminating information on MSPPTF progress.