Introductory Remarks

Jim Robb, President and Chief Executive Officer
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• Achieving and maintaining risk-based operations
• Being more effective and efficient
• Identifying and assessing emerging risks
• Promoting leading security practices, information sharing and analysis, and resilience
• Enhancing knowledge transfer and effective communications
• Strengthening engagement across North America
Key Challenges

- Full implementation of the risk-based philosophy
  - Getting the "right" suite of Standards in place
    - Efficiency review
    - Emerging and/or systemic risks
  - Implement consistently across the Regional Entities
  - Maintain rigor

- How we work will be key focus
  - Balancing independence with partnership
  - Maintaining ideological independence
  - Improving relationships across the industry “ecosystem”
  - Improving alignment and effectiveness of the delegated operating model
• Cyber and physical security
  ▪ Leadership
  ▪ E-ISAC effectiveness

• Western RC evolution and seams management

• Integration of inverter-based technology
  ▪ Level 2 alert
  ▪ Guideline under development
  ▪ Potential new Reliability Standards

• Pace of change of resource mix
  ▪ Variable energy resource integration
  ▪ Natural gas infrastructure and operating practices
  ▪ Preservation of essential reliability services
• Taking NERC and the Regional Entities to the next level
• Focusing on impact and maintaining our independent voice for reliability
• Balancing strategic goals and resource needs with fiscal realities
Questions and Answers