

# **SERC Compliance Monitoring and Enforcement Program**

## **SERC Board Compliance Committee (BCC) Charter**



## **Purpose**

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The SERC Board Compliance Committee (BCC) serves as the governing body for the SERC Compliance Program and provides recommendations to the full SERC Board of Directors on Compliance matters. The SERC BCC is vested with the authority for oversight of the SERC Compliance Program and is authorized to approve penalties and sanctions for filing with NERC on behalf of SERC Reliability Corporation. In addition, the BCC serves as the SERC Hearing Body that conducts and renders decisions in compliance hearings in which a Registered Entity may contest compliance findings related to topics including alleged violations, proposed penalties or sanctions, acceptance of proposed mitigation plans, and remedial action directives.

## **Responsibilities and Activities**

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The BCC will abide by the SERC Confidentiality Policy and the SERC Antitrust Compliance Guidelines in carrying out its purpose. BCC members shall comply with the SERC Standards of Conduct policy that prohibits conflicts of interest associated with the compliance program. The following is a list of BCC responsibilities and routine activities:

### **Responsibilities**

The BCC shall be responsible for:

1. Reviewing and approving confirmed violations and any associated proposed sanctions and penalties determined by the SERC compliance staff.
2. Reviewing and approving settlements, including proposed sanctions and penalties, as agreed to by the registered entity and SERC compliance staff.
3. Reviewing and determining acceptance of registered entity mitigation plans submitted to address alleged violations, following compliance staff review and acceptance.
4. Approving requests for end-date extensions for accepted mitigation plans.
5. Reviewing and advising the Board on the progress of SERC and its registered entities in mitigating confirmed violations, and the progress of SERC in addressing all unconfirmed violations.
6. Providing a hearing at the request of an entity assessed as non-compliant, including reviewing relevant documentation related to the assessment, and ensuring that proper procedures were used in the determination.
7. Recommending to the Board such actions as may further the purposes of the Delegation Agreement between NERC and SERC.
8. Performing such other functions as may be delegated by the Board from time to time.

The BCC may, at its discretion, delegate certain of the above responsibilities to the SERC compliance staff while maintaining oversight.

## **Activities**

1. The BCC shall meet as determined by the members of the BCC and, except when acting as a Hearing Body, shall use the same meeting and voting procedures as established for the Executive Committee. Typical meeting and voting procedures for the BCC are described below in Representation and those for the Hearing Body are detailed in Hearings.
2. The Chairman or Vice Chairman of the BCC shall conduct all meetings of the BCC and shall be responsible for the preparation of the agenda.
3. The BCC may, from time to time, appoint ad-hoc committees of technical experts to research and/or advise it on compliance or technical issues or matters, among other things. Such ad-hoc committees of technical experts may be formed on an as-needed basis and may vary in makeup depending on the needs of the BCC. Each member (or another entity) that requests that the BCC review a compliance finding against it may request that an ad-hoc committee be formed to assist the BCC in its review.

## **Representation**

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The BCC shall be composed of not more than twelve (12) members of the SERC Board of Directors

The members of the BCC shall be appointed by the Board at the April biennial meeting of the Board.

Members of the BCC shall include the following sector representation:

- (a) The Investor-Owned Utility Sector shall have three (3) representatives;
- (b) The Federal/State Sector shall have two (2) representatives;
- (c) The Cooperative Sector shall have two (2) representatives;
- (d) The Municipal Sector shall have two (2) representatives;
- (e) The Marketer Sector shall have one (1) representative;
- (f) The Merchant Electricity Generator Sector shall have one (1) representative;
- (g) The ISO-RTO/Customer Sector shall have one (1) representative.

The Chairman of the Board of Directors shall appoint a chair from among the BCC members. The SERC Compliance Director shall serve as the non-voting secretary.

Each Sector will be responsible for nominating their representative(s) and alternates from among the Board Members. In the event that a member of the BCC is unable to complete a term, the Sector's alternate representative will replace such member.

Each member of the BCC shall have one (1) vote. The presence of three quarters of the members of the BCC shall constitute a quorum. The positive vote of two-thirds of voting members of the BCC present and voting is necessary to pass a particular action.

## Hearings

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The BCC shall conduct hearings in accordance with Hearing Procedures approved by the Federal Energy Regulatory Commission (Hearing Procedures). In compliance hearings, the BCC shall establish and maintain a hearing body with authority to conduct and render decisions on the matter.

In accordance with the NERC Compliance Monitoring and Enforcement Program Hearing Procedures (“Hearing Procedures”), a quorum for the purpose of constituting a hearing body shall be (after any recusals or disqualifications and including any alternates) fifty (50) percent of the BCC. In addition to a quorum, the chair of the BCC shall declare the Hearing Body duly constituted only if no two sectors can control and no one sector can veto the actions of the Hearing Body (the “Sector Control Requirements”). Approval of all actions before a duly constituted Hearing Body shall require a simple majority of the votes cast, which number of members voting shall not be less than a quorum, with each member of the Hearing Body having one vote.

To ensure that the Sector Control Requirements are met in the formation of a Hearing Body, the Chair shall adhere to the following in declaring the Hearing Body duly constituted:

- If the Hearing Body is made up of six (6) members of the BCC, then each sector shall have no more than one (1) representative on the Hearing Body.
- If the Hearing Body is made up of seven (7) or eight (8) members of the BCC, then only one sector can have two (2) representatives on the Hearing Body, and each other sector can have only one (1) representative on the Hearing Body.
- If the Hearing Body is made up of nine (9) or ten (10) members of the BCC, then no sector can have more than two (2) representatives on the Hearing Body.
- If the Hearing Body is made up of eleven (11) or twelve (12) members of the BCC, then the Sector Control Requirements are met, as no two sectors would have enough votes to control, and no one sector would have the ability to veto.

The chair, in his or her sole discretion, shall have the authority to determine whether the Hearing Body meets the quorum requirements and Sector Control requirements and is therefore duly constituted.

The decision of any duly constituted Hearing Body pursuant to these requirements shall be final and binding on the Corporation, without requiring either the BCC or the Corporation to ratify the Hearing Body’s actions.

## Reporting

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The BCC shall report to the Board at each regularly scheduled meeting of the Board.