



**LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
 COMMITTEE OF THE WHOLE MEETING
 March 16, 2023 – 5:30 P.M.
 REO Town Depot - Board of Water & Light Headquarters
 1201 S. Washington Ave., Lansing, MI 48910**

BWL full meeting packets and public notices/agendas are located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

AGENDA

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Committee of the Whole Meeting Minutes of January 10, 2023 **TAB 1**
- 2. North American Electric Reliability Corporation Critical Infrastructure Protection
 (NERC CIP)..... **TAB 2**
- 3. Erickson Groundwater Update..... **INFORMATION ONLY**

Other

Adjourn

COMMITTEE OF THE WHOLE

Meeting Minutes

January 10, 2023

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, January 10, 2023.

Committee of the Whole Chair Sandra Zerkle called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, DeShon Leek, Tony Mullen and Tracy Thomas, and Non-Voting Members: Larry Merrill (Delta Township) and Maggie Sanders (Lansing Charter Township)

Absent: Commissioner David Price and Non-Voting Commissioner Douglas Jester (East Lansing)

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Mullen, **Seconded** by Commissioner Thomas, to approve the Committee of the Whole Meeting minutes of November 8, 2022.

Action: Motion carried. The minutes were approved.

Energy Risk Management Presentation

General Manager Dick Peffley called upon Dave Bolan, Executive Director of Operations, who provided a brief review of the Energy Risk Management Program which has been in operation since 2013. Mr. Bolan introduced Mr. Dan Conrath, Senior Vice President at StoneX Financial Inc., who presented an Energy Risk Management overview presentation. Q&A followed with questions from Commissioners Zerkle, Thomas and Horwitt.

Security Threat Assessment

Commissioner Zerkle called for a Closed Session to discuss an attorney-client privileged memorandum, which General Counsel Mark Matus provided to the Committee of the Whole as permitted by the Open Meetings Act, MCL 15.268(h) and MCL 15.243(g).

Motion by Commissioner Graham, **Seconded** by Commissioner Horwitt, to go into closed session for the purpose of reviewing the contents of the attorney-client privileged memorandum as permitted by the Open Meetings Act, specifically MCL 15.268(e).

Action: Motion Carried.

The Corporate Secretary called the Roll Call Vote:

Yeas: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, Deshon Leek, Tony Mullen, and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Commissioner Zerkle declared a quorum to go into Closed Session, welcomed Non-Voting Commissioners to join Closed Session, and asked General Manager Dick Peffley, General Counsel Mark Matus, Executive Director of Human Resources Michael Flowers, Health Safety and Security Manager Ryan Cressman, and Corporate Secretary LaVella Todd to join the Closed Session.

The Committee of the Whole Meeting went into closed session at 5:51 p.m.

Motion by Commissioner Thomas, **Seconded** by Commissioner James, to return to open session.

Action: Motion Carried.

Commissioner Zerkle asked the Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, DeShon Leek, Tony Mullen and Tracy Thomas. Non-Voting Members: Larry Merrill (Delta Township) and Maggie Sanders (Lansing Charter Township) were also present.

The Corporate Secretary declared a quorum.

The Committee of the Whole Meeting reconvened to open session at 6:11 p.m.

Other

Commissioners did not have any further questions regarding the environmental questions provided to General Manager Peffley by Ms. Heather Douglas, East Lansing, MI.

General Manager Peffley provided an update on a discussion with representatives of Siemens regarding a jet engine design flaw located at the Delta Energy Park, and the assistance of General Counsel and outside counsel to recoup \$30,000,000 lost revenues due to the design flaw, corresponding project interference and the loss of market opportunities.

General Manager Peffley shared an update on the December 24, 2022 storm which resulted in one outage causing a six-hour service interruption to forty BWL customers in East Lansing, MI, due to a car hitting a utility pole.

General Manager Peffley gave an update on a \$45,000,000 State of Michigan grant opportunity for new energy with Michigan Public Service Commission. The grant funds will be used to start work on an energy complex at the Delta Energy Plant. Mr. Peffley stated BWL applied for \$20,000,000 of the

available grant funds by the deadline of January 6, 2023. The grant opportunity will be publicly posted for public comment for 45-days on January 13, 2023, with proposal modifications available through March 14, 2023. The grant is to be awarded in May or June of 2023.

Motion by Commissioner James, **Seconded** by Commissioner Graham for an excused absence for Commissioner David Price and Commissioner Douglas Jester.

Action: Motion Carried.

Adjourn

Chairperson Zerkle adjourned the meeting at 6:27 p.m.

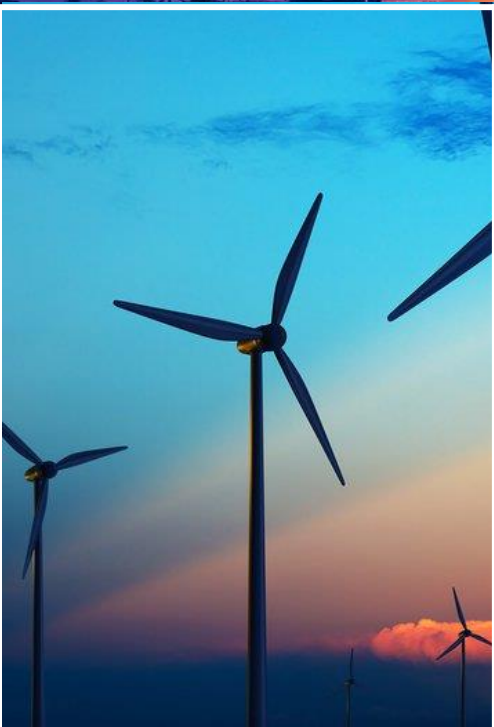
Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole



NERC COMPLIANCE UPDATE

Caitlin Chavez

Supervisor, NERC Compliance



- ▶ Compliance History
- ▶ Compliance Engagements
- ▶ Upcoming Changes to Standards
- ▶ Future NERC Strategy

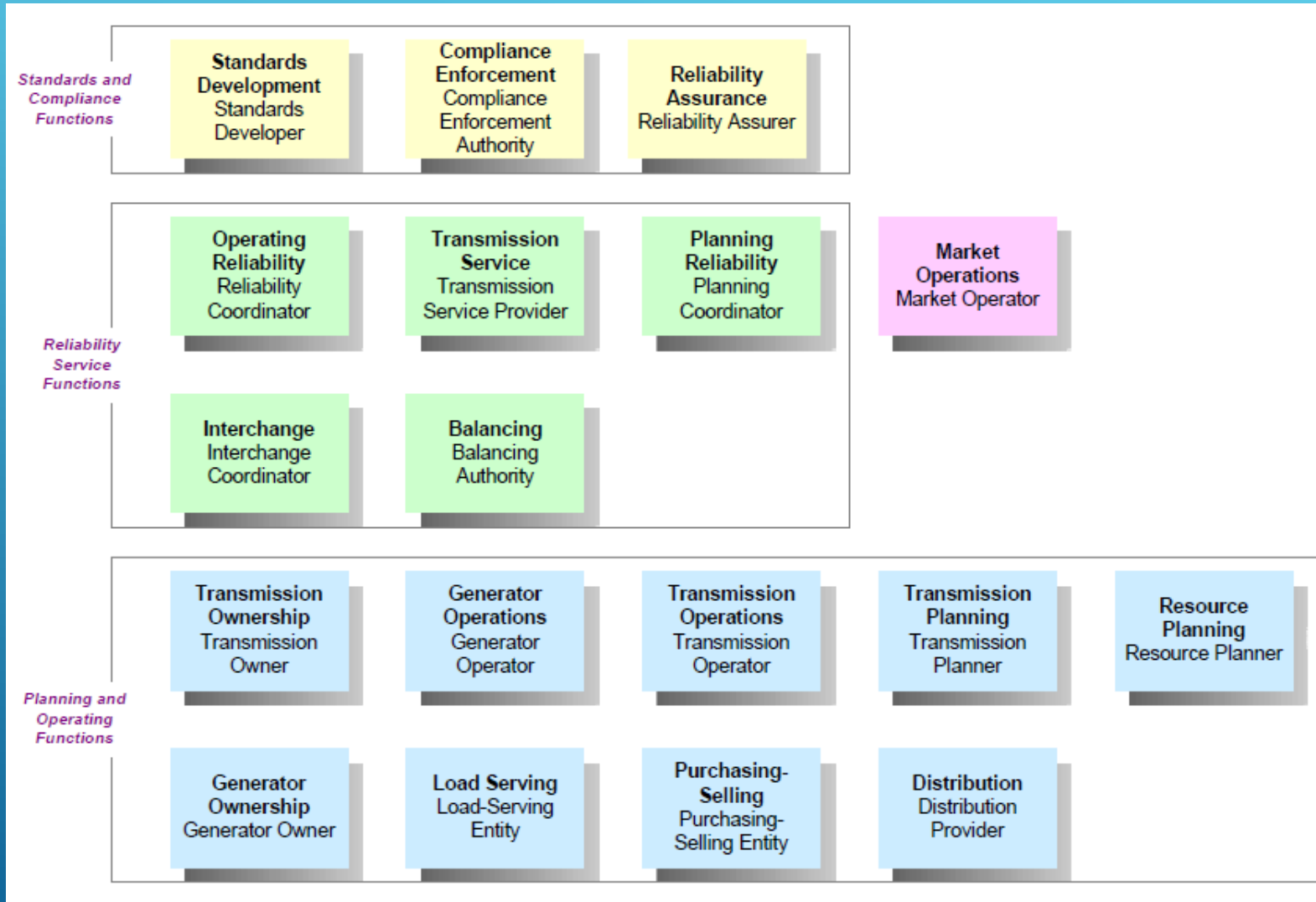
AGENDA

NERC Compliance Update

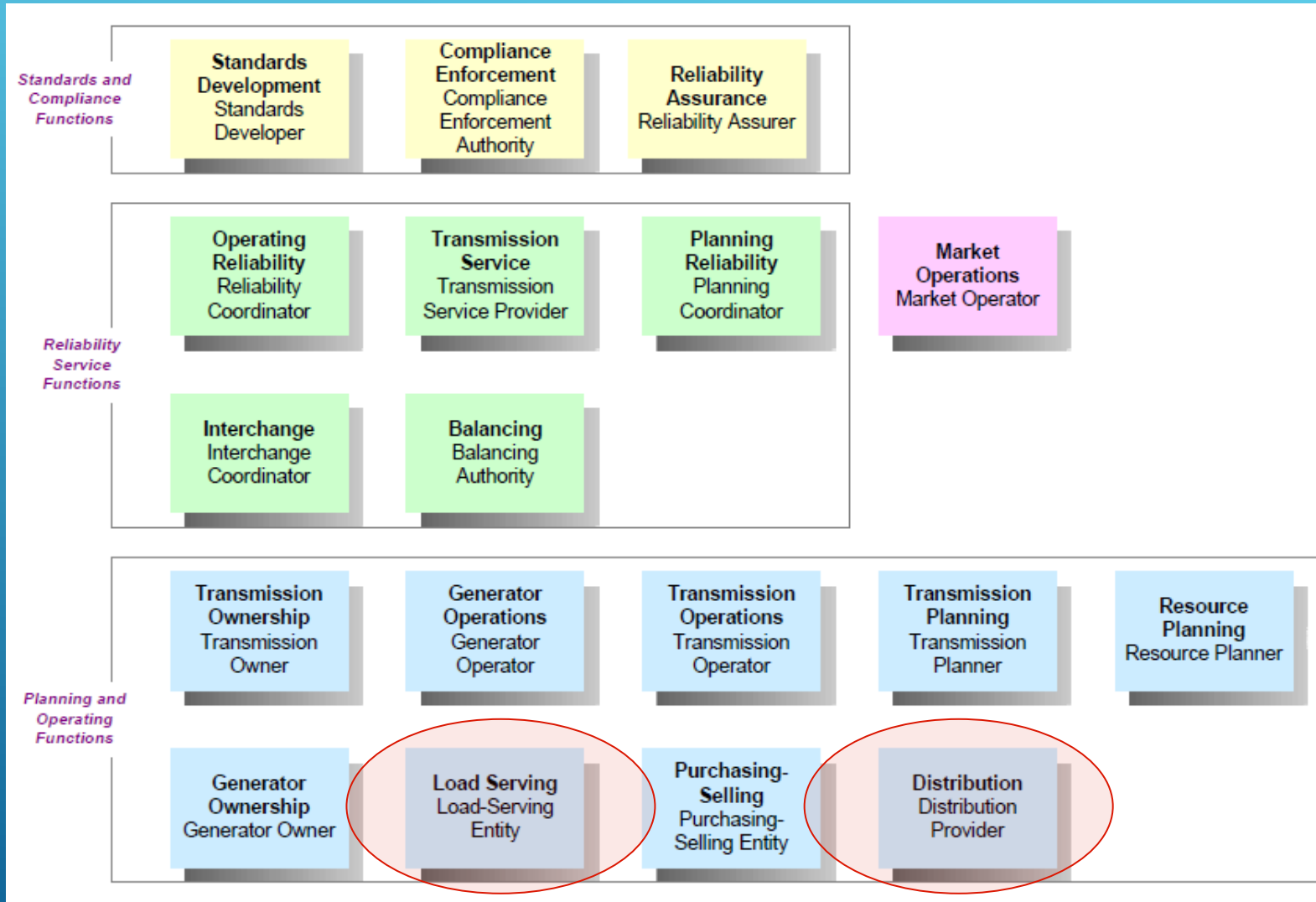
NERC STANDARDS BACKGROUND

The Energy Policy Act of 2005 authorized FERC to certify an Electric Reliability Organization (ERO) to develop, oversee, and enforce a comprehensive set of Reliability Standards for operators and users of the Bulk Power System. The North American Electric Reliability Corporation (NERC) was selected to fulfill this role.

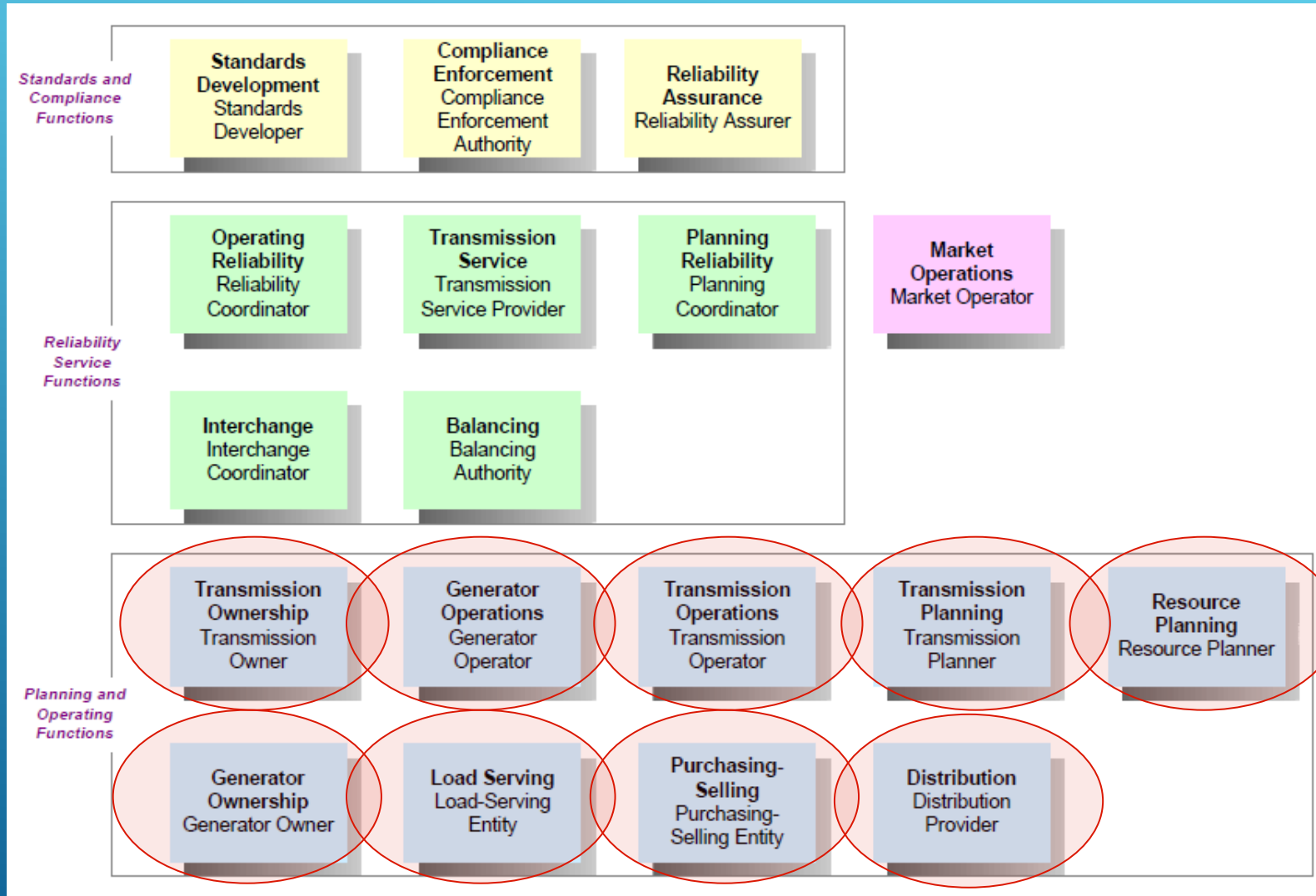
NERC FUNCTIONAL MODEL



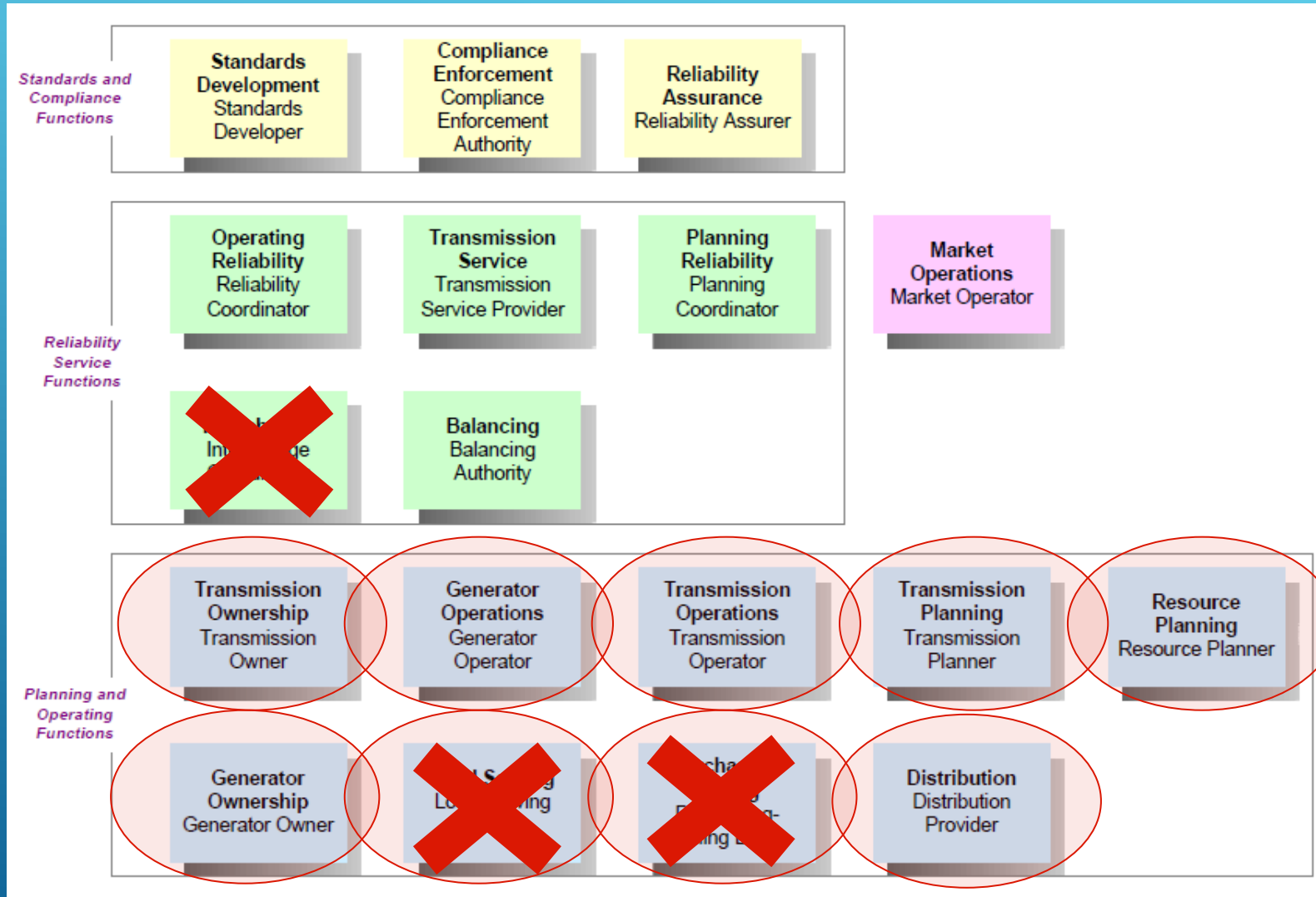
NERC FUNCTIONAL MODEL

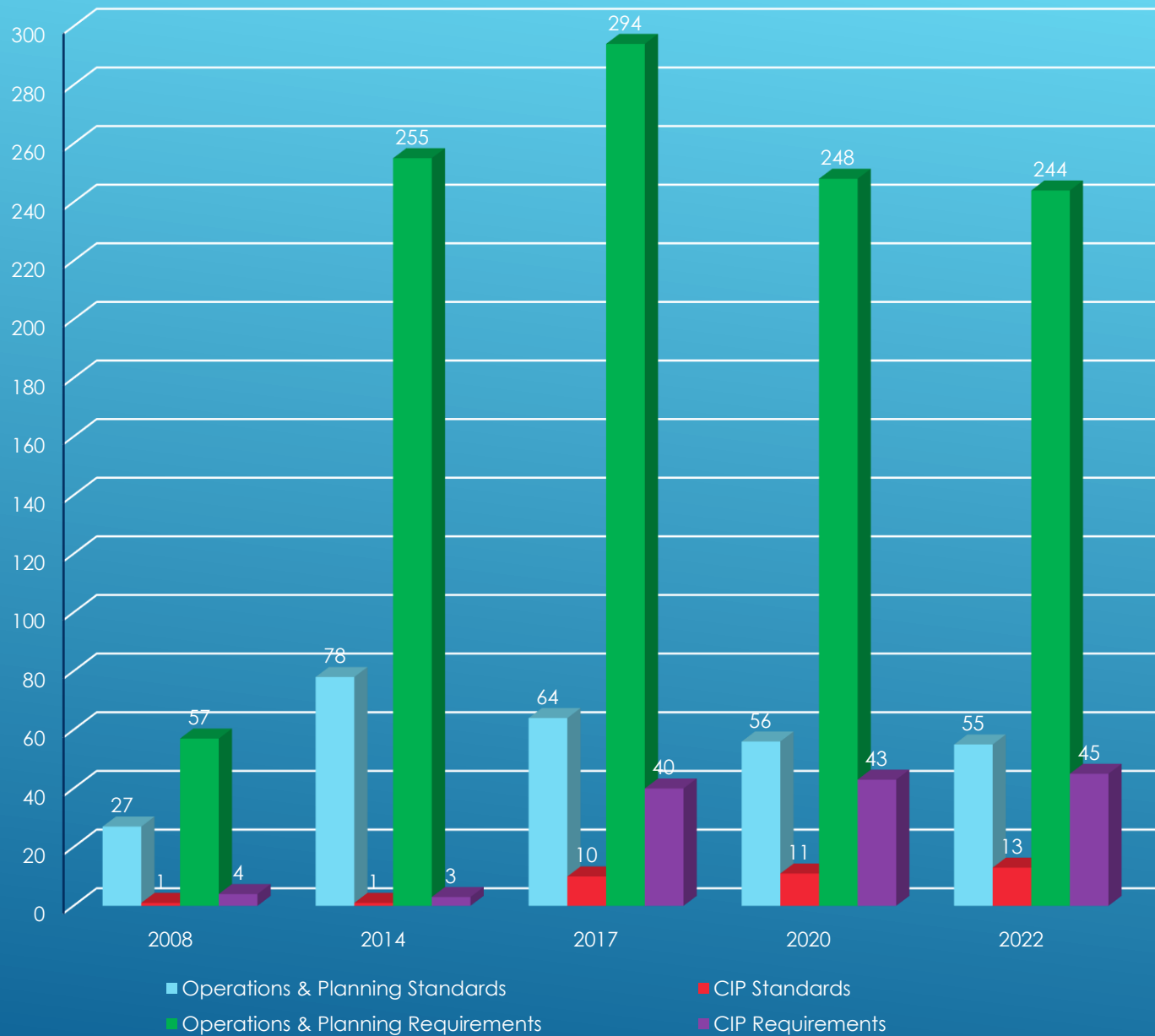


NERC FUNCTIONAL MODEL



NERC FUNCTIONAL MODEL





COMPLIANCE RESPONSIBILITY

RECENT/UPCOMING ENGAGEMENTS WITH RELIABILITY FIRST

- ▶ December 2020 – Operations & Planning Compliance Audit
 - ▶ 14 Standards and 38 Requirements reviewed
- ▶ July 2021 – ADMS Project EMS Re-Certification
 - ▶ Reviewed all standards and requirements where compliance efforts are changing as a result of the new ADMS system.
- ▶ October 2021 – CIP Spot Check
 - ▶ Scope is 2 Standards and 32 Requirements and Sub-Requirements
- ▶ November 2022 – Full CIP Audit
 - ▶ Scope is 6 standards and 82 Requirements and Sub-Requirements
- ▶ Calendar Year 2024 – Expected Operations & Planning Audit

UPCOMING NERC PROJECTS

Cold Weather Preparedness

- ▶ New Standards become effective 4/1/2023.
- ▶ Team has completed the following actions:
 - ▶ Updated Transmission Operations Cold Weather Plan
 - ▶ Created Cold Weather Preparedness Plans for DEP and Reo.
 - ▶ Created and in process of completing training on the Plans for Plant Operations and Maintenance staff.

Inverter Based Resources

- ▶ Source of electricity that is asynchronously connected to the electric grid via an electronic power converter (“inverter”).
- ▶ Includes most renewable generation, including:
 - ▶ Wind
 - ▶ Solar
 - ▶ Battery Storage
- ▶ Drafting Standards for:
 - ▶ Event Reporting
 - ▶ Performance of IBRs

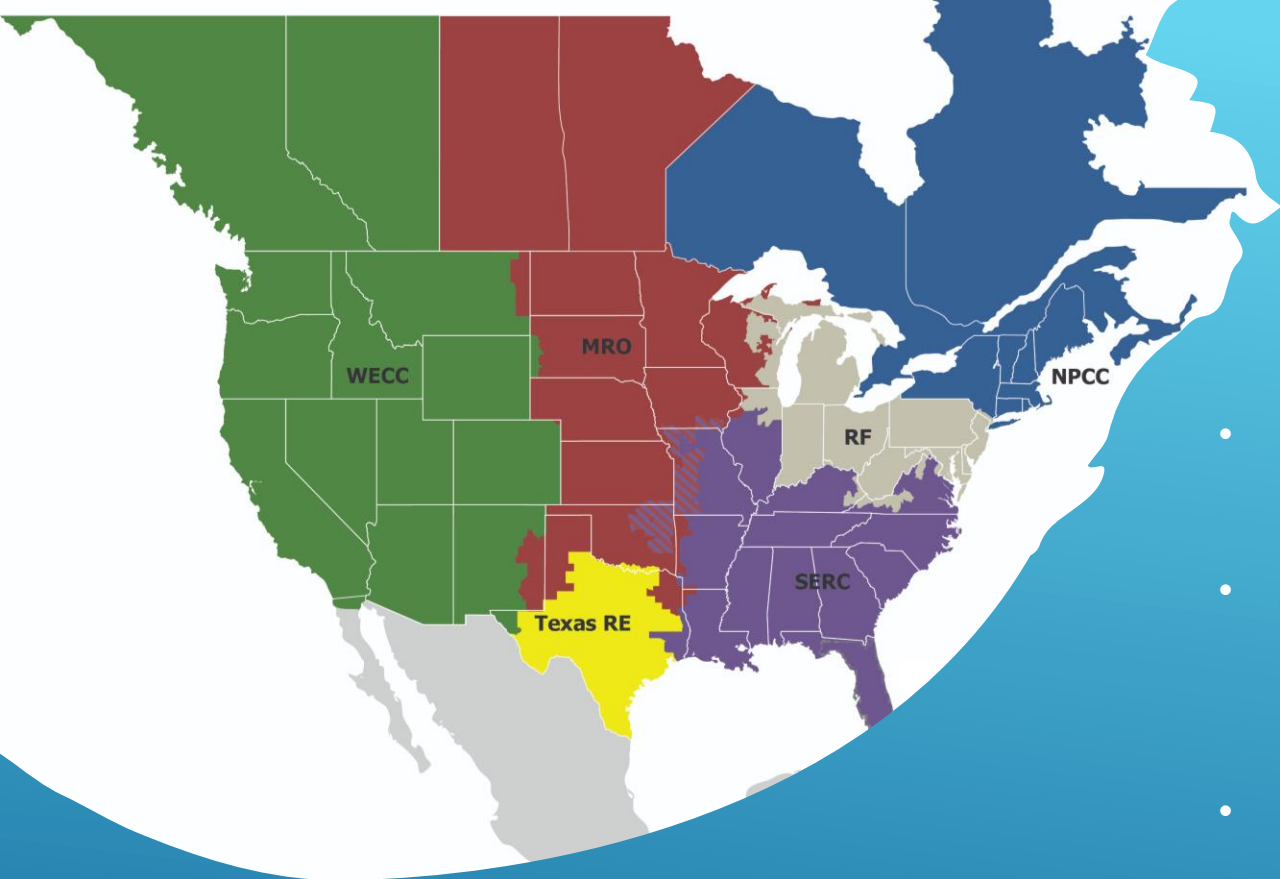
Extreme Cold Weather Operations, Preparedness, and Coordination

- ▶ Updates requirements for manual v. automatic load shedding
- ▶ Created new standard for Generation Plants requiring them to be able to operate at Extreme Cold Weather Temperature.
 - ▶ This could include making modification to generation freeze protection measures.

FUTURE NERC STRATEGY

- Expanding risk-based focus in Standards, Compliance Monitoring, and Enforcement
- Assessing and catalyzing steps to mitigate known and emerging risks to reliability and security
- Building a strong E-ISAC-based security capability
- Strengthening engagement across the reliability and security ecosystem in North America
- Capturing effectiveness, efficiency, and continuous improvement opportunities

3/16/2023



THANK YOU

Caitlin Chavez

Caitlin.Chavez@lbwl.com

Supervisor, NERC Compliance

