

Antitrust Compliance Guidelines

General

It is NPCC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct which violates, or which might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers, or any other activity that unreasonably restrains competition.

It is the responsibility of every NPCC participant and employee who may in any way affect NPCC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NPCC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NPCC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NPCC meeting participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NPCC's antitrust compliance policy is implicated in any situation should contact NPCC's General Counsel and Corporate Secretary, Mr. Damase Hebert at (212) 205-7069 or legal@npcc.org.

Prohibited Activities

Participants in NPCC activities (including those participating in its committees, task forces and subgroups) should refrain from discussing the following throughout any meeting or during any breaks, when acting in their capacity as participants in NPCC activities. This includes NPCC meetings, conference calls and informal discussions.

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs;
- Discussions involving employee or applicant wages or agreements not to compete for, hire, or poach each other's employees;
- Discussions involving agreements to seek or bid for work; grants or funds, or not to bid or seek the same;
- Discussions of a participant's marketing strategies;
- Discussions regarding how customers and geographic areas are to be divided among competitors;
- Discussions concerning the exclusion of competitors from markets;
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

Activities that are Permitted

To avoid antitrust issues, decisions and actions by NPCC (including its committees, task forces, and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability, security, and resilience of the bulk power system. If there is not a legitimate purpose for discussing a matter that is consistent with this objective, please refrain from discussing the matter during NPCC meetings and in other NPCC-related communications.

NPCC participants and members of NPCC staff should also ensure that applicable NPCC policies and procedures, including those set forth in the NPCC Bylaws are followed in conducting NPCC business.

All discussions in NPCC meetings and other NPCC-related communications should be within the scope of the mandate for or assignment to the particular NPCC committee, task force, or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NPCC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with reliability standards and decisions with respect to other reliability matters should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NPCC activities may discuss:

- Reliability matters relating to the bulk power system, including but not limited to, establishing or revising reliability standards, system planning, operating procedures and challenges, operating transfer capabilities, plans for facilities, best practices, technological advancements, cybersecurity, workforce training and development, and projects that address shared challenges related to grid reliability or resilience.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations (and other markets such as the natural gas markets) on the reliability of the bulk power system.
- Proposed filings or other communications with state, provincial or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management, and operation of NPCC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines as activities that are permitted should be brought to the attention of the NPCC legal counsel before being discussed.

Collaboration among NERC and Regional Entities

NERC and the Regional Entities collaborate in carrying out the ERO Enterprise's mission under the terms and conditions of the Regional Delegation Agreements, the NERC Rules of Procedure, and other applicable documents. In the context of such collaboration, NERC and the Regional Entities will abide by this policy and the NERC Antitrust Compliance Guidelines.