

Minutes

Finance and Audit Committee

November 4, 2020 | 11:00-11:45 a.m. Eastern

Conference Call

Mr. Robert G. Clarke, Chair, called to order a duly noticed open meeting of the Finance and Audit Committee (the “Committee”) of the Board of Trustees (“Board”) of the North American Electric Reliability Corporation (“NERC” or the “Company”) on November 4, 2020, at approximately 11:00 a.m. Eastern, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Committee Members

Robert G. Clarke, Chair
Suzanne Keenan
Robin E. Manning
Jim Piro
Roy Thilly, *ex officio*

Board of Trustees Members

Jane Allen
Kenneth W. DeFontes
George Hawkins
James B. Robb, President and Chief Executive Officer
Jan Schori
Colleen Sidford

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Kelly Hanson, Senior Vice President and Chief Administrative Officer
Mark Lauby, Senior Vice President and Chief Engineer
Meg Leonard, Controller
Sônia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President and Chief Financial Officer
Mechelle Thomas, Vice President, Compliance

Introduction and Chair’s Remarks

Mr. Clarke welcomed the participants to the meeting and provided an overview of the agenda. He welcomed Ms. Kristin Miller in her role as Director of Internal Audit.

NERC Antitrust Compliance Guidelines

Ms. Buzzard directed the participants’ attention to the NERC Antitrust Compliance Guidelines included in the agenda, and indicated that all questions regarding antitrust compliance or related matters should be directed to Ms. Mendonça.

Minutes

Upon motion duly made and seconded, the Committee approved the August 19, 2020 meeting minutes, as presented.

Third Quarter Calendar of FAC Responsibilities

Ms. Leonard reviewed the Third Quarter Unaudited Financial Statements for NERC and the ERO Enterprise, referencing the materials included in the advance agenda package. She noted that in the third quarter, NERC funding was 0.4 percent under budget and expenditures were 9.2 percent under budget. NERC projects to be 1.2 percent under budget for total funding and 4.2 percent under budget for total expenditures by the end of 2020. Ms. Leonard also reviewed the projected year-end reserves for 2020.

Ms. Leonard reported that NERC and all Regional Entities were under budget in the third quarter. She highlighted that the combined ERO Enterprise is projected to be approximately 4.3 percent under budget at year end. Ms. Leonard reviewed the combined 2020 ERO Enterprise operating reserves. She also referred to the Regional Entity variance reports.

After discussion, and upon motion duly made and seconded, the Committee recommended the Third Quarter Unaudited Financial Statements for acceptance by the Board.

2021 Business Plan and Budget Status

Mr. Sharp provided an update on the 2021 Business Plan and Budget. He reported that the Federal Energy Regulatory Commission approved the 2021 Business Plan and Budget and the 2021 Business Plan and Budget was filed with Canadian authorities. Mr. Clarke thanked the Committee and the Member Representatives Committee Business Plan and Budget Input Group for their work during the annual budget process.

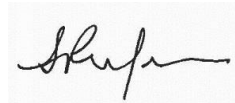
2022 Business Plan and Budget Schedule

Mr. Sharp reviewed the high-level schedule for the 2022 ERO Enterprise Business Plan and Budget.

Adjournment

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Sônia Mendonça
Corporate Secretary

Agenda

Finance and Audit Committee

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Attendees: [Join Meeting](#)

Call to Order

Introductions and Chair's Remarks

NERC Antitrust Compliance Guidelines

Agenda

1. **Minutes* – Approve**
 - a. August 19, 2020
2. **Third Quarter Calendar of FAC Responsibilities (*Meg Leonard*)**
 - a. **Third Quarter Statement of Activities* – Review and Recommend to Board of Trustees for Acceptance**
 - i. NERC Summary of Results as of September 30, 2020
 - ii. Combined ERO Enterprise Summary of Results as of September 30, 2020
 - iii. Regional Entity Variance Reports as of September 30, 2020
3. **2021 Business Plan and Budget Status – Update (*Andy Sharp*)**
4. **2022 Business Plan and Budget Schedule* – Review (*Andy Sharp*)**
5. **Other Business and Adjournment**

*Background materials included.