

Draft Minutes Board of Trustees

May 8, 2025 | 10:30 a.m.–12:30 p.m. Eastern

NERC DC Office
1401 H Street NW, Suite 410
Washington, DC 20005

Webex

Call to Order

Ms. Suzanne Keenan, Chair, called to order the duly noticed open meeting of the Board of Trustees (Board) of the North American Electric Reliability Corporation (NERC or the Corporation) on April 4, 2025, at approximately 10:30 a.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Board Members

Suzanne Keenan, Chair
George S. Hawkins, Vice Chair
Jane Allen
Kenneth W. DeFontes, Jr.
Larry Irving
Susan Kelly
Robin E. Manning
Jim Piro
James B. Robb, President and Chief Executive Officer
Kristine Schmidt
Colleen Sidford

NERC Staff

Michael Ball, Senior Vice President and Chief Executive Officer of the E-ISAC
Tina Buzzard, Director, Board Operations and Corporate Governance
Manny Cancel, Advisor to the CEO of the E-ISAC
Todd Carter, Vice President, Business Technology
Shamai Elstein, Associate General Counsel
Mathew Duncan, Vice President, E-ISAC Security Operations and Intelligence
Howard Gugel, Senior Vice President, Regulatory Oversight
Kelly Hanson, Senior Vice President and Chief Operating Officer
Fritz Hirst, Vice President, Government Affairs
Soo Jin Kim, Vice President, Engineering and Standards
Mark G. Lauby, Senior Vice President and Chief Engineer
Kimberly Mielcarek, Vice President, Communications
Darrell Moore, Director, Reliability Risk Management
Lauren Perotti, Assistant General Counsel

Sônia Rocha, Senior Vice President, General Counsel, and Corporate Secretary
Liz Saunders, Vice President, People and Culture
Camilo Serna, Senior Vice President, Strategy and External Engagement
Andy Sharp, Vice President and Chief Financial Officer
Bluma Sussman, Vice President, E-ISAC Stakeholder Engagement

NERC Antitrust Compliance Guidelines

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

Introduction and Chair's Remarks

Ms. Keenan welcomed the attendees to the meeting, including Mark Christie, Chairman, Federal Energy Regulatory Commission ("FERC") and Derek Olmstead, President and CEO Alberta MSA, CAMPUT Representative to NERC, both attending virtually. She remarked on how NERC's mission has become important at a national level, noting the pace of change in the energy industry and how NERC is engaging with its industry stakeholders and regulators to address ever more complex issues challenging reliability.

Consent Agenda

Upon motion duly made and seconded, the Board approved the consent agenda as follows:

Minutes

The draft minutes for the April 4, 2025 and February 13, 2025 meetings were approved as presented to the Board at this meeting.

Finance and Audit Financial Statements

RESOLVED, that the Board, upon recommendation of the Finance and Audit Committee ("FAC"), hereby accepts the 2024 Audited Financial Statements, substantially in the form presented to the Board at this meeting.

RESOLVED, that the Board, upon recommendation of the FAC, hereby accepts the First Quarter 2025 NERC, Combined ERO Enterprise, and Regional Entity Unaudited Statement of Activities, as presented to the Board at this meeting.

Remarks and Reports

Remarks by Derek Olmstead, President and CEO Alberta MSA, CAMPUT

Ms. Keenan introduced Mr. Olmstead, CAMPUT Representative to NERC. Mr. Olmstead remarked on NERC's continued engagement with Canadian energy regulators. He highlighted the productive discussions that took place the prior weekend at the CAMPUT meeting in Halifax, Nova Scotia on NERC Reliability Standards, the NERC Rules of Procedure, the Interregional Transfer Capability Study Canadian analysis, and other items of mutual interest.

Remarks by Mark Christie, Chairman, FERC

Mr. Robb introduced Chairman Christie of FERC. Chairman Christie remarked on how NERC's reliability assessments have improved awareness of electric supply demand imbalances across the United States, commending NERC for its honest and forthright approach to reliability issues. He noted the desire of consumers to have reliable power at reasonable costs, and he remarked on the challenges of adding more generation to meet the growing demand for power. Chairman Christie also remarked on NERC's efforts to develop Reliability Standards to address inverter-

based resource reliability issues and its participation in an upcoming Commissioner-led technical conference addressing resource adequacy issues in the ISO/RTO markets.

President's Report

Mr. Robb provided the president's report. He remarked on the recent electric reliability event in Spain, reporting that NERC has offered its assistance to the investigators. While the causes of this event are not yet fully understood, NERC will be following closely for lessons learned for the North American bulk-power system. Mr. Robb noted that NERC will be participating in an upcoming technical conference on resource adequacy and continues to advance natural gas electric coordination efforts. He also reported on the work of the Modernization of Standards Processes (MSPP) Task Force.

Mr. Robb remarked on the revised Regional Delegation Agreements being presented to the Board for approval at this meeting. He noted that these revised agreements will help advance coordination and alignment across the ERO Enterprise, particularly in the Reliability Assessment and Performance Analysis program which continues to grow in visibility and importance.

Mr. Robb then remarked on the addition of two new executives to NERC in 2025: Mr. Michael Ball, who assumed the role of Senior Vice President and CEO of the E-ISAC on April 14, and Mr. Todd Carter, who assumed the role of Vice President of Business Technology on March 3. He also noted the forthcoming retirement of Mr. Cancel, former CEO and Vice President of the E-ISAC, who has been serving as an advisor during the leadership transition. Mr. Robb remarked on Mr. Cancel's many contributions during his time at NERC and wished him well in his retirement.

The Board, upon motion duly made and seconded, approved the following resolution honoring Mr. Cancel upon his retirement:

WHEREAS, Manny Cancel, Senior Vice President and CEO of the Electricity Information Sharing and Analysis Center, of the North American Electric Reliability Corporation, has led the company's E-ISAC department since 2020; and

WHEREAS, Mr. Cancel assumed leadership during a time of turmoil and quickly stabilized the E-ISAC, focusing staff on the critical mission of assuring the reliability and security of the bulk power system; and

WHEREAS, Mr. Cancel prioritized building trust among members, other sector ISACs, and government partners, and positioned the E-ISAC as an essential part of the security fabric of the industry; and

WHEREAS, Mr. Cancel worked tirelessly to ensure industry had actionable information to address security risks as they emerged; and

WHEREAS, Mr. Cancel's collaborative spirit and genuine support have made him a trusted colleague, counselor, and cherished friend within the ERO Enterprise and to both NERC's Board of Trustees and management team, valued for his leadership instincts as much as his security expertise; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the North American Electric Reliability Corporation does hereby convey its deepest gratitude to Manny Cancel for his years of commitment and exemplary service and honors him on the occasion of his retirement as Senior Vice President and CEO of the E-ISAC.

Mr. Robb then introduced Mr. Jason Blake, President and CEO of SERC, to provide remarks on behalf of the ERO Executive Group. Mr. Blake remarked on the improved alignment across the ERO Enterprise, particularly in the Reliability Assessments and Performance Analysis program areas. He also remarked on the continued development of ERO Enterprise state and provincial outreach programs and the ERO Enterprise's continued commitment to

efficiency and alignment across program areas. Mr. Blake reported that the development of the Regional Entity budgets is underway, with similar stakeholder engagement and transparency efforts to those used by NERC.

Report on May 5 CAMPUT and May 6, 2025 Board of Trustees Closed Meetings

Ms. Keenan reported on the May 5, 2025 meeting with CAMPUT. Ms. Keenan also reported that, on May 6, 2025, the Board met in closed session with NERC management to review NERC management activities. The Board received updates on regulatory and external affairs, the renewal of the Regional Delegation Agreements, Reliability Standards, CRISP, and discussed matters for this meeting. The Board adjourned into executive sessions with the General Counsel and the CEO, with the General Counsel separately, and in Trustees only session to discuss confidential matters.

Standards Quarterly Actions

Milestone 3 for FERC Order No. 901 Filing

Ms. Kim provided an update on the development of Reliability Standards to address the Milestone 3 directives from FERC Order No. 901, in which FERC directed NERC to develop standards addressing inverter-based resource reliability issues.

Cold Weather and Lessons Learned from the 321 Actions

Ms. Kim provided an update on the development of lessons learned from the use of the special processes in Section 321 of the NERC Rules of Procedure, noting that NERC most recently used the special processes to complete the development of proposed Reliability Standard EOP-012-3, the generator cold weather preparedness standard addressing directives from FERC in its order approving EOP-012-2.

Modernization of Standards Processes and Procedures (MSPP) Task Force

Mr. Greg Ford, MSPP Task Force Chair, and Mr. Todd Lucas, MSPP Task Force Vice Chair, provided an update on the work of the MSPP Task Force. Mr. Ford reported on the inputs and considerations used by the Task Force, including previous efforts, lessons learned from use of Section 321 of the NERC Rules of Procedure, comparison of standards processes, implementation impact, and stakeholder input. Mr. Lucas reported that the MSPP Task Force developed and published a scope document, aligned on goals and objectives, identified initial areas of opportunity, and is developing a comprehensive communications and outreach plan. Mr. Ford then reviewed the upcoming schedule of work, with the goal of presenting recommendations to the Board in the first quarter of 2026. Ms. Keenan then led a discussion among the attendees of considerations for the MSPP Task Force.

Other Matters and Reports

Input Letter and Member Representatives Committee Meeting

Ms. Keenan acknowledged the policy input provided by the Member Representatives Committee as discussed at that meeting.

Regional Delegation Agreements

Mr. Elstein presented the proposed Regional Delegation Agreements for Board approval to become effective January 1, 2026, referencing the materials included in the advance agenda package. Mr. Elstein highlighted the revisions and improvements in the proposed Regional Delegation Agreements as driving greater coordination, consistency, and collaboration across the ERO Enterprise. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

RESOLVED, that the Board hereby approves the Amended and Restated *pro forma* Regional Delegation Agreement (“RDA”) between the North American Electric Reliability Corporation (“NERC”) and the Regional Entities, substantially in the form presented to the Board at this meeting.

FURTHER RESOLVED, that NERC senior management is hereby authorized to enter into individualized RDAs, adapted from the revised, *pro forma* RDA, with each Regional Entity to incorporate the Regional Entity-specific deviations.

FURTHER RESOLVED, that NERC management is hereby authorized to make the appropriate filings with ERO governmental authorities and take such further actions and make such further filings as are necessary and appropriate to effectuate the intent of the foregoing resolutions.

Level 3 NERC Alert Essential Actions to Industry: IBR Performance Modeling

Mr. Moore presented the proposed Level 3 NERC Alert Essential Actions to Industry: IBR Performance Modeling, referencing the materials included in the advance agenda package. After discussion, and upon motion duly made and seconded, the Board approved the following resolutions:

WHEREAS, since 2016, NERC has analyzed numerous major events totaling more than 15,000 MW of unexpected generation reduction, and NERC's analysis has indicated systemic deficiencies in industry's ability to accurately represent the performance of Inverter-Based Resources (IBR) and study the effects of IBR on the bulk power system (BPS);

WHEREAS, NERC has issued 10 major event reports and four Level 2 Alerts in response to these events, and responses show that the recommendations set forth in the Level 2 Alert, NERC guidelines, disturbance reports, and Lessons Learned, are not being implemented by Generator Owners; further, many Generator Owners indicated that they did not have the requested facility data readily available;

WHEREAS, the Board has the authority under Section 800 of the NERC Rules of Procedure to approve the issuance of Essential Actions to Industry, containing specific actions that NERC has determined are essential for certain segments of owners, operators, or users of the BPS to take to ensure the reliability of the BPS;

WHEREAS, the Board has determined that it is essential to ensure the reliability of the BPS for Transmission Owners, Transmission Planners, Planning Coordinators, and Generator Owners to take certain steps to enhance technical minimum requirements, study processes, and modeling accuracy to predict and mitigate risks posed by IBR performance during system disturbances;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the Level 3 Alert Essential Actions to Industry: IBR Performance Modeling, substantially in the form presented to the Board at this meeting.

NERC Action Plan on Large Loads Integration

Mr. Lauby presented the NERC Action Plan on Large Loads Integration, referencing the materials included in the advance agenda package. Mr. Lauby reported that NERC intends to complete its initial work under this plan by the second quarter of 2026.

Board Committee Reports

Corporate Governance and Human Resources

Ms. Schmidt, Committee Chair, reported that the Corporate Governance and Human Resources Committee met in met in closed and open sessions on May 6, 2025 and May 7, 2025 respectively. At the May 6 closed meeting, the Committee discussed the results of the 2024 Board of Trustees Annual Evaluation in advance of the open session on May 7, as well as the results of the 2024 Committee self-assessment. The Committee then adjourned into executive session to receive an update on talent management and succession planning initiatives, and to approve an executive compensation matter. The Committee also received a preview from its outside consulting firm, Meridian, of the results of the 2025 compensation study.

Ms. Schmidt reported that each of the Board Committees, except Nominating, had reviewed the results of their self-evaluations in closed sessions and identified opportunities for continued improvement.

Regulatory Oversight Committee

Mr. Manning, Committee Chair, reported that the Regulatory Oversight Committee met in executive session on May 6, 2025 and in open session on May 7, 2025. At the executive session, the Committee reviewed the results of its annual self-evaluation and received updates on CMEP Matters, Reliability Standards, and vegetation management. At the May 7 open meeting, the Committee received updates on Reliability Standards matters, Standards and CMEP enhancements, and ERO regulatory programs.

Finance and Audit

Ms. Sidford, Committee Chair, reported on recent meetings of the Finance and Audit Committee. At its May 6, 2025 closed meeting, the Committee reviewed the results of its annual self-evaluation. The Committee also reviewed the 2024 financial statement audit results, received an update on the development of the 2026 Business Plan and Budget, and received an update on internal audit activities. Lastly, the Committee adjourned into executive sessions to discuss confidential matters.

At its May 7, 2025 open meeting, the Committee reviewed and recommended for Board acceptance the 2024 Year-End Audited Summary of Results and the First Quarter 2025 Unaudited Summary of Results. The Committee also received an update on the development of the 2026 Business Plan and Budget.

Enterprise-wide Risk

Mr. Piro, Committee Chair, reported that the Enterprise-wide Risk Committee met in closed session on May 6, 2025. At this meeting, the Committee reviewed its annual self-evaluation results. The Committee also received updates on aligned assurance efforts, progress under the 2025 Enterprise Risk Management Workplan and meetings of the Executive Risk Committee, and Regional Entity activities. The Committee adjourned into executive sessions to discuss confidential matters.

Technology and Security

Ms. Allen, Committee Chair, reported that the Technology and Security Committee met in closed session on May 6, 2025 and in open session on May 7, 2025. At the closed session, the Committee reviewed its self-evaluation results and received an update on cyber security posture. At the open session, the Committee received updates on business technology strategy and E-ISAC operations.

Nominating

Mr. Irving, Committee Chair, reported that the Committee will meet in June to receive an update from NERC's Trustee search firm and review the results from the annual self-assessment.

Other Matters and Adjournment

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

Submitted by,

A handwritten signature in black ink, appearing to be 'SR', with a long horizontal line extending to the right.

Sônia Rocha
Corporate Secretary