

## Minutes

### Finance and Audit Committee

July 20, 2017 | 11:00 a.m.-1:00 p.m. Eastern

#### Conference Call

Ms. Jan Schori, Chair, called to order a duly noticed open meeting of the Finance and Audit Committee (the “Committee”) of the Board of Trustees of the North American Electric Reliability Corporation (“NERC”) on July 20, 2017, at 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:**

Jan Schori, Chair  
Roy Thilly

**Board of Trustee Members:**

Robert G. Clarke  
Kenneth W. DeFontes, Jr.  
Frederick W. Gorbet  
David Goulding

**NERC Staff:**

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary  
Tina Buzzard, Associate Director  
Scott Jones, Vice President, Corporate Treasurer, and Director of Finance and Administration  
Mark Lauby, Senior Vice President and Chief Reliability Officer  
Marcus H. Sachs, Senior Vice President and Chief Security Officer  
Andy Sharp, Controller  
Michael Walker, Senior Vice President and Chief Financial and Strategic Development Officer

Also present were representatives of each of the Regional Entities and WIRAB.

**Antitrust Compliance Guidelines**

Ms. Schori directed the participants’ attention to the NERC Antitrust Compliance Guidelines.

Mr. Thilly noted the recent resignation of Deborah Parker as a trustee and the announcement today of the resignation of Ken Peterson to take a new position. This has reduced the Committee to three members; Mr. Thilly expects the Board to approve the appointment of new Committee members to bring the Committee back to five members.

Ms. Schori noted that the purpose of the meeting was to publicly discuss the NERC 2018 draft Business Plan and Budget, each of the business plans and budgets for the Regional Entities and WIRAB, and the combined 2018 ERO Enterprise Business Plan and Budget, all of which had been included in the advance agenda package and posted for public review. She reviewed the remainder of the schedule for posting and comment, noting that no action would be taken at this meeting, but that the Committee

would be acting at its August open meeting to recommend the NERC and ERO Enterprise plans for Board approval.

**Updated NERC 2018 Draft Business Plan and Budget**

Mr. Jones provided comments relating to the draft Business Plan and Budget and its alignment with NERC's strategic and operational goals, and noted comments received on the first draft and support for the enhanced E-ISAC from the E-ISAC Member Executive Committee. Mr. Jones reviewed the overall draft, referencing the detailed materials included in the advance agenda package, specifically noting the effect of including the enhanced E-ISAC funding on the budget and assessments. He reviewed the proposed use of funds from the Assessment Stabilization Reserve to mitigate some of the effect on assessments. Mr. Jones provided an overview of assessment by country and an update on discussions with Mexico.

**Final Regional Entity and WIRAB Draft 2018 Business Plans and Budgets**

Each of the Regional Entity and WIRAB representatives provided an overview of their draft 2018 business plans and budgets, referencing materials included in the advance agenda package, noting that each had been approved by the respective governing board.

**Combined 2018 Budgets and 2019-2020 Projections**

Mr. Jones reviewed the combined ERO Enterprise information and 2019-2020 projections, referencing the detail information included in the advance agenda package, including the overall projected change in assessments and combined expenditures by program area and strategic goal.

**Adjournment**

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

Submitted by,



Charles A. Berardesco  
Secretary

## Agenda

# Finance and Audit Committee Open Conference Call and Webinar

July 20, 2017 | 11:00 a.m.–1:00 p.m. Eastern

**Participant Dial-in:** 1-800-274-0251

**Conference ID Code:** 5759668

**Webinar:** [www.readytalk.com](http://www.readytalk.com); Enter 4469686; Click join

### Introductions and Chair's Remarks

### NERC Antitrust Compliance Guidelines and Public Announcement

### Agenda Items

1. **Updated NERC 2018 Draft Business Plan and Budget\* – Review**
  - a. [Comments on Initial Draft](#)
  - b. [Management Response to Comments](#)
  - c. [2018 NERC Overview of Business Plan and Budget](#)
  - d. [2018 NERC Business Plan and Budget](#)
2. **Final Regional Entities' 2018 Drafts Business Plans and Budgets\* – Review**
  - a. Southwest Power Pool, RE
    - i. [2018 SPP RE Overview of Business Plan and Budget](#)
    - ii. [2018 SPP RE Business Plan and Budget](#)
  - b. Florida Reliability Coordinating Council
    - i. [2018 FRCC Overview of Business Plan and Budget](#)
    - ii. [2018 FRCC Business Plan and Budget](#)
  - c. Midwest Reliability Organization
    - i. [2018 MRO Overview of Business Plan and Budget](#)
    - ii. [2018 MRO Business Plan and Budget](#)
  - d. Northeast Power Coordinating Council, Inc.
    - i. [2018 NPCC Overview of Business Plan and Budget](#)
    - ii. [2018 NPCC Business Plan and Budget](#)

- e. ReliabilityFirst Corporation
    - i. [2018 RF Overview of Business Plan and Budget](#)
    - ii. [2018 RF Business Plan and Budget](#)
  - f. SERC Reliability Corporation
    - i. [2018 SERC Overview of Business Plan and Budget](#)
    - ii. [2018 SERC Business Plan and Budget](#)
  - g. Texas Reliability Entity, Inc.
    - i. [2018 Texas RE Overview of Business Plan and Budget](#)
    - ii. [2018 Texas RE Business Plan and Budget](#)
  - h. Western Electricity Coordinating Council
    - i. [2018 WECC Overview of Business Plan and Budget](#)
    - ii. [2018 WECC Business Plan and Budget](#)
  - i. Western Interconnection Regional Advisory Body
    - i. [2018 WIRAB Overview of Business Plan and Budget](#)
    - ii. [2018 WIRAB of Business Plan and Budget](#)
- 3. [Combined 2018 ERO Enterprise Budgets\\*](#) – Review**
- 4. Adjournment**

\*Background materials are linked.