

Minutes

Finance and Audit Committee

May 26, 2016 | 11:00 a.m. to 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 North American Electric Reliability Corporation ("NERC") on May 26, 2016, 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
Kenneth W. DeFontes, Jr.
Frederick W. Gorbet
Kenneth G. Peterson

Board of Trustee Members:

David Goulding

NERC Staff:

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Tina Buzzard, Associate Administrative Director
Scott Jones, Vice President of Finance and Treasurer
Mark Lauby, Senior Vice President and Chief Reliability Officer
Susan Turpen, Controller
Michael Walker, Senior Vice President and Chief Financial and Administrative 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.

Ms. Schori noted that two members of the Committee were not present due to travel schedule conflicts, but also noted that the Committee would not be taking any action today, as the purpose of the conference call was to publicly review the draft business plan and budgets for NERC and each of the Regional Entities as had been posted.

NERC 2017 Draft Business Plan and Budget

Mr. Walker provided comments relating to the draft Business Plan and Budget and its alignment with NERC's strategic plan. Mr. Jones reviewed the draft, referencing the detailed materials included in the advance agenda package, noting that the budget increase would be 2.5%, with assessments to increase by 6.4% prior to use of the Assessment Stabilization Reserves. He reviewed the proposal to use the Reserves over a period of time to better align changes in the annual budget and assessments. For 2017, this would reduce the assessment increase to 4.5%

Overview of Regional Entity and WIRAB Draft 2017 Business Plans and Budgets

Each of Region Entity and WIRAB representatives provided an overview of their draft 2017 business plans and budgets, referencing materials included in the advance agenda package. They also reviewed their process for obtaining stakeholder input to their drafts.

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

May 26, 2016 | 11:00 a.m.-1:00 p.m. Eastern

Participant Dial-In: (855) 331-9631

Conference ID Code: 16252832

Webinar: www.readytalk.com; Enter 4469686; Click join

Introductions and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement

Agenda Items

1. [NERC 2017 Draft Business Plan and Budget](#) – Review
2. **Regional Entities' 2017 Draft Business Plans and Budgets* – Review**
 - a. Western Electricity Coordinating Council
 - i. [2017 WECC Overview Business Plan and Budget](#)
 - ii. [2017 WECC Business Plan and Budget](#)
 - b. SERC Reliability Corporation
 - i. [2017 SERC Overview Business Plan and Budget](#)
 - ii. [2017 SERC Business Plan and Budget](#)
 - c. Northeast Power Coordinating Council, Inc.
 - i. [2017 NPCC Overview Business Plan and Budget](#)
 - ii. [2017 NPCC Business Plan and Budget](#)
 - d. ReliabilityFirst Corporation
 - i. [2017 RF Overview Business Plan and Budget](#)
 - ii. [2017 RF Business Plan and Budget](#)
 - e. Midwest Reliability Organization
 - i. [2017 MRO Overview Business Plan and Budget](#)
 - ii. [2017 MRO Business Plan and Budget](#)
 - f. Florida Reliability Coordinating Council
 - i. [2017 FRCC Overview Business Plan and Budget](#)
 - ii. [2017 FRCC Business Plan and Budget](#)

- g. Southwest Power Pool, RE
 - i. [2017 SPP Overview Business Plan and Budget](#)
 - ii. [2017 SPP Business Plan and Budget](#)
 - h. Texas Reliability Entity, Inc.
 - i. [2017 Texas RE Overview Business Plan and Budget](#)
 - ii. [2017 Texas RE Business Plan and Budget](#)
 - i. Western Interconnection Regional Advisory Body
 - i. [2017 WIRAB Overview Business Plan and Budget](#)
 - ii. [2017 WIRAB Business Plan and Budget](#)
3. [Consolidated \(NERC and Regional Entities'\) Budgets and Assessments*](#) – **Review**
 4. **Remaining Business Plan and Budget Schedule*** – **Review**
 5. **Adjournment**

*Background materials included.