

Minutes

Finance and Audit Committee Informational Session and Webinar

July 18, 2019 | 1:00 - 3:00 p.m. Eastern

Conference Call

Call to Order and Chair's Remarks

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 July 18, 2019, at 1:00 p.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
David Goulding
Colleen Sidford

Board of Trustee Members

Kenneth W. DeFontes, Jr.
Suzanne Keenan
Robin E. Manning
Jan Schori

Committee Members Not Present

Janice B. Case
Roy Thilly

NERC Staff

Tina Buzzard, Associate Director
Mark G. Lauby, Senior Vice President and Chief Reliability Officer
Sonia C. Mendonça, Vice President, Deputy General Counsel, and Director of Enforcement
Andy Sharp, Interim Chief Financial Officer and Controller

Regional Representatives

Sue Clarke, Midwest Reliability Organization
Jessica Hala, Northeast Power Coordinating Council, Inc.
Carol Baskey, ReliabilityFirst
George Krogstie, SERC Reliability Corporation
Judy Foppiano, Texas Reliability Entity, Inc.
Jillian Lessner, Western Electricity Coordinating Council
Holly Taylor, Western Interconnection Regional Advisory Body

NERC Antitrust Compliance Guidelines

Mr. Clarke 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 the General Counsel.

Chair's Remarks

Mr. Clarke welcomed attendees and thanked all for their work on the budget. He noted that NERC has posted management's responses to comments received during the first posting period. Mr. Clarke highlighted specific comments and management's response, and he reviewed several minor changes in the second draft of the budget. He also noted the ongoing work to address concerns raised by Canadian stakeholders and noted that further discussion will occur at the August meeting.

Updated NERC 2020 Business Plan and Budget

Mr. Sharp presented an overview of the second draft of the BP&B, referencing the materials in the advance agenda package. He noted that NERC addressed many of the comments received with representatives from the trade associations. Mr. Sharp described the changes in the second draft of the budget, including the conversion of two contractors to employees for a net cost savings and the addition of \$500,000 for leasehold improvements in the Atlanta office to be funded out of reserves. He then summarized the budget, including assessment increases, key assumptions, and future year projections. Lastly, Mr. Sharp outlined the remainder of the schedule.

Mr. DeFontes suggested that future budget presentations include actual dollar changes in budget amounts, in addition to the percentage change.

Regional Entities' 2020 Draft Business Plans and Budgets

Each of the Regional Entity and WIRAB representatives provided an overview of their draft 2020 business plans and budgets, referencing materials included in the advance agenda package.

2020 ERO Enterprise Combined Budgets and Assessments Overview

Mr. Sharp reviewed the combined ERO Enterprise budgets and assessments, referencing the detailed information included in the advance agenda package, including the overall budget by program area and 2020 preliminary assessments by region.

Closing Remarks**Adjournment**

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

Submitted by,



Sonia C. Mendonça
Acting Corporate Secretary