

Minutes

Finance and Audit Committee

November 8, 2017 | 9:15-10:00 a.m. Central

JW Marriott New Orleans
614 Canal Street
New Orleans, LA 70130

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 (“Board”) of the North American Electric Reliability Corporation (“NERC”) on November 8, 2017, at 9:15 a.m. Central, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Committee Members

Jan Schori, Chair
Janice B. Case
Robert G. Clarke
David Goulding
Roy Thilly

Board Members

Gerald W. Cauley, President and Chief Executive Officer
Kenneth W. DeFontes
Frederick W. Gorbet
George S. Hawkins

NERC Staff

Charles A. Berardesco, Senior Vice President, General Counsel, and Corporate Secretary
Tina Buzzard, Associate Director
Stan Hoptroff, Vice President, Chief Technology Officer, and Director of Information Technology
Scott Jones, Vice President, Chief Financial and Administrative Officer, and Corporate Treasurer
Mark Lauby, Senior Vice President and Chief Reliability Officer
Marcus H. Sachs, Senior Vice President and Chief Security Officer
Janet Sena, Senior Vice President and Director of Policy and External Affairs
Michael Walker, Senior Vice President, Chief Enterprise Risk and Strategic Development Officer

NERC Antitrust Compliance Guidelines

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

Minutes

Upon motion duly made and seconded, the minutes from the August 9, 2017 meeting were approved as presented to the Committee.

Report on Third Quarter Unaudited Results

Mr. Jones presented the unaudited third quarter variance reports for NERC and for the combined ERO Enterprise, referencing the materials included in the advance agenda package. NERC is currently under budget but expects year-end results to be close to budget. Mr. Jones reviewed the new format of the variance report. Funding is expected to be slightly over budget, due largely to the addition of new CRISP members. Mr. Jones reviewed reserve levels across the ERO Enterprise, noting that the variance between budget and actual is projected to decline through the remainder of the year.

Upon motion duly made and seconded, the Committee recommended the Third Quarter Unaudited Statement of Activities for acceptance by the Board.

2018 Business Plan and Budget Status

Mr. Jones noted that FERC had approved the 2018 Business Plans and Budgets. Ms. Schori thanked the Committee and the MRC Business Plan and Budget Input Group.

2019 Business Plan and Budget Schedule

Mr. Jones reviewed the tentative 2019 ERO Enterprise Business Plan and Budget Schedule, which had been included in the advance agenda package.

CMEP Technology Project

Mr. Hoptroff provided an update on the CMEP Technology Project. He reviewed the financials of the project to date and projected, including capital investment, estimated annual operating costs, and productivity gains. Mr. Hoptroff reported receipt of four responses to NERC's request for proposal that are currently under review.

Adjournment

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

Submitted by,



Charles A. Berardesco
Corporate Secretary

Agenda

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New Orleans, LA 70130

Conference Room: Ile De France Ballroom – 3rd Floor

Call to Order and Chair's Remarks

NERC Antitrust Compliance Guidelines

Agenda

1. **Minutes*— Approve**
 - a. August 9, 2017 Meeting
2. **Fourth Quarter Calendar of FAC Responsibilities**
 - a. **Third Quarter Statement of Activities*— Review and Accept**
 - i. NERC Summary of Results as of September 30, 2017
 - ii. ERO Enterprise Combined Summary of Results as of September 30, 2017
 - iii. Regional Entity Variance Reports as of September 30, 2017
3. **2018 Business Plan and Budget Status — Update**
4. **2019 Business Plan and Budget Schedule*— Review**
5. **Compliance Monitoring and Enforcement Program Technology Project*— Review**
6. **Adjournment**

*Background materials included.