

Minutes

Finance and Audit Committee

July 22, 2021 | 2:00–3:30 p.m. Eastern

Virtual Meeting

Mr. Robert G. Clarke, Chair, called to order a duly noticed open meeting of the Finance and Audit Committee (“FAC” or the “Committee”) of the Board of Trustees (“Board”) of the North American Electric Reliability Corporation (“NERC” or the “Company”) on July 22, 2021, at 2:00 p.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

Robert G. Clarke, Chair
Larry Irving
Suzanne Keenan
Susan N. Kelly
Jim Piro
Colleen Sidford
Kenneth W. DeFontes, Jr., *ex officio*

Board of Trustees Members

Jane Allen
Robin E. Manning
James B. Robb
Roy Thilly

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Erika Chanzas, Manager of Business Planning
Howard Gugel, Vice President, Engineering and Standards
Kelly Hanson, Senior Vice President and Chief Administrative Officer
Stan Hoptruff, Vice President, Business Technology
Nina Johnston, Assistant General Counsel
Sônia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Kristin Miller, Director, Internal Audit
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President and Chief Financial Officer
Mechelle Thomas, Vice President, Compliance, Compliance Assurance

Regional Entity Staff

Carol Baskey, ReliabilityFirst
Irma Bernard, Texas Reliability Entity, Inc.
Lisa Brohaugh, Western Interconnection Regional Advisory Body
Lam Chung, Midwest Reliability Organization
Jessica Hala, Northeast Power Coordinating Council, Inc.
George Krogstie, SERC Reliability Corporation
Wynne Schweitzer, Western Electricity Coordinating Council

Introduction and Chair's Remarks

Mr. Clarke welcomed the participants to the meeting and provided an overview of the agenda. Mr. Sharp advised that the webinar will focus on comments on the second draft of the 2022 Business Plan and Budget.

NERC Antitrust Compliance Guidelines

Mr. Clarke 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 Ms. Mendonça.

NERC 2022 Second Draft Business Plan and Budget

Mr. Sharp presented the second draft of the 2022 Business Plan and Budget, referencing the materials in the advance agenda package. NERC received six comments on the second draft which touched on the need for addressing priority Bulk Power System reliability and security, concerns around increases given challenges faced by industry, and efforts to increase efficiency.

Mr. Sharp discussed the second draft updates. He noted that the second draft budget reflects a decrease in the budget and assessments from the first draft. There are no changes to full-time employees for the second draft and no proposed use of reserves or capital financing.

Mr. Sharp outlined NERC's preliminary 2023 and 2024 projections, which are based on management's current estimates. These projects contemplate resource additions and system enhancements, gradual increase in meetings and travel expenses, albeit lower than pre-COVID levels. DC office savings are expected to continue. There are no assumptions regarding the Atlanta office.

Mr. Sharp shared that NERC's response to the first draft comments were filed on July 15, 2021 and industry comments on the second draft are due by July 28, 2021.

Regional Entities' and WIRAB 2022 Second Draft Business Plans and Budgets

The Regional Entities' and WIRAB's representatives provided an overview of their second draft 2022 business plans and budgets, referencing materials included in the advance agenda package.

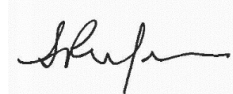
2022 ERO Enterprise Combined Budgets and Assessments Overview

Mr. Sharp reviewed the combined ERO Enterprise combined budgets and assessments, referencing the material included in the advance agenda package. He reviewed the ERO Enterprise long-term strategy focus areas, the changes in ERO Enterprise budgets and assessments by Regional Entity between 2021 and 2022, and a breakdown of the budget for 2022 by program area.

Closing Remarks and Adjournment

There being no further business, Mr. Clarke adjourned the meeting.

Submitted by,



Sônia Mendonça
Corporate Secretary