

Minutes Finance and Audit Committee Open Meeting

May 11, 2022 | 8:45-9:45 a.m. Eastern
Virtual via WebEx

Call to Order

Mr. Jim Piro, Chair, called to order a duly noticed meeting of the Finance and Audit Committee (the “Committee”) of the Board of Trustees (“Board”) of the North American Electric Reliability Corporation (NERC) on May 11, 2022 at approximately 8:45 a.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

Jim Piro, Chair
Robert G. Clarke
George S. Hawkins
Susan Kelly
Colleen Sidford
Roy Thilly
Kenneth W. DeFontes, *ex officio*

Board Members

Jane Allen
Larry Irving
Suzanne Keenan
Robert Manning
James B. Robb, NERC President and Chief Executive Officer

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
Shamai Elstein, Assistant General Counsel
Howard Gugel, Vice President, Engineering and Standards
Kelly Hanson, Senior Vice President and Chief Administrative Officer
Stan Hoptroff, Vice President, Business Technology
Mark Lauby, Senior Vice President and Chief Engineer
Meg Leonard, Controller
Sônia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Kimberly Mielcarek, Vice President, Communications
Kristin Miller, Director, Internal Audit
Bryan Preston, Vice President, People & Culture
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President, Chief Financial Officer
Mechelle Thomas, Vice President, Compliance

NERC Antitrust Compliance Guidelines

Mr. Piro directed the participants' attention to the NERC Antitrust Compliance Guidelines and directed that any questions regarding antitrust compliance or other related matters be directed to Ms. Mendonça.

Introduction and Chair's Remarks

Mr. Piro outlined the agenda and provided a summary of the April 14, 2022 and May 10, 2022 closed meetings of the Committee.

Meeting Minutes

The draft minutes for the February 9, 2022 meeting of the Committee were approved as presented to the Committee at this meeting.

First Quarter Calendar of FAC Responsibilities

Ms. Leonard reviewed the first quarter calendar of Committee responsibilities, including (i) the 2021 Financial Statement Audit Results; (ii) the NERC Summary of Results as of March 31, 2022; and (iii) the Total ERO Enterprise Summary of Results as of March 31, 2022. Upon motion duly made and seconded, the Committee reviewed and recommended acceptance of 2021 Financial Statement Audit Results and the First Quarter Statement of Activities, inclusive of NERC and the Regional Entities, by the Board.

2023 Business Plan and Budget.

NERC management reviewed the 2023–2025 budget assumptions along with the 2023 budget and assessment and 2024 and 2025 projections that will be included in the draft NERC 2023 Business Plan and Budget (BP&B). Mr. Piro discussed the move to a three-year forecast for the BP&B to provide a better signal to stakeholders. He noted that the Board is very involved in that process and recognizes that it is a step change that will affect stakeholders, but that it is necessary to address the challenges ahead. Mr. DeFontes echoed Mr. Piro's remarks noting that NERC and industry are facing new risks that must be addressed. He stated that the resources reflected in the BP&B will allow NERC to get ahead of the new risks and changes to the bulk power system.

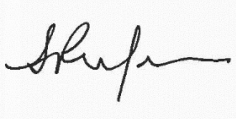
Mr. Robb, Ms. Hanson, and Mr. Sharp outlined NERC's 2023–2025 business plan, including the drivers and assumptions underlying the BP&B, the workforce planning process NERC used to assess its resource needs, and the impact on stakeholders. They reviewed the proposed technology and people strategies, and the associated 2023 budget, 2024 and 2025 projections, and funding/assessment requirements to be included in the draft 2023 BP&B.

Mr. Piro noted that the BP&P was developed in consultation with the Member Representatives Committee BP&B Input Group and that stakeholders will have an opportunity to comment on the BP&B moving forward. Mr. Sharp noted that the initial draft of the 2023 BP&B will be posted for an initial comment period on or about May 25, 2022.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Sônia Mendonça
Corporate Secretary