

Minutes Finance and Audit Committee Open Meeting

July 12, 2023 | 3:00-3:45 p.m. Eastern

Virtual Meeting

Call to Order

Ms. Colleen Sidford, 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 July 12, 2023 at approximately 3:00 p.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

Colleen Sidford, Chair

Robert G. Clarke

George S. Hawkins

Jim Piro

Kristine Schmidt

Susan Kelly

Kenneth W. DeFontes, *ex officio*

Board Members

James B. Robb, NERC President and Chief Executive Officer

Jane Allen

Larry Irving

NERC Staff

Tina Buzzard, Assistant Corporate Secretary

Manny Cancel, Sr. Vice President and Chief Executive Officer of the E-ISAC

Erika Chanzas, Manager of Business Planning

Howard Gugel, Vice President, Compliance Assurance and Registration

Kelly Hanson, Senior Vice President and Chief Administrative Officer

Stan Hoptroff, Vice President, Business Technology

Fritz Hirst, Director, Legislative & Regulatory Affairs

Soo Jin Kim, Vice President, Engineering, Standards, and PRISM

Mark Lauby, Senior Vice President and Chief Engineer

Meg Leonard, Controller

Kimberly Mielcarek, Vice President, Communications

Kristin Miller, Director, Internal Audit

John Moura, Director, Reliability Assessment and Performance Analysis

Sônia Rocha, Senior Vice President, General Counsel, and Corporate Secretary

Andy Sharp, Vice President, Chief Financial Officer

Janet Sena, Senior Vice President, External Affairs

Introduction and Chair's Remarks

Ms. Sidford welcomed everyone and reviewed the agenda. She stated that the purpose of the meeting is to learn about the interregional transfer capability study (ITCS) required by the U.S. Fiscal Responsibility Act of 2023, including NERC's role and approach, a summary of NERC's proposed project and resource plan, NERC's estimated costs and funding strategy for 2023, and the expected future benefits. She noted that as the ITCS was not anticipated in NERC's 2023 Business Plan & Budget, NERC management is requesting that the FAC, in accordance with the Working Capital and Operating Reserve policy, vote on approval of an unbudgeted use of reserves that exceeds \$500,000.

Interregional Transfer Capability Study and Reserve Use

Mr. Robb and Mr. Lauby discussed a proposed phased approach for performing the ITCS and outlined the resource plan for the study, which reviews the need for internal, consultants, and Regional Entity resources. Mr. Sharp described the proposed 2023 funding strategy for the ITCS. Mr. Sharp stated that the funding strategy includes a proposed expenditure from the Assessment Stabilization Reserve (ASR) of up to \$700k in 2023, which required Committee and Federal Energy Regulatory Commission approvals.

Upon motion duly made and seconded, the Committee approved the expenditure of up to \$700k from the ASR in 2023 to help fund the ITCS.

Other Matters and Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Sônia Mendonça
Corporate Secretary