

Agenda

Finance and Audit Committee Meeting

May 7, 2025 | 9:45 – 10:45 a.m. Eastern
Hybrid Meeting

In-Person (Board, MRC, NERC Staff ONLY)

NERC DC Office
1401 H Street NW, Suite 410
Washington, D.C. 20005

Virtual Attendees *(including presenters)*

Webinar Link: [Join Meeting](#)

Attendee Password: Day1ATTMay725 (32912886 from phones)

Audio Only: 1-415-655-0002 US | 1-416-915-8942 Canada | Access code: 2309 991 0780

Committee Members

Colleen Sidford, Chair
Robin E. Manning
Jim Piro
Kristine Schmidt
Suzanne Keenan, *ex-officio*

Introduction and Chair's Remarks

[NERC Antitrust Compliance Guidelines](#)

Agenda Items

- 1. Minutes – Approve**
 - a. February 12, 2025 Open Meeting*
- 2. 2024 Year-End Audited Summary of Results* – Review and Recommend to Board of Trustees for Acceptance**
- 3. First Quarter Unaudited Summary of Results* – Review and Recommend to Board of Trustees for Acceptance**
 - a. NERC First Quarter 2025 Unaudited Summary of Results
 - b. Each Regional Entity First Quarter 2025 Unaudited Summary of Results
- 4. 2026 Business Plan and Budget Status* - Update**
- 5. Other Matters and Adjournment**

*Background materials included.

Minutes

Finance and Audit Committee Open Meeting

February 12, 2025 | 11:15-12:00 a.m. Eastern

In-Person

JW Marriott Miami
1109 Brickell Ave
Miami, FL 33131

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 February 12, 2025, at approximately 11:15 a.m. Eastern, and a quorum was declared present.

Present at the meeting were:

Committee Members

Colleen Sidford, Chair
Robert G. Clark
Jim Piro
Kristine Schmidt
Susan Kelly
George Hawkins
Kenneth W. DeFontes, Jr., *ex officio*

Board of Trustees Members

James B. Robb, NERC President and Chief Executive Officer
Larry Irving
Suzanne Keenan
Robin E. Manning

NERC Staff

Tina Buzzard, Assistant Corporate Secretary
Manny Cancel, Senior Vice President and CEO of the E-ISAC
Matt Duncan, Vice President, E-ISAC Security Operations and Intelligence
Shamai Elstein, Associate General Counsel
Howard Gugel, Vice President, Regulatory Oversight
Kelly Hanson, Senior Vice President, Chief Operating Officer
Fritz Hirst, Vice President, Government Affairs
Stan Hoptroff, Vice President, Business Technology
Mark Lauby, Senior Vice President and Chief Engineer
Meg Leonard, Controller, Finance and Accounting
Kristin Miller, Director, Internal Audit
Sônia Rocha, Senior Vice President, General Counsel, and Corporate Secretary
Andy Sharp, Vice President, Chief Financial Officer
Bluma Sussman, Vice President, E-ISAC Stakeholder Engagement

Introduction and Chair's Remarks

Chair Sidford welcomed the members of the Committee to the meeting and reviewed the agenda.

NERC Antitrust Compliance Guidelines

Chair Sidford directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the advance agenda package and indicated that all questions regarding antitrust compliance or related matters should be directed to Ms. Rocha.

Minutes

Upon motion duly made and seconded, the Committee approved the minutes for the August 14, 2024, Committee meeting.

2024 Year-End Unaudited Summary of Results

Mr. Sharp reviewed the fourth quarter calendar of FAC responsibilities, including (i) the NERC Fourth Quarter 2024 Unaudited Summary of Results; and (ii) the NERC and Regional Entity Combined (ERO) Fourth Quarter 2024 Unaudited Summary of Results. Upon motion duly made and seconded, the Committee reviewed and recommended acceptance by the Board of these items.

2026 Business Plan and Schedule

Mr. Sharp also reviewed with the Committee the proposed schedule for preparation of the 2026 Business Plan and Budget. He also discussed NERC's development of its three-year plan for 2026–2028.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Sônia Rocha
Corporate Secretary

2024 Year-End Audited Summary of Results

Action

Review and recommend to Board of Trustees for acceptance.

Summary

NERC management will request the Finance and Audit Committee (FAC) recommend to the Board of Trustees acceptance of the 2024 Financial Statement Audit during its open meeting on May 7, 2025.

First Quarter Unaudited Summary of Results

Action

Review and recommend to Board of Trustees for acceptance.

Summary

NERC management will review the NERC First Quarter 2025 Unaudited Summary of Results. Each Regional Entity First Quarter 2025 Unaudited Summary of Results is enclosed for reference.

Summary of Unaudited Results For the Period Ending March 31, 2025

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Executive Summary

Projected Year-End Results (\$ million)

<u>FUNDING</u>	<u>Projected</u>	<u>Budget</u>	<u>Over (Under)</u>
Revenues	\$ 122.3	\$ 123.1	\$ (0.8)
Funding from Reserves			
Assessment Stabilization Reserve	-	-	-
TOTAL FUNDING	\$ 122.3	\$ 123.1	\$ (0.8)
<u>EXPENDITURES</u>			
Expenses (excluding Depreciation)	\$ 120.6	\$ 119.8	\$ 0.8
Fixed Asset Additions	3.9	5.1	(1.2)
Net Financing Activity	(1.9)	(1.9)	-
TOTAL EXPENDITURES	\$ 122.6	\$ 123.0	\$ (0.4)
RESERVE INCREASE (DECREASE)	\$ (0.3)	\$ 0.1	\$ (0.4)

Revenues are projected to be under budget primarily due to lower third-party funding for CRISP. Expenses (excluding Depreciation) are projected to be over budget at year-end primarily due to higher Contracts and Consultants and Meeting and Travel costs, offset by lower Personnel expenses. Fixed Asset Additions are expected to be under budget due to lower-than-anticipated spending for leased assets and capital software expenditures. Net Financing Activity is projected to be near budget. The net result is a projected year-end reserve decrease of \$400k versus a budgeted increase of \$100k, which is primarily attributed to the unbudgeted use of funds from the CRISP Operating Reserve for equipment purchases (as approved by the CRISP Governance Advisory Committee). This activity is explained in more detail in the remainder of the report.

Year-to-Date Actual Results
(\$ millions)

<u>FUNDING</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Revenues	\$ 30.9	\$ 30.7	\$ 0.2
Funding from Reserves			
Assessment Stabilization Reserve	-	-	-
TOTAL FUNDING	\$ 30.9	\$ 30.7	\$ 0.2
<u>EXPENDITURES</u>			
Expenses (excluding Depreciation)	\$ 28.4	\$ 31.1	\$ (2.7)
Fixed Asset Additions	0.3	1.3	(1.0)
Net Financing Activity	0.3	(0.5)	0.8
TOTAL EXPENDITURES	\$ 29.0	\$ 31.9	\$ (2.9)
RESERVE INCREASE (DECREASE)	\$ 1.9	\$ (1.2)	\$ 3.1

Revenue is over budget year-to-date primarily due to higher-than-budgeted investment income. Expenses (excluding Depreciation) are under budget year-to-date primarily because of lower Personnel, Contracts and Consultants, Office Costs, Professional Services, and Miscellaneous expenses. Fixed Asset Additions are under budget year-to-date due to lower spending for leased assets and capital software expenditures, partially offset by Net Financing Activity. The net result is a year-to-date reserve increase of \$3.1M more than budget. This activity is explained in more detail in the remainder of the report.

Detailed Operating Results

Variances by Revenue and Expense Category

Total NERC (including CRISP)

	YTD Actual	YTD Budget	YTD Over (Under)	Over (Under)	Annual Projection	Annual Budget	Annual Over (Under)	Over (Under)
TOTAL FUNDING	\$ 30,876,469	\$ 30,659,510	\$ 216,959	0.7%	\$ 122,256,004	\$ 123,063,843	\$ (807,840)	(0.7%)
EXPENDITURES								
Personnel	18,286,761	19,031,022	(744,261)	(3.9%)	70,764,064	71,535,308	(771,244)	(1.1%)
Meetings and Travel	1,210,340	954,204	256,136	26.8%	4,217,386	3,816,815	400,571	10.5%
Contracts and Consultants	3,861,957	5,558,523	(1,696,567)	(30.5%)	23,595,884	22,234,093	1,361,791	6.1%
Office Rent	770,324	768,717	1,607	0.2%	3,074,867	3,074,867	-	0.0%
Office Costs, Professional, and Misc. *	4,307,933	4,649,929	(341,996)	(7.4%)	18,630,756	18,599,715	31,041	0.2%
Other Non-Operating	43,258	141,000	(97,742)	(69.3%)	325,216	564,000	(238,783)	(42.3%)
Fixed Asset Additions*	251,924	1,274,648	(1,022,724)	(80.2%)	3,923,834	5,098,590	(1,174,756)	(23.0%)
Net Financing Activity**	306,726	(482,180)	788,906	(163.6%)	(1,951,290)	(1,928,720)	(22,570)	1.2%
TOTAL EXPENDITURES	\$ 29,039,223	\$ 31,895,863	\$ (2,856,640)	(9.0%)	\$ 122,580,718	\$ 122,994,669	\$ (413,951)	(0.3%)
RESERVE INCREASE (DECREASE)	\$ 1,837,246	\$ (1,236,353)	\$ 3,073,599	(248.6%)	\$ (324,714)	\$ 69,174	\$ (393,889)	(569.4%)
FTEs	258.5	263.5	(5.0)	(1.9%)	261.9	263.5	(1.6)	(0.6%)

* Excludes depreciation expense

** A positive amount indicates that NERC is paying off more principal than it is receiving in proceeds. A negative amount indicates that NERC is receiving more in proceeds than it is paying off principal.

The following is a brief description of variances by category, as illustrated in the table above:

- Personnel expenses are under budget year-to-date due to lower salary and retirement plan costs. Personnel expenses are projected to be under budget at year-end due to these same reasons, partially offset by higher payroll taxes.
- Meetings and Travel expenses are over budget year-to-date primarily due to higher Travel costs associated with increased demand for in-person meetings and engagement and overall higher “per trip” costs. Meetings and Travel expenses are projected to be over budget at year-end for this same reason.
- Contracts and Consultants expenses are under budget year-to-date due to lower third-party contractor costs for CRISP and overall timing of expenses. Contracts and Consultants expenses are projected to be over budget at year-end due to (1) increased support needs for standards process modernization activities; (2) additional costs related to establishing a new exam developer for the System Operator Certification program; and (3) higher-than-budgeted support for new and existing technology tools and cybersecurity initiatives. This is further illustrated in the table below detailing Contracts and Consultants expenses by department.

CONTRACTS and CONSULTANTS	YTD Actual	YTD Budget	YTD Over (Under)	% Over (Under)	Annual Projection	Annual Budget	Annual Over (Under)	% Over (Under)
Reliability Standards and Power Risk Issues and Strategic Management	\$ 12,280	\$ 47,000	\$ (34,720)	(73.9%)	\$ 704,200	\$ 188,000	\$ 516,200	274.6%
Compliance Assurance	188,000	171,156	16,844	9.8%	795,170	684,623	110,547	16.1%
Registration and Certification	54,396	42,375	12,021	28.4%	492,324	169,500	322,824	190.5%
Compliance Enforcement	53,000	171,156	(118,156)	(69.0%)	795,170	684,623	110,547	16.1%
Engineering and Security Integration	-	50,000	(50,000)	(100.0%)	-	200,000	(200,000)	(100.0%)
Reliability Assessment and Technical Committees	40,555	68,500	(27,945)	(40.8%)	434,500	274,000	160,500	58.6%
Advanced System Analytics and Modeling	-	77,375	(77,375)	(100.0%)	290,000	309,500	(19,500)	(6.3%)
Performance Analysis	20,477	69,750	(49,273)	(70.6%)	160,800	279,000	(118,200)	(42.4%)
Situation Awareness	-	61,500	(61,500)	(100.0%)	74,500	246,000	(171,500)	(69.7%)
Event Analysis	10,578	80,000	(69,422)	(86.8%)	320,000	320,000	-	0.0%
E-ISAC	433,374	743,801	(310,427)	(41.7%)	3,147,150	2,975,205	171,945	5.8%
Training, Education and Personnel Certification	51,781	128,770	(76,989)	(59.8%)	892,054	515,078	376,976	73.2%
General and Administrative and Executive	-	62,500	(62,500)	(100.0%)	250,000	250,000	-	0.0%
Legal and Regulatory	14,487	57,500	(43,013)	(74.8%)	230,000	230,000	-	0.0%
External Affairs	7,200	35,000	(27,800)	(79.4%)	157,500	140,000	17,500	12.5%
Business Technology	1,128,813	1,400,059	(271,246)	(19.4%)	5,834,310	5,600,235	234,075	4.2%
Human Resources and Administration	269,087	218,750	50,337	23.0%	862,919	875,000	(12,081)	(1.4%)
Finance and Accounting	164,118	56,250	107,868	191.8%	342,527	225,000	117,527	52.2%
TOTAL (excluding CRISP)	\$ 2,448,146	\$ 3,541,441	\$ (1,093,295)	(30.9%)	\$ 15,783,124	\$ 14,165,764	\$ 1,617,360	11.4%
CRISP	1,413,811	2,017,082	(603,272)	(29.9%)	7,812,760	8,068,329	(255,569)	(3.2%)
TOTAL (including CRISP)	\$ 3,861,957	\$ 5,558,523	\$ (1,696,567)	(30.5%)	\$ 23,595,884	\$ 22,234,093	\$ 1,361,791	6.1%

- Office Costs, Professional Services, and Miscellaneous expenses are under budget year-to-date largely due to timing of expenses and lower than expected A/V and hardware lease costs and insurance expenses. Office Costs are projected to be over budget at year end due to higher-than-budgeted software licenses and support costs, offset by lower-than-budgeted Professional Services expenses.
- Fixed Asset Additions are under budget year-to-date primarily due to lower-than-budgeted leased asset and capital software expenditures, including a replacement for the System Operator Certification and Continuing Education (SOCCED) database that will not be completed until 2026. Fixed Asset Additions are projected to be under budget at year-end due to these same reasons.
- The Net Financing Activity budget is comprised of loan and lease financing proceeds (borrowings) and principal payments. The budget included a total of \$3.8M for both loan borrowings for capital software projects and leased assets, spread evenly throughout the year. The year-to-date variance is primarily because NERC did not borrow during the first quarter. By year-end, NERC is projecting to borrow \$500k less than budgeted due to lower-than-anticipated leased asset needs and capital software expenditures, offset by lower-than-budgeted loan payments/debt service from less-than-budgeted borrowing in 2023 and 2024.
- Reserves are over budget year-to-date by \$3.1M, primarily due to the reasons noted above for the timing of costs for Contracts and Consultants and Office, Professional, and Misc. expenses, and lower spending on Personnel and Fixed Asset Additions, offset by Net Financing Activity. Reserves are projected to decrease by \$300k at year-end (versus a budgeted increase of \$100k) mainly due to an unbudgeted use of funds from the CRISP Operating Reserve (as approved by the CRISP Governance Advisory Committee) to fund equipment purchases.

Variances by Department

DIRECT EXPENSES, FIXED ASSETS, AND FINANCING ACTIVITY	YTD Actual	YTD Budget	YTD Over (Under)	Over (Under)	Annual Projection	Annual Budget	Annual Over (Under)	Over (Under)
Reliability Standards and Power Risk Issues and Strategic Mgmt	\$ 1,596,092	\$ 1,578,607	\$ 17,484	1.1%	\$ 6,832,037	\$ 6,039,541	\$ 792,497	13.1%
Compliance Assurance and Certification	1,742,752	1,776,901	(34,149)	(1.9%)	6,968,936	6,845,408	123,528	1.8%
Registration	397,782	420,013	(22,232)	(5.3%)	1,875,297	1,611,438	263,859	16.4%
Compliance Enforcement	1,085,892	1,266,443	(180,551)	(14.3%)	4,915,576	4,899,029	16,547	0.3%
Engineering and Security Integration	586,748	662,161	(75,413)	(11.4%)	2,629,911	2,542,599	87,312	3.4%
Reliability Assessment and Technical Committees	1,178,985	1,410,219	(231,234)	(16.4%)	5,162,551	5,448,342	(285,791)	(5.2%)
Advanced System Analytics and Modeling	454,824	733,879	(279,055)	(38.0%)	1,995,231	2,855,428	(860,197)	(30.1%)
Performance Analysis	477,889	688,008	(210,119)	(30.5%)	2,268,065	2,671,764	(403,699)	(15.1%)
Situation Awareness	1,117,836	1,113,613	4,223	0.4%	4,235,720	4,348,000	(112,280)	(2.6%)
Event Analysis	571,223	737,580	(166,357)	(22.6%)	2,530,326	2,809,452	(279,126)	(9.9%)
E-ISAC	4,001,318	4,556,658	(555,339)	(12.2%)	17,178,175	17,102,200	75,976	0.4%
Training, Education and Personnel Certification	424,324	506,180	(81,857)	(16.2%)	2,281,055	1,977,720	303,335	15.3%
General and Administrative and Executive	2,496,298	2,482,343	13,955	0.6%	9,781,109	9,763,543	17,566	0.2%
Legal and Regulatory	1,484,913	1,583,472	(98,560)	(6.2%)	5,984,966	6,010,019	(25,054)	(0.4%)
External Affairs	1,249,658	1,256,610	(6,951)	(0.6%)	4,947,191	4,795,710	151,481	3.2%
Business Technology	6,075,351	6,090,116	(14,764)	(0.2%)	24,071,349	23,512,429	558,920	2.4%
Human Resources and Administration	1,004,793	1,325,765	(320,972)	(24.2%)	4,897,062	5,154,952	(257,890)	(5.0%)
Finance and Accounting	1,005,878	914,703	91,174	10.0%	3,704,565	3,539,022	165,544	4.7%
TOTAL (excluding CRISP)	\$ 26,952,554	\$ 29,103,270	\$ (2,150,716)	(7.4%)	\$ 112,259,121	\$ 111,926,595	\$ 332,526	0.3%
CRISP	2,086,669	2,792,592	(705,924)	(25.3%)	10,321,597	11,068,074	(746,478)	(6.7%)
TOTAL DIRECT EXPENSES, FIXED ASSETS, AND FINANCING ACTIVITY	\$ 29,039,223	\$ 31,895,863	\$ (2,856,640)	(9.0%)	\$ 122,580,718	\$ 122,994,669	\$ (413,951)	(0.3%)

Following is a brief description of significant variances by department, as illustrated in the table above:

- Reliability Standards and Power Risk Issues and Strategic Management – Projected to be over budget primarily due to increased Contracts and Consultants support needs for standards process modernization activities.
- Registration – Projected to be over budget primarily due to higher-than-expected costs for technology supporting Inverter-Based Resources (IBR) data collection efforts.
- Reliability Assessment and Technical Committees – Under budget year-to-date due to lower Personnel and Fixed Asset Additions, partially offset by Net Financing Activity. Projected to be under budget for these same reasons.
- Advanced System Analytics and Modeling – Under budget year-to-date and projected to be under budget at year-end primarily due to lower Personnel expenses.
- Performance Analysis – Under budget year-to-date and projected to be under budget at year-end primarily due to lower Fixed Asset Additions partially offset by Net Financing Activity.
- Event Analysis – Under budget year-to-date due to lower Personnel and Fixed Asset Additions, partially offset by Net Financing Activity. Projected to be under budget for these same reasons.
- E-ISAC – Under budget year-to-date due to lower Personnel expenses and timing of Contracts and Consultants costs. Projected to be near budget at year-end.
- Training, Education and Personnel Certification – Projected to be over budget primarily due to higher Contracts and Consultants expenses for the System Operator Certification program.
- Business Technology – Projected to be over budget at year-end due to higher Personnel, Contracts and Consultants, and Fixed Asset Additions, partially offset by Net Financing Activity.
- CRISP – Under budget year-to-date and projected to be under budget at year-end due to lower third-party contractor costs and lower professional services expense.

Supplemental Schedules

Schedule 1 – Year-End Projected Reserves

Reserve Account	1/1/2025			Operating and	12/31/2025
	Beginning Balance ⁽¹⁾	Budgeted Funding/(Use) ⁽²⁾	Unbudgeted Funding/(Use) ⁽³⁾	Financing Activity Versus Budget ⁽⁴⁾	Ending Balance ⁽⁵⁾
NERC Operating Contingency	\$ 10,405,143	\$ (300,000)	\$ -	\$ 744,831	\$ 10,849,974
Future Obligations	2,911,139	(789,192)	-	-	2,121,947
Assessment Stabilization	956,000	-	-	-	956,000
System Operator	1,078,663	369,174	-	(739,271)	708,566
CRISP Defense Fund	500,000	-	-	-	500,000
CRISP Operating	5,076,816	-	(765,000)	428,103	4,739,919
CRISP Equipment Reserve	900,000	-	-	-	900,000
Total Reserves	\$ 21,827,761	\$ (720,018)	\$ (765,000)	\$ 433,663	\$ 20,776,406

NOTES:

(1) 2025 beginning balances have been adjusted from the 12/31/2024 variance report balances as the result of a reconciliation to the final audited balance sheet.

(2) The 2025 Business Plan & Budget (BP&B) contained a budgeted use of NERC Operating Contingency Reserves (OCR) of \$300,000 to help lower assessments, and System Operator Reserves contained a budgeted increase of \$369,174 due to budgeted 2025 revenues being higher than budgeted expenses. The Future Obligations Reserve is a budgeted use of deferred rent reserves to fund a portion of office lease costs.

(3) The CRISP Governance Advisory Committee approved a used of operating reserves up to \$765,000 for equipment purchases.

(4) This column primarily reflects the net impact of normal operations. For example, under normal circumstances, if tracking under budget in actual expenditures, this would reflect additional funds into the reserve account. It also reflects the increase or decrease in working capital during the period.

The net increase in reserves in this column related to the CRISP department is \$553,477, with \$428,103 going into the CRISP Operating Reserve for CRISP costs funded by the CRISP participants and \$125,374 going into the NERC OCR for the portion of CRISP costs funded by assessments. \$765,000 of the CRISP Operating Reserve has been approved by the CRISP Governance Advisory Committee to fund equipment purchases in 2025. The projected CRISP net results are a reduction to the CRISP Operating Reserve of \$336,897 in 2025.

(5) The projected 12/31/25 OCR balance of \$10.9 million is \$2.3M less than the \$13.2 million year-end balance projected in the 2025 budget primarily due to lower actual 2024 financing activity than was projected in the 2024 budget (no loan borrowing was made for capital software projects in 2024). The ending OCR balance of \$10.9 million is 10.1% of NERC's 2025 budget (less CRISP & SOCCED) and within the OCR target range of 8% to 16%.

Schedule 2 – E-ISAC and CRISP Summary of Activity

TOTAL E-ISAC (including CRISP)

FUNDING	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 8,114,945	\$ 32,459,782	\$ 32,459,782	\$ -
Other Funding	2,844,460	10,516,481	11,335,302	(818,821)
TOTAL FUNDING	\$ 10,959,405	\$ 42,976,263	\$ 43,795,084	\$ (818,821)
EXPENDITURES				
Personnel Expense	\$ 3,467,664	\$ 13,734,142	\$ 14,032,057	\$ (297,915)
Meetings and Travel Expense	223,093	534,996	479,675	55,322
Operating Expenses (excluding Depreciation)	2,397,230	13,224,034	13,489,341	(265,307)
Other Non-Operating Expenses	-	-	2,194	(2,194)
Fixed Asset Purchases (excluding Fixed Asset Allocation)	-	33,000	183,000	(150,000)
Net Financing Activity (excluding Net Financing Activity Allocation)	-	(26,400)	(15,993)	(10,407)
Total Direct Costs (excluding Depreciation and Allocations)	\$ 6,087,987	\$ 27,499,772	\$ 28,170,274	\$ (670,502)
Indirect Expense Allocation	3,768,094	15,532,368	15,263,944	268,424
Fixed Asset Allocation	73,778	711,578	496,600	214,979
Net Financing Activity Allocation	58,105	(345,924)	(135,734)	(210,190)
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 9,987,964	\$ 43,397,794	\$ 43,795,084	\$ (397,289)
RESERVE INCREASE (DECREASE)	\$ 971,441	\$ (421,531)	\$ -	\$ (421,531)

Schedule 2 (continued) – E-ISAC and CRISP Summary of Activity

CRISP

FUNDING	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 619,920	\$ 2,479,682	\$ 2,479,682	\$ -
Other Funding	2,683,649	9,865,171	10,583,011	(717,840)
TOTAL FUNDING	\$ 3,303,570	\$ 12,344,853	\$ 13,062,692	\$ (717,840)
EXPENDITURES				
Personnel Expense	\$ 489,489	\$ 1,543,947	\$ 1,637,505	\$ (93,558)
Meetings and Travel Expense	57,674	182,650	175,000	7,650
Operating Expenses (excluding Depreciation)	1,539,506	8,595,000	9,105,569	(510,569)
Other Non-Operating Expenses	-	-	-	-
Fixed Asset Purchases (excluding Fixed Asset Allocation)	-	-	150,000	(150,000)
Net Financing Activity (excluding Net Financing Activity Allocation)	-	-	-	-
Total Direct Costs (excluding Depreciation and Allocations)	\$ 2,086,668	\$ 10,321,597	\$ 11,068,074	\$ (746,478)
Indirect Expense Allocation	562,659	2,183,379	1,948,548	234,831
Fixed Asset Allocation	11,017	100,026	63,399	36,627
Net Financing Activity Allocation	8,676	(48,626)	(17,329)	(31,298)
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 2,669,021	\$ 12,556,375	\$ 13,062,692	\$ (506,317)
RESERVE INCREASE (DECREASE)	\$ 634,549	\$ (211,523)	\$ 0	\$ (211,523)

Note - In its July 8, 2022 order in Docket No. RR21-9-001, the Commission held that expenditure of funds paid by new CRISP participants for costs associated with joining the program should be included in NERC's quarterly variance reports and annual true-up filings. Accordingly, NERC notes that year-to-date billings sent by NERC to new CRISP participants related to the program's third-party subcontractor total \$190,000. Year-to-date expenses sent by the third-party contractor to NERC for new CRISP participants total \$15,000.

Schedule 2 (continued) – E-ISAC and CRISP Summary of Activity

E-ISAC (excluding CRISP)

FUNDING	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 7,495,025	\$ 29,980,100	\$ 29,980,100	\$ -
Other Funding	160,810	651,310	752,291	(100,981)
TOTAL FUNDING	\$ 7,655,836	\$ 30,631,410	\$ 30,732,391	\$ (100,981)
EXPENDITURES				
Personnel Expense	\$ 2,978,175	\$ 12,190,195	\$ 12,394,552	\$ (204,357)
Meetings and Travel Expense	165,419	352,346	304,675	47,672
Operating Expenses (excluding Depreciation)	857,724	4,629,034	4,383,772	245,262
Other Non-Operating Expenses	-	-	2,194	(2,194)
Fixed Asset Purchases (excluding Fixed Asset Allocation)	-	33,000	33,000	-
Net Financing Activity (excluding Net Financing Activity Allocation)	-	(26,400)	(15,993)	(10,407)
Total Direct Costs (excluding Depreciation and Allocations)	\$ 4,001,318	\$ 17,178,175	\$ 17,102,200	\$ 75,976
Indirect Expense Allocation	3,205,435	13,348,989	13,315,396	33,593
Fixed Asset Allocation	62,762	611,552	433,200	178,352
Net Financing Activity Allocation	49,429	(297,297)	(118,405)	(178,892)
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 7,318,943	\$ 30,841,419	\$ 30,732,391	\$ 109,028
RESERVE INCREASE (DECREASE)	\$ 336,892	\$ (210,009)	\$ -	\$ (210,009)

Schedule 3 – Summary of Investments

	Quarter-End Balance	Ticker Symbol	Fund Name	S&P Credit Rating	Average Annualized Yield
<u>Cash Sweep Accounts</u>					
Operating Account Sweep	\$ 43,132,197	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	3.97%
SOCCEd Account Sweep	3,070,172	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	3.97%
CRISP Account Sweep	10,428,837	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	3.97%
Total Cash Sweep Accounts	\$ 56,631,205				
<u>Investment Account</u>					
Money Market Funds	\$ 2,311,386		Federated Hermes Gov't Obligations Fund	AAAm	4.27%
U.S. Treasury Portfolio	9,347,123		PNC Ultra Short U.S. Government Portfolio	AA+	4.67%
Total Investments	\$ 11,658,509				

The NERC logo consists of the letters "NERC" in a bold, black, sans-serif font. A horizontal blue bar is positioned directly beneath the letters.

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

NERC Summary of Unaudited Results as of March 31, 2025

Andy Sharp, Vice President and Chief Financial Officer
Finance and Audit Committee Meeting
May 7, 2025

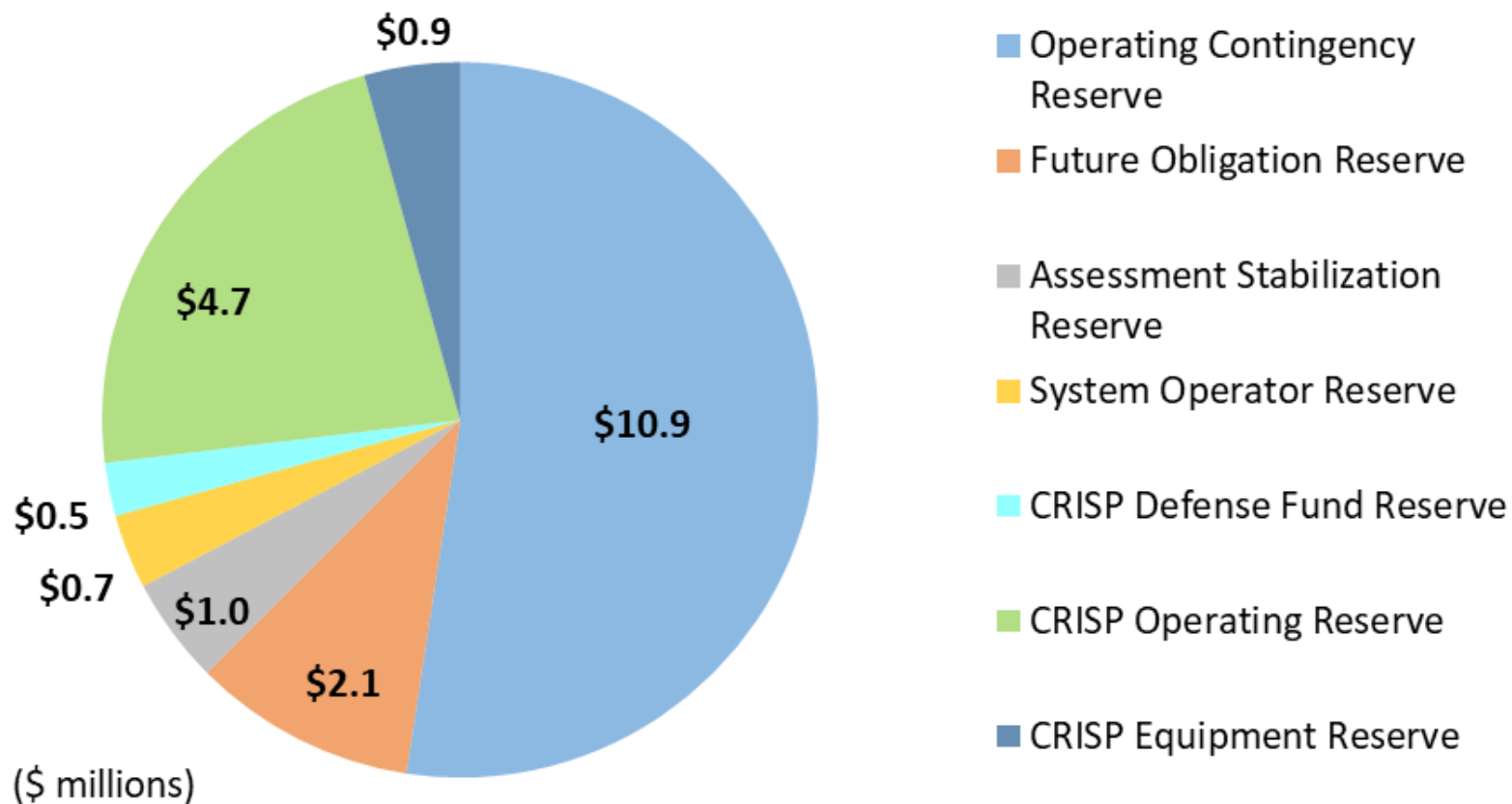
RELIABILITY | RESILIENCE | SECURITY

- Total funding – \$217k (0.7%) over budget
 - Higher investment income
- Total expenditures – \$2.9M (9.0%) under budget
 - Lower personnel, contracts and consultants, office costs, professional services, and fixed asset additions
 - Partially offset by higher meetings and travel expenses and higher net financing activity
- Reserve increase – \$3.1M over budget

- Total funding – \$808k (0.7%) under budget
 - Lower third-party funding from CRISP
- Total expenditures – \$414k (0.3%) under budget
 - Lower personnel and interest expense and fixed asset additions
 - Partially offset by higher meetings, travel, contracts and consultants, and office costs
- Reserves – \$394k lower than budget

2025 Projected Year-End Reserves Breakdown

TOTAL RESERVES OF \$20.8M





Questions and Answers



Lam Chung, Corporate Treasurer

P: 651.256.5187

F: 651.855.1712

E: lam.chung@mro.net

April 21, 2025

Mr. Andy Sharp
North American Electric Reliability Corporation (NERC)

RE: Unaudited Midwest Reliability Organization (MRO) 2025 First Quarter Statement of Activity – Cash Flow through March 31, 2025

Dear Mr. Sharp:

MRO experienced variances greater than \$10,000 and 10 percent. First quarter results indicate that MRO's budget is under spent by 8.5 percent.

Operating Expenses (Variance of \$93,340 (11.9%) under budget)

Consultants and contracts are less than budgeted due to the timing of project planning in the first quarter as well as savings from quoted prices. Office costs are driven by staff in-office presence which is increasing incrementally.

Fixed Assets (Variance of \$16,731 (51.8%) under budget)

Capital asset purchases are under budget due to savings from quoted prices. In general, procurement will be subject to supply chain and/or priority changes.

Budget Outlook

An early prediction of 2025 budget results projects expenses to be 5.2 percent under budget. Personnel expenses are driving the projected under spend due to position vacancies.

If you have any questions regarding this report, please contact me. Thank you.

Lam Chung
Vice President and Engineer for Strategy, Innovation, and Finance

Cc: Sara Patrick, MRO President and CEO

Midwest Reliability Organization
Statement of Activity
3/31/2025
PRELIMINARY (Unaudited)

(In Whole Dollars)

		2025 YTD Actual	2025 YTD Budget	2025 YTD Variance	%	Projected 2025 End Of Year	2025 Budget	2025 Variance	%
Funding									
ERO Funding									
	ERO Assessments	\$ 6,308,551	\$ 6,308,551	-		\$ 25,234,204	\$ 25,234,204	-	
	Penalty Sanctions	155,313	155,313	-		621,250	621,250	-	
A.	Total ERO Funding	\$ 6,463,864	\$ 6,463,863	\$ -		\$ 25,855,454	\$ 25,855,454	\$ -	
	Interest	3,900	3,900	-		15,600	15,600	-	
	Total Funding	\$ 6,467,764	\$ 6,467,763	\$ -		\$ 25,871,053	\$ 25,871,053	\$ -	
Expenses									
Personnel Expenses									
	Salaries	\$ 3,779,695	\$ 4,165,855	(386,160)		\$ 16,172,079	\$ 16,663,420	(491,341)	
	Payroll Taxes	229,094	264,393	(35,299)		1,034,419	1,057,570	(23,151)	
	Benefits	458,395	436,028	22,367		1,726,606	1,744,112	(17,506)	
	Retirement Costs	570,111	591,265	(21,155)		2,267,395	2,365,061	(97,667)	
	Total Personnel Expenses	\$ 5,037,295	\$ 5,457,541	\$ (420,246)	-7.7%	\$ 21,200,499	\$ 21,830,163	\$ (629,664)	-2.9%
Meeting Expenses									
	Meetings & Conference Calls	\$ 21,071	\$ 27,341	(6,271)		\$ 136,706	\$ 182,275	(45,569)	
	Travel	70,805	74,207	(3,402)		346,298	494,711	(148,413)	
	Total Meeting Expenses	\$ 91,875	\$ 101,548	\$ (9,673)	-9.5%	\$ 483,004	\$ 676,986	\$ (193,982)	-28.7%
Operating Expenses									
	Consultants & Contracts	\$ 134,148	\$ 239,371	(105,223)		\$ 957,482	\$ 1,196,853	(239,371)	
	Office Rent	274,833	227,200	47,633		1,099,331	1,136,000	(36,669)	
	Office Costs	159,255	208,606	(49,352)		834,426	1,043,032	(208,606)	
	Professional Services	122,662	109,060	13,602		490,647	545,300	(54,653)	
	Total Operating Expenses	\$ 690,897	\$ 784,237	\$ (93,340)	-11.9%	\$ 3,381,886	\$ 3,921,185	\$ (539,299)	-13.8%
	Total Direct Expenses	\$ 5,820,067	\$ 6,343,326	\$ (523,258)	-8.2%	\$ 25,065,389	\$ 26,428,334	\$ (1,362,945)	-5.2%
Indirect Expenses									
	Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
B.	Total Expenses	\$ 5,820,067	\$ 6,343,326	\$ (523,258)		\$ 25,065,389	\$ 26,428,334	\$ (1,362,945)	
	Net Funding less Expenses (A-B)	\$ 647,697	\$ 124,438	\$ 523,258		\$ 805,664	\$ (557,281)	\$ 1,362,945	
C.	Fixed Asset Additions, excl. Right of Use Assets	\$ 15,569	\$ 32,300	\$ (16,731)	-51.8%	\$ 305,084	\$ 323,000	\$ (17,916)	-5.5%
	Total Budget (B + C)	\$ 5,835,636	\$ 6,375,626	\$ (539,989)	-8.5%	\$ 25,370,473	\$ 26,751,334	\$ (1,380,861)	-5.2%
	Change in Working Capital (A-B-C)	\$ 632,128	\$ 92,138	\$ 539,989		\$ 500,580	\$ (880,281)	\$ 1,380,861	
	Head Count	80.00	83.00	(3.00)		83.00	83.00	-	
	FTEs	80.00	83.00	(3.00)		83.00	83.00	-	
Reserve Activity:									
	Beginning Reserves - 1/1/25	\$ 9,338,033	\$ 4,599,521	\$ 4,738,512		\$ 9,338,033	4,599,521	\$ 4,738,512	
	Change to Working Capital	632,128	92,138	539,990		500,580	(880,281)	1,380,861	
	Penalties Received	24,299	-	24,299		24,299	-	24,299	
	Penalties Released	(155,313)	(155,313)	-		(621,250)	(621,250)	-	
	Other Reserve Activity	140,532	-	140,532		562,128	-	562,128	
	Ending Reserves at 3/31/2025 :	\$ 9,979,679	\$ 4,536,346	\$ 5,443,333		\$ 9,803,790	\$ 3,097,990	\$ 6,705,800	

Limited Disclosure



April 21, 2024

North American Electric Reliability Corporation
3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
Attention: Andy Sharp, Vice President and Chief Financial Officer

Subject: NPCC Regional Entity Division Variance Comparison and
First Quarter 2025 Statement of Activities

Dear Andy:

The variance comparison for the period ended March 31, 2025 is included along with Northeast Power Coordinating Council, Inc.'s unaudited First Quarter 2025 Statement of Activities.

Please do not hesitate to contact me via email at jhala@npcc.org or (646) 632-7071 should you have any comments or questions with regard to the materials provided.

Sincerely,

Jessica Hala

Jessica Hala
Vice President, Finance and Treasurer

Enclosures

cc: Charles Dickerson – NPCC President & CEO
ERO Finance Group



**NPCC Regional Entity Division
Budget to Actual
Variance Comparison as of March 31, 2025**

TOTAL EXPENSES

For the quarter ending March 31, 2025 the NPCC Regional Entity Division is \$868k or 13.7% under budget year to date (YTD). Based on planned activities, NPCC's current full year projection (FYP) is an under budget variance of \$231k or 0.9%. NPCC will continue to reprioritize resources as necessary to fulfill all of its responsibilities under its Regional Delegation Agreement, agreements and memorandums of understanding respecting Canadian Provinces, and the NPCC Bylaws.

INCOME

- **Penalty Sanctions** (Penalties released of \$500k were applied to reduce 2025 assessments to NPCC U.S. load serving entity designees.) Penalty sanctions remitted are included in NPCC's Assessment Stabilization Reserve (ASR) to be applied to future budget years to reduce assessments to NPCC U.S. load serving entity designees. Penalties are reported in NPCC's audited financial statements in accordance with GAAP.
- **Interest & Investment Income** (Actual income of \$96k YTD and \$172k over budget FYP) Interest & investment income is earned from the investment of excess operating cash in a 100% U.S. Treasury Securities money market fund. NPCC allocated \$350k as a portion of total interest income (95%) to the Regional Entity Division consistent with the ratio of Regional Entity (RE) to Criteria Services (CS) Division 2025 funding. A common system of accounts, with divisional separation, is used for both RE and CS revenue tracking and financial reporting.

EXPENSES

- **Personnel** (Variance of \$379k under budget YTD and as budgeted FYP) Several open positions during the first quarter resulted in an under budget variance. Based on projected start dates for remaining open positions the full year projection is for personnel expenses to be as budgeted. NPCC is currently recruiting to retain qualified technical individuals to fill open positions. In the interim, current responsibilities of any open positions are being addressed through resource re-allocations among the existing workforce.
- **Meetings** (Variance of \$167k under budget YTD and \$31k under budget FYP) Under budget variance is primarily due to timing with a greater number of in-person meetings scheduled in the second half of the year. Some meetings will continue to be held in virtual or hybrid format to allow for remote participation and greater access. There will be two in-person Board of Directors meetings in 2025 rather than three included in the budget.



- **Consultants & Contracts** (Variance of \$250k under budget YTD and \$15k under budget FYP)
Under budget variance is due to timing with increased activity related to reliability assessments and studies planned for later in the year.
- **Professional Services** (Variance of \$55k under budget YTD and \$120k under budget FYP)
Year-to-date under budget variance is related to the timing of a search for an independent director to be conducted during the second quarter. The full year projection is under budget due to one independent director search currently planned for 2025 rather than two included in the budget.
- **Fixed Assets** (Variance of \$7k over budget YTD and as budgeted FYP)
Over budget variance is due to timing. The full year projection continues to be as budgeted.

(Unaudited)
Submitted April 21, 2025



Northeast Power Coordinating Council, Inc. - Consolidated
Statement of Activities, Fixed Assets and Change in Working Capital
(Unaudited)
For the Period Ended March 31, 2025

	2025 YTD Actual	2025 YTD Budget	2025 YTD Actual Variance from Budget Over(Under)	%	2025 FYP	2025 Annual Budget	2025 Projection Variance from Budget Over(Under)	%
Funding								
ERO Assessments	6,023,208	6,023,208	-		24,092,831	24,092,831	-	
Penalties Released*	500,000	500,000	-		500,000	500,000	-	
Workshops & Misc Revenue	-	-	-		60,625	60,625	-	
Interest & Investment Income	95,757	31,998	63,759		300,000	127,992	172,008	
Total Funding	6,618,965	6,555,206	63,759	1.0%	24,953,456	24,781,448	172,008	0.7%
Expenses								
Personnel Expenses								
Salaries	3,295,404	3,607,051	(311,647)		14,428,204	14,428,204	-	
Payroll Taxes	280,881	308,361	(27,480)		1,019,784	1,019,784	-	
Benefits	823,057	847,950	(24,893)		3,391,801	3,391,801	-	
Retirement Costs	365,131	379,887	(14,756)		1,519,548	1,519,548	-	
Total Personnel Expenses	4,764,473	5,143,249	(378,776)	-7.4%	20,359,338	20,359,338	-	n/a
Meeting Expenses								
Meetings & Conference Calls	22,792	84,108	(61,316)		468,251	519,832	(51,581)	
Travel	76,645	182,660	(106,015)		933,473	913,300	20,173	
Total Meeting Expenses	99,437	266,768	(167,331)	-62.7%	1,401,724	1,433,132	(31,408)	-2.2%
Operating Expenses, excluding Depreciation								
Consultants & Contracts	52,073	302,500	(250,427)		1,195,000	1,210,000	(15,000)	
Office Rent	86,237	106,250	(20,013)		401,000	431,000	(30,000)	
Office Costs	299,180	329,682	(30,502)		1,283,728	1,318,728	(35,000)	
Professional Services	212,843	268,000	(55,157)		1,107,000	1,227,000	(120,000)	
Miscellaneous	8,507	7,500	1,007		30,000	30,000	-	
Total Operating Expenses, excluding Depreciation	658,840	1,013,932	(355,092)	-35.0%	4,016,728	4,216,728	(200,000)	-4.7%
Indirect Expense Allocation	(72,832)	(98,673)	25,841	-26.2%	(394,694)	(394,694)	-	n/a
Other Non-Operating Expenses	-	-	-	n/a	-	-	-	n/a
Total Expenses	5,449,918	6,325,275	(875,357)	-13.8%	25,383,096	25,614,504	(231,408)	-0.9%
Change in Net Assets	1,169,047	229,931	939,116	408.4%	(429,640)	(833,056)	403,416	-48.4%
Fixed Asset Additions, excluding Right of Use Assets	24,702	17,650	7,052	40.0%	70,600	70,600	-	n/a
Net Financing Activity	-	-	-	n/a	-	-	-	n/a
Total Budget (Expenses plus Fixed Assets and Net Financing Activity)	5,474,620	6,342,925	(868,305)	-13.7%	25,453,696	25,685,104	(231,408)	-0.9%
Change in Working Capital (Total Funding less Total Budget)	1,144,345	212,281	932,064	439.1%	(500,240)	(903,656)	403,416	-44.6%
Equivalent Full Time Employees	69.90	71.10	(1.20)		77.20	77.20	-	
Headcount	72.00	73.00	(1.00)		80.00	80.00	-	
Beginning Total Reserves - 1/1/25	9,560,208	8,399,816	1,160,392		9,560,208	8,399,816	1,160,392	
Change to Working Capital	1,144,345	212,281	932,064		(500,240)	(903,656)	403,416	
Penalties Received (+)	-	-	-		-	-	-	
Penalties Released (-)	(500,000)	(500,000)	-		(500,000)	(500,000)	-	
Other Reserve Activity	-	-	-		-	-	-	
Total Projected Reserves at 12/31/25	10,204,553	8,112,097	2,092,456		8,559,968	6,996,160	1,563,808	
Reserve Balance Summary								
Working Capital & Operating Contingency Reserves	8,707,650	7,301,194	1,406,456		7,063,065	6,185,257	877,808	
Assessment Stabilization & Penalty Reserves	1,496,903	810,903	686,000		1,496,903	810,903	686,000	
Other Reserves	-	-	-		-	-	-	
Total Projected Reserves at 12/31/25	10,204,553	8,112,097	2,092,456		8,559,968	6,996,160	1,563,808	

*Penalties Released reflect the designated amount of funds released to offset U.S. assessments. Actual penalties invoiced are reported in the audited financial statements as an increase in net assets in accordance with Generally Accepted Accounting Principles (GAAP).



Beth Dowdell
Treasurer and Senior Director, Corporate Services
3 Summit Park Drive, Suite 600
Cleveland, OH 44131
Office: 216.503.0689
Beth.Dowdell@rfirst.org

April 14, 2025

Mr. Andy Sharp
North American Electric Reliability Corporation
3353 Peachtree Road, N.E.
Suite 600, North Tower
Atlanta, Georgia 30326

ReliabilityFirst's 2025 1st Quarter Year-to-Date Statement of Activities Variance Report - Unaudited

Dear Andy,

Attached is RF's 2025 1st Quarter Year-to-Date Statement of Activities (unaudited) and Variance Report. This includes a comparison of budgeted and actual expenses relative to ReliabilityFirst Corporation 2025 Budget.

For more information, please contact me at 216.503.0689 or beth.dowdell@rfirst.org.

Sincerely,

RELIABILITYFIRST CORPORATION

Beth Dowdell

Beth Dowdell
Treasurer and Senior Director, Corporate Services

Enclosures

Cc: Tim Gallagher, President and Chief Executive Officer
Finance and Audit Committee

**RELIABILITY FIRST**

ReliabilityFirst's 2025 1st Quarter Year-to-Date Statement of Activities Variance Report - Unaudited

Year-to-date variances greater than \$10,000 and 10% are explained below.

Funding

- **Investment Income:** \$138K (552.16%) over budget
 - Unrealized returns; Investment portfolio performing better than expected. Interest income received on new checking accounts.

Expenses

- **Employee Benefits:** \$161K (22.84%) under budget
 - Negotiated lower health care costs than budgeted for the first half of 2025; Experienced a 3% vacancy rate for the first quarter. Timing of budgeted training versus actual.
- **Meetings & Conference Calls:** \$25K (41.7%) under budget
 - Timing of scheduled meetings versus actual meetings
- **Contracts & Consultants:** \$15K (12.16%) over budget
 - Timing of scheduled projects and initiatives versus actual implementation and project launch.
- **Rent & Utilities:** \$33K (15.72%) under budget
 - Annual catch-up invoice from leasing company in line with actuals paid versus the estimated higher amount that was anticipated.
- **Professional Services:** \$49K (23.04%) under budget
 - Currently only three Independent Board Directors instead of four. Timing of budgeted audit expenses versus actual.


RELIABILITY FIRST

ReliabilityFirst Statement of Activities
From 1/1/2025 – 3/31/2025 (unaudited)

2025 YTD Actual	2025 YTD Budget	YTD Variance Over/(Under)	% Variance		Total 2025 Projection	Total 2025 Budget	Total 2025 Projected Variance Over/(Under)	% Projected Variance
7,146,903	7,146,903	0	0.00%	Funding				
2,707,910	2,707,910	0	0.00%	Assessments	28,587,612	28,587,612	0	0.00%
163,040	25,000	138,040	552.16%	Penalties Released	2,707,910	2,707,910	0	0.00%
0	0	0	0.00%	Investment Income	400,000	100,000	300,000	300.00%
10,017,853	9,879,813	138,040	1.40%	Miscellaneous Income	0	0	0	0.00%
				Total Funding	31,695,522	31,395,522	300,000	0.96%
				Expenses				
				Personnel Expenses				
4,947,996	5,087,670	(139,674)	-2.75%	Salaries	20,909,475	20,909,475	0	0.00%
409,942	399,614	10,328	2.58%	Payroll Taxes	1,345,325	1,345,325	0	0.00%
543,973	704,982	(161,009)	-22.84%	Employee Benefits	2,959,239	3,013,614	(54,375)	-1.80%
948,334	957,646	(9,312)	-0.97%	Savings & Retirement Costs	3,371,307	3,371,307	0	0.00%
6,850,245	7,149,912	(299,667)	-4.19%	Total Personnel Expenses	28,585,346	28,639,721	(54,375)	-0.19%
				Meeting Expenses				
34,368	58,947	(24,579)	-41.70%	Meetings & Conference Calls	440,408	440,408	0	0.00%
133,436	144,569	(11,133)	-7.70%	Travel	648,107	648,107	0	0.00%
167,804	203,516	(35,712)	-17.55%	Total Meeting Expenses	1,088,515	1,088,515	0	0.00%
				Operating Expenses				
134,991	120,355	14,636	12.16%	Contracts & Consultants	671,530	653,970	17,560	2.69%
180,158	179,000	1,158	0.65%	Rent & Utilities	741,000	716,000	25,000	3.49%
341,544	344,221	(2,677)	-0.78%	Office Costs	1,371,295	1,357,756	13,539	1.00%
162,167	210,728	(48,561)	-23.04%	Professional Services	761,365	761,365	0	0.00%
7,204	12,699	(5,495)	-43.27%	Miscellaneous	42,596	65,696	(23,100)	-35.16%
826,064	867,003	(40,939)	-4.72%	Total Operating Expenses	3,587,786	3,554,787	32,999	0.93%
0	0	0	0.00%	Non-Operating Expenses	0	0	0	0.00%
7,844,113	8,220,431	(376,318)	-4.58%	Total Expenses	33,261,647	33,283,023	(21,376)	-0.06%
2,173,740	1,659,382	514,358	31.00%	Net Change in Assets	(1,566,125)	(1,887,501)	321,376	-17.03%
				Fixed Asset Additions, excluding Right of Use Assets	90,000	90,000	0	0.00%
26,753	22,500	4,253	18.90%	Total Budget (Expenses + Fixed Assets)	33,351,647	33,373,023	(21,376)	-0.06%
7,870,866	8,242,931	(372,065)	-4.51%	Change in Working Capital (Total Funding less Total Budget)	(1,656,125)	(1,977,501)	321,376	-16.25%
2,146,987	1,636,882	510,105	31.16%	FTE Count	101.00	101.00	0.00	0.00%
98.00	101.00	(3.00)	-2.97%					

Forward Together • ReliabilityFirst



Working Capital Reserve Analysis
From 1/1/2025 – 3/31/2025 (unaudited)

	2025 YTD Actual	Total 2025 Projection
Beginning Total Reserves - 1/1/2025	7,690,929	7,690,929
Plus: Temporary Restricted Penalties	3,137,910	3,137,910
Beginning Total Reserve Balance 1/1/2025	10,828,839	10,828,839
Change to Working Capital	2,146,987	(1,656,125)
Add: Penalties Received	460,000	460,000
Subtract: Penalties Released	(2,737,910)	(2,737,910)
Other Reserve Activity	0	0
Ending Reserve at 3/31/2025	10,697,916	6,894,804
Working Capital & Operating Contingency Reserves	9,837,916	6,034,804
Assessment Stabilization & Penalty Reserves	860,000	860,000
Total Reserves	10,697,916	6,894,804



April 16, 2025

Mr. Andy Sharp
North American Electric Corporation

RE: SERC 2025 Q1 Unaudited Financial Statement – Budget vs. Actual

Andy:

Following, please find SERC's unaudited 2025 Q1 financial statement, reflecting actual to budgeted amounts with variance explanations.

If you have any questions, please let me know.

Thank you,

A handwritten signature in black ink, appearing to read 'George Krogstie', is written over a light blue horizontal line.

George Krogstie
Chief Financial Officer and Corporate Treasurer

cc: Jason Blake

SERC Reliability Corporation								
Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital								
From 1/1/2025 Through 3/31/2025								
	2025	2025	Variance		2025	2025	Variance	
	YTD Actuals	YTD Budget	2025 YTD Actual v 2025 YTD Budget Over(Under)	%	Projection	Budget	2025 Projection v 2025 Budget Over(Under)	%
Funding								
Statutory Funding								
SERC Assessments	\$ 7,886,904	\$ 7,886,904	\$ -		\$ 31,547,615	\$ 31,547,615	-	
Penalties Released*	\$ 743,010	\$ 743,010	-		2,972,040	2,972,040	-	
Total Statutory Funding	\$ 8,629,914	\$ 8,629,914	\$ -	0.00%	\$ 34,519,655	\$ 34,519,655	\$ -	0.00%
Membership Fees	\$ -	\$ -	\$ -		\$ -	\$ -	-	
Federal Grants	-	-	-		-	-	-	
Services & Software	-	-	-		-	-	-	
Workshops & Miscellaneous	41,710	15,750	25,960		216,000	200,000	16,000	
Interest	197,834	42,500	155,334		404,000	170,000	234,000	
Total Funding (A)	\$ 8,869,458	\$ 8,688,164	\$ 181,294	2.09%	\$ 35,139,655	\$ 34,889,655	\$ 250,000	0.72%
Expenses								
Personnel Expenses								
Salaries	\$ 5,484,249	5,510,644	\$ (26,395)		\$ 22,108,000	\$ 22,041,566	66,434	
Payroll Taxes	425,165	329,881	95,284		1,322,800	\$ 1,319,534	3,266	
Benefits	467,571	566,134	(98,563)		2,288,000	2,420,585	(132,585)	
Retirement Costs	741,271	707,475	33,796		2,901,800	2,829,901	71,899	
Total Personnel Expenses	\$ 7,118,256	\$ 7,114,134	\$ 4,122	0.06%	\$ 28,620,600	\$ 28,611,585	\$ 9,015	0.03%
Meeting Expenses								
Meetings & Conference Calls	\$ 115,390	\$ 126,920	\$ (11,530)		\$ 470,200	\$ 449,700	20,500	
Travel	206,298	264,289	(57,991)		1,034,688	1,114,895	(80,207)	
Total Meeting Expenses	\$ 321,688	\$ 391,209	\$ (69,521)	-17.77%	\$ 1,504,888	\$ 1,564,595	\$ (59,707)	-3.82%
Operating Expenses, excluding Depreciation								
Consultants & Contracts	\$ 154,584	\$ 194,313	\$ (39,729)		\$ 1,210,000	\$ 1,170,100	39,900	
Office Rent	380,479	388,000	(7,521)		1,340,800	\$ 1,344,800	(4,000)	
Office Costs	387,383	401,732	(14,349)		1,722,800	1,718,484	4,316	
Professional Services	142,960	154,451	(11,491)		592,000	581,525	10,475	
Miscellaneous	-	-	-		-	-	-	
Total Operating Expenses	\$ 1,065,406	\$ 1,138,495	\$ (73,089)	-6.42%	\$ 4,865,600	\$ 4,814,909	\$ 50,691	1.05%
Total Direct Expenses	\$ 8,505,350	\$ 8,643,839	\$ (138,489)	-1.60%	\$ 34,991,088	\$ 34,991,088	\$ (0)	0.00%
Indirect Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 8,505,350	\$ 8,643,839	\$ (138,489)	-1.60%	\$ 34,991,088	\$ 34,991,088	\$ (0)	0.00%
Change in Assets	\$ 364,108	\$ 44,325	\$ 319,783	721.45%	\$ 148,567	\$ (101,433)	\$ 250,000	-246.47%
Fixed Asset Additions, excluding Right of Use Assets (C)	\$ 125,959	\$ 20,000	\$ 105,959	529.80%	\$ 610,000	\$ 360,000	\$ 250,000	69.44%
TOTAL BUDGET (B+C)	\$ 8,631,309	\$ 8,663,839	\$ (32,530)	-0.38%	\$ 35,601,088	\$ 35,351,088	\$ 250,000	0.71%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ 238,149	\$ 24,325	\$ 213,824	879.03%	\$ (461,433)	\$ (461,433)	\$ 0	0.00%
FTE's	113.00	115.00	(2.00)		115.00	115.00	-	
Head Count	113.00	115.00	(2.00)		115.00	115.00	-	
Beginning Reserve at 1/1/2025	12,613,546	10,854,538	1,759,008		12,613,546	10,854,538	1,759,008	
Change to Working Capital	238,149	24,325	213,824		(461,433)	(461,433)	-	
Penalties Received (+)	1,575,300	-	1,575,300		1,575,300	-	1,575,300	
Penalties Released (-)	(743,010)	(743,010)	-		(2,972,040)	(2,972,040)	-	
Other Reserve Activity	-	-	-		-	-	-	
Ending Reserves at 12/31/2025	13,683,985	10,135,853	3,548,132		10,755,373	7,421,065	3,334,308	
Working Capital & Operating Contingency Reserves	3,313,655	2,606,823	706,832		2,614,073	2,121,065	493,008	
Assessment Stabilization & Penalty Reserves	10,370,330	7,529,030	2,841,300		8,141,300	5,300,000	2,841,300	
Other Reserves	-	-	-		-	-	-	
Total Reserves Balance	13,683,985	10,135,853	3,548,132		10,755,373	7,421,065	3,334,308	

* Penalties Released in the current year reflects the designated amount of funds released from the Assessment Stabilization Reserve (ASR) to offset U.S. assessments as approved by the SERC Board of Directors and FERC. Actual penalties invoiced in the current reporting year are shown as an increase in the ASR on the reserve summary table and will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Budget to Actual Comparison as of March 31, 2025 (Unaudited)**Overall Summary**

- YTD spending \$33k under budget due to timing of planned fixed asset purchases and deferred consulting expenditures. Full year projection \$250k over budget due to timing of expenses associated with office relocation
- Funding \$181k over budget YTD and projected \$250k over budget for the full year attributable to increased investment returns

Income

- **Funding (Actual - \$181k over budget)**
 - Higher interest rates are driving the YTD and projected favorable variances

Expense

- **Personnel Expenses (Actual - \$4k over budget)**
 - Timing of actual payroll taxes versus budget and higher participation in SERC 401k retirement program driving YTD variances. Full year expense projected to be slightly over budget due to salaries and retirement participation offset by favorable insurance renewal
- **Meeting/Travel Expenses (Actual - \$70k under budget)**
 - Deferred meeting and travel resulting in lower expenses versus budget
- **Contracts/Consultants (Actual - \$40k under budget)**
 - Timing of projects varies from budget; full year projected to be \$40k over budget due to contract renewals being higher than expected
- **Office Rent (Actual - \$8k under budget)**
 - Actual GAAP rent expense slightly less than estimate used for budgeting purposes
- **Office Costs (Actual – \$14k under budget)**
 - Certain planned software purchases deferred driving YTD underage in Office Costs
- **Professional Services (Actual - \$11k under budget)**
 - Timing of actual legal fees varies from budget
- **Fixed Asset Purchases (Actual - \$106k over budget)**
 - YTD and projected budget variance due to leasehold improvements planned in 2024 not completed until 2025 (no net impact to working capital).



April 15, 2025

Mr. Andy Sharp
North American Electric Reliability Corporation
3353 Peachtree Road NE, Suite 600, North Tower
Atlanta, GA 30326

RE: Texas Reliability Entity, Inc. 1st Quarter 2025 Statement of Activities and Variance Report

Dear Andy,

Attached is the 2025 first quarter Variance Report for Texas RE with variance explanations.

Please contact me if you have questions or comments.

Thank you.

Donna Bjornson

Donna Bjornson, CPA
Vice President and CFO
Texas Reliability Entity, Inc.
800 Metropolis Drive, Suite 300
Austin, Texas 78744
Donna.bjornson@texasre.org
512.583.4959



2025 First Quarter Budget to Actual Comparison

Year-to-date variances greater than \$10,000 and 10% explained below.

FUNDING

- **Interest:** \$72K (229%) more than budget
 - Texas RE's banking account is the Business Banking U.S. End of Day Money Market Mutual Fund Sweep account. Interest rates and average balances are higher than anticipated at the time the 2025 budget was prepared.

EXPENSES

- **Personnel Expenses:** \$570K (-14.5%) less than budget
 - Salaries and taxes are less than budget by \$254K (-9.1%) and \$27K (-12.8%), respectively because of vacancies in the first quarter. Three employees (two in CMEP and one in IT) resigned mid February to pursue other opportunities and two new CMEP positions were vacant in the first quarter.
 - Employee benefits are \$129K (-24.9%) less than budget. This underrun can be attributed to health insurance costs not incurred because of vacancies as well as a timing difference in training and seminar costs.
 - Savings and Retirement is less than budget by \$159K (-40.2%) because of forfeitures used to fund retirement contributions.
- **Operating Expenses:** \$361K (-38.8%) less than budget
 - Building Rent and Improvements are \$269K (-64.2%) less than budget. The budget underrun is because a \$117K credit was received from our Landlord as a result of the 2024 CAM reconciliation, \$45K represents the recognition of lease incentives per ASC 842 lease accounting standard, and the balance represents maintenance costs in the budget but not incurred in the first quarter.
 - Consultants and Contracts are \$73K (-61%) less than budget because of a timing difference between when these services are scheduled versus when they are allocated in the budget.
 - Professional Services are \$25K (-13.8%) less than budget because of legal and IT services not incurred in the first quarter.



Texas Reliability Entity, Inc.
Statement of Activities and Fixed Assets
For the period ended March 31, 2025
(Unaudited)

	2025 Actual	2025 Budget	YTD Actual Variance from Budget		2025 Forecast	2025 Budget	Forecast Variance from Budget	
Funding								
ERO Funding								
Assessments	\$ 4,815,355	\$ 4,815,355	-	0.0%	\$19,261,419	\$ 19,261,419	\$ -	0.0%
Penalties Released	338,463	338,463	-	0.0%	338,463	338,463	-	0.0%
Interest Income	102,885	31,251	71,635	229.2%	125,000	125,000	-	0.0%
Total Funding (A)	\$ 5,256,703	\$ 5,185,069	\$ 71,635	1.4%	\$19,724,882	\$ 19,724,882	\$ -	0.0%
Expenses								
Personnel Expenses								
Salaries	\$ 2,541,989	\$ 2,795,936	\$ (253,947)	-9.1%	\$11,591,928	\$ 11,591,928	\$ -	0.0%
Payroll Taxes	185,220	212,482	(27,262)	-12.8%	777,854	777,854	-	0.0%
Employee Benefits	389,726	519,248	(129,522)	-24.9%	1,969,452	1,969,452	-	0.0%
Savings & Retirement	237,310	396,901	(159,591)	-40.2%	1,643,152	1,643,152	-	0.0%
Total Personnel Expenses	\$ 3,354,244	\$ 3,924,567	\$ (570,323)	-14.5%	\$15,982,386	\$ 15,982,386	\$ -	0.0%
Meeting & Travel Expenses								
Total Meetings & Conference Calls	\$ 10,715	\$ 21,350	\$ (10,635)	-49.8%	\$ 120,900	\$ 120,900	\$ -	0.0%
Total Travel	55,052	101,222	(46,170)	-45.6%	403,579	403,579	-	0.0%
Total Meeting & Travel Expenses	\$ 65,767	\$ 122,572	\$ (56,805)	-46.3%	\$ 524,479	\$ 524,479	\$ -	0.0%
Operating Expenses								
Total Consultants & Contracts	\$ 46,472	\$ 119,374	\$ (72,902)	-61.1%	\$ 437,500	\$ 437,500	\$ -	0.0%
Total Rent & Improvements	149,816	418,894	(269,078)	-64.2%	1,751,692	1,751,692	-	0.0%
Total Office Costs	213,072	206,500	6,572	3.2%	811,325	811,325	-	0.0%
Total Professional Services	159,757	185,249	(25,492)	-13.8%	737,500	737,500	-	0.0%
Total Operating Expenses	\$ 569,117	\$ 930,017	\$ (360,900)	-38.8%	\$ 3,738,017	\$ 3,738,017	\$ -	0.0%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%
Total Expenses	\$ 3,989,128	\$ 4,977,156	\$ (988,028)	-19.9%	\$20,244,882	\$ 20,244,882	\$ -	0.0%
Change In Net Assets	\$ 1,267,575	\$ 207,912	\$ 1,059,663	509.7%	\$ (520,000)	\$ (520,000)	\$ -	0.0%
Fixed Asset Additions, excl. ROU Assets	\$ -	\$ -	\$ -	0.0%	\$ 50,000	\$ 50,000	\$ -	0.0%
Total Budget (B)	\$ 3,989,128	\$ 4,977,156	\$ (988,028)	-19.9%	\$ 20,294,882	\$ 20,294,882	\$ -	0.0%
Change in Working Capital (A - B)	\$ 1,267,575	\$ 207,912	\$ 1,059,663	509.7%	\$ (570,000)	\$ (570,000)	\$ -	0.0%
FTEs	67	72	(5)		72	72	-	



Working Capital Reserve Analysis

	YTD 2025 Actual	Total 2025 Projection
Beginning Working Capital as of 1/1/25	\$ 9,039,264	\$ 9,039,264
Change to Working Capital	1,267,575	(570,000)
Minus Penalties Released	(338,463)	(338,463)
Add Penalties Received	425,000	425,000
Other Reserve Activity	-	-
Working Capital	\$ 10,393,376	\$ 8,555,801
Operating Contingency Fund	\$ 2,000,000	\$ 2,000,000
Working Capital and Penalty Reserves	3,602,444	1,764,869
Assessment Stabilization Reserves	4,790,932	4,790,932
Total Reserves	\$ 10,393,376	\$ 8,555,801



Adam Jensen
Financial Controller
April 18, 2025

Mr. Andy Sharp
Vice President, Chief Financial Officer
North American Electric Reliability Corporation
3353 Peachtree Road, N.E. Suite 600—North Tower
Atlanta, GA 30326

RE: WECC Q1 2025 Statutory Statement of Activities and Variance Report

Dear Andy,

Attached is WECC's first-quarter Statutory Statement of Activities (Unaudited) and Variance Report. WECC's 2025 unaudited, net year-to-date results are \$492,873 over budget, excluding the impact of Generally Accepted Accounting Principles' (GAAP) treatment of penalty revenue recognition. Explanations and drivers are noted below.

If you have questions or need more information, please contact me.

Regards,

Adam Jensen
Financial Controller

Enclosures

Cc: Melanie Frye, President and Chief Executive Officer
WECC Finance and Audit Committee



Statutory Statement of Activities
(Unaudited)
As of March 31, 2025
Variance Report

Year-to-date variances greater than \$10,000 and 10% are explained below. The explanations pertain to all statutory activities.

Funding

- Workshop Revenue: \$68,000 under budget
Workshop Revenue is under budget due to lower-than-budgeted workshop participation.
- Interest: \$131,000 over budget
Interest is over budget due to higher-than-budgeted interest rates and investment income.

Expenses

- Payroll Taxes: \$40,000 over budget
Payroll Taxes are over budget primarily due to higher actual tax rates compared to budgeted rates.
- Meetings & Conference Calls: \$27,000 under budget
Meetings & Conference Calls are under budget primarily due to the conversion of some in-person meetings into a virtual format.
- Consultants & Contracts: \$257,000 under budget
Consultants & Contracts are under budget due to the timing of Board Director search fees and WestTEC project expenditures compared to budget.
- Indirect Expenses are \$74,000 under budget
Indirect Expenses are under budget due to lower allocable expenses to non-statutory activities and lower WREGIS headcount compared to budget.
- Fixed Assets: \$17,000 over budget
Fixed Assets are over budget primarily due to the timing of equipment upgrades and replacements compared to budget.

Statutory Statement of Activities and Variance Explanations



Western Electricity Coordinating Council Statutory Statement of Activities From 1/1/2025 to 3/31/2025 (Unaudited)

(In Whole Dollars)

	2025 YTD Actual	2025 YTD Budget	2025 YTD Variance	%	2025 Projection	2025 Annual Budget	2025 Projected Variance	%
Funding								
Assessments	33,016,000	33,016,000	-	0.0%	33,016,000	33,016,000	-	0.0%
Penalties Released ¹	4,400	4,400	-	0.0%	4,400	4,400	-	0.0%
Services & Software	-	-	-	-	-	-	-	-
Workshops & Miscellaneous	210,086	277,760	(67,674)	-24.4%	691,979	703,541	(11,562)	-1.6%
Interest	381,062	250,000	131,062	52.4%	1,224,950	1,000,000	224,950	22.5%
Total Funding	33,611,548	33,548,160	63,388	0.2%	34,937,329	34,723,941	213,388	0.6%
Expenses								
Personnel Expenses								
Salaries	5,378,791	5,520,243	(141,452)	-2.6%	24,532,357	24,449,956	82,401	0.3%
Payroll Taxes	421,141	381,390	39,751	10.4%	1,572,144	1,536,792	35,352	2.3%
Employee Benefits	710,612	723,998	(13,386)	-1.8%	3,004,772	2,934,023	70,749	2.4%
Retirement Costs	463,407	498,726	(35,319)	-7.1%	2,146,051	2,200,566	(54,515)	-2.5%
Total Personnel Expenses	6,973,951	7,124,357	(150,406)	-2.1%	31,255,324	31,121,337	133,987	0.4%
Meeting Expenses								
Meetings & Conference Calls	238,109	265,597	(27,488)	-10.3%	607,828	635,316	(27,488)	-4.3%
Travel	179,983	183,656	(3,673)	-2.0%	1,019,080	1,062,145	(43,065)	-4.1%
Total Meeting Expenses	418,092	449,253	(31,161)	-6.9%	1,626,908	1,697,461	(70,553)	-4.2%
Operating Expenses, excluding Depreciation								
Consultants & Contracts	198,979	455,827	(256,848)	-56.3%	1,903,779	1,897,400	6,379	0.3%
Office Rent	331,493	330,664	829	0.3%	1,329,091	1,328,263	828	0.1%
Office Costs	744,547	795,744	(51,197)	-6.4%	2,826,201	2,949,356	(123,155)	-4.2%
Professional Services	287,789	319,625	(31,836)	-10.0%	1,281,339	1,327,700	(46,361)	-3.5%
Miscellaneous	-	-	-	-	-	-	-	-
Total Operating Expenses	1,562,808	1,901,860	(339,052)	-17.8%	7,340,410	7,502,719	(162,309)	-2.2%
Total Direct Expenses	8,954,851	9,475,470	(520,619)	-5.5%	40,222,642	40,321,517	(98,875)	-0.2%
Indirect Expenses	(212,570)	(286,718)	74,148	-25.9%	(1,072,725)	(1,146,873)	74,148	-6.5%
Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Total Expenses	8,742,281	9,188,752	(446,471)	-4.9%	39,149,917	39,174,644	(24,727)	-0.1%
Change in Net Assets	24,869,267	24,359,408	509,859	2.1%	(4,212,588)	(4,450,703)	238,115	-5.4%
Fixed Asset Additions, excluding Right of Use Assets	58,986	42,000	16,986	40.4%	58,986	150,713	(91,727)	-60.9%
Total Expenditures	8,801,267	9,230,752	(429,485)	-4.7%	39,208,903	39,325,357	(116,454)	-0.3%
Change in Working Capital (Total Funding less Total Budget)	24,810,281	24,317,408	492,873		(4,271,574)	(4,601,416)	329,842	
FTEs	158.27	175.00	(16.73)		170.16	175.00	(4.84)	
Headcount	158.00	175.00	(17.00)		175.00	175.00	-	
Working Capital at 1/1/2025	13,036,834	12,848,597	188,237		13,036,834	12,848,597	188,237	
Peak Reliability Donation Expenditures	397,552	411,191	(13,639)		1,750,250	1,500,000	250,250	
Change to WC - 2025	24,810,281	24,317,408	492,873		(4,271,574)	(4,601,416)	329,842	
Working Capital at 3/31/2025	38,244,667	37,577,196	667,471		10,515,510	9,747,181	768,329	

¹ Penalties released in the current year reflects the designated amount of funds released to offset U.S. assessments as approved by the WECC Board of Directors and FERC. Actual penalties invoiced in the current reporting year will be reported as income on the audited financial statements in accordance with GAAP.

² See Working Capital and Reserve Analysis table for additional details.



Working Capital Reserve Analysis

Working Capital and Reserve Analysis

Working Capital and Reserve Analysis				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
Beginning Reserve, January 1, 2025	16,098,526	\$ 13,036,834	\$ 4,400	3,057,292
Plus: Total Funding	33,653,293	33,611,548	41,745	-
Penalties Release	(4,400)	-	(4,400)	-
Less: Expenditures	(8,801,267)	(8,403,715)	-	(397,552)
Plus: Non-Statutory Fund Adjustme	-	-	-	-
Reserve, March 31, 2025	\$ 40,946,152	\$ 38,244,667	\$ 41,745	\$ 2,659,740



2026 Business Plan and Budget Update

Action

Update

Summary

NERC management will provide an update on the preparation of the draft 2026 Business Plan and Budget (BP&B), which will be posted for public comment on or about May 23, 2025. The NERC Finance and Audit Committee will be hosting a webinar to review the ERO Enterprise 2026 BP&Bs on May 21, 2025.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

2026 Business Plan and Budget Status

Andy Sharp, Vice President and Chief Financial Officer
Finance and Audit Committee Meeting
May 7, 2025

RELIABILITY | RESILIENCE | SECURITY

- 2026 BP&B Currently in Development

- As shared with the MRC BP&B Input Group and other key stakeholders, NERC's proposed draft 2026 budget is below the projection for 2026 provided in the 2025 BP&B
-

- Upcoming Key Dates

- May 21 - Open FAC Webinar to review ERO Enterprise 2026 BP&Bs
- May 23 (target) – Post Draft NERC 2026 PB&B for 30-day comment period
- July 22 – MRC BP&B Input Group Call to review final NERC 2026 BP&B
- August 14 – Board approval of NERC and Regional Entity BP&Bs
- By August 25 – File 2026 BP&Bs with FERC



Questions and Answers