

Minutes

Finance and Audit Committee Open Meeting

May 8, 2024 | 9:00-9:30 a.m. Eastern

Hybrid

NERC DC Office

1401 H Street NW, Suite 410

Washington, DC 20005

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 May 8, 2024, at approximately 9:00 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

Kenneth W. DeFontes, Jr., *ex officio*

Board of Trustees Members

Suzanne Keenan

Larry Irving

Robin E. Manning

Jams B. Robb, President and Chief Executive Officer

NERC Staff

Andy Sharp, Vice President, Chief Financial Officer

Camilo Serna, Senior Vice President, Strategy and External Affairs

Kelly Hanson, Senior Vice President, Chief Administrative Officer

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

Mark Lauby, Senior Vice President and Chief Engineer

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

Tina Buzzard, Assistant Corporate Secretary

Introduction and Chair's Remarks

Chair Sidford welcomed the members of the Committee to the meeting and reviewed the agenda. She noted that the Committee held a closed meeting on May 7, 2024 where the Committee reviewed its annual evaluation results; met with NERC's external auditors, RSM, to receive a report on the 2023 year-end audited summary of results; discussed NERC's reserve investment strategy; and received an update on Internal Audit and Advisory Services activity.

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.

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

2023 Year-End Audited Summary of Results

Mr. Sharp provided a summary of the independent 2023 Financial Statement Audit. Upon motion duly made and seconded, the Committee reviewed and recommended acceptance of the 2023 Financial Statement Audit by the Board.

First Quarter Unaudited Summary of Results

Mr. Sharp reviewed the NERC First Quarter 2024 Unaudited Summary of Results. He stated that the variances in Q1 are primarily a matter of timing, and the Committee should expect that NERC will be close to budget by year end. Chair Sidford noted that the Regional Entity First Quarter Unaudited Summary of Results were included in the materials provided in advance of the meeting but that the Committee will not review them individually during this meeting. Mr. Sharp commented that there were no significant variances in the Regional Entity results. Upon motion duly made and seconded, the Committee reviewed and recommended acceptance of the First Quarter 2024 Unaudited Summary of Results, inclusive of NERC and the Regional Entities, by the Board.

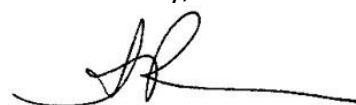
2025 Business Plan and Budget Status

Mr. Sharp provided an update on the preparation of the draft 2025 Business Plan and Budget (BP&B), which NERC plans to post for public comment on or about May 24, 2024. He noted that the proposed 2025 NERC budget and assessment is consistent with 2023-2025 three-year plan projections. The Committee noted that while preliminary budgets for 2026 and 2027 are included in the 2025 BP&B, management and the Committee are already working on the next three-year planning cycle for 2026-2028 and, as such, 2026 and 2027 will receive a rigorous review as part of that process.

Adjournment

There being no further business, the meeting was adjourned.

Submitted by,



Sônia Rocha
Corporate Secretary