

Minutes

Finance and Audit Committee Meeting

February 5, 2020 | 10:30 - 11:00 a.m. Pacific

westdrift Manhattan Beach, Autograph Collection
1400 Park View Avenue
Manhattan Beach, California 90266

Introduction and Chair's Remarks

Mr. Robert G. Clarke, 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" or the "Company") on February 5, 2020, at approximately 10:00 a.m. Pacific, and a quorum was declared present. The agenda is attached as **Exhibit A**.

Present at the meeting were:

Committee Members

Robert G. Clarke, Chair
Janice B. Case
Colleen Sidford
Roy Thilly, *ex officio*

Board of Trustee Members

Kenneth W. DeFontes
Frederick W. Gorbet
George S. Hawkins
Suzanne Keenan
Robin E. Manning
James B. Robb, President and Chief Executive Officer
Jan Schori

NERC Staff

Tina Buzzard, Associate Director
Manny Cancel, Senior Vice President and Chief Executive Officer of the E-ISAC
Howard Gugel, Vice President, Engineering and Standards
Stan Hoptroff, Vice President, Business Technology
Ed Kichline, Senior Counsel and Director of Enforcement Oversight
Mark Lauby, Senior Vice President and Chief Engineer
Bill Lawrence, Vice President, ERO Enterprise Security Initiatives
Sônia Mendonça, Senior Vice President, General Counsel, and Corporate Secretary
Janet Sena, Senior Vice President, External Affairs
Andy Sharp, Vice President and Interim Chief Financial Officer
Mechelle Thomas, Vice President, Compliance

NERC Antitrust Compliance Guidelines

Mr. Clarke directed the participants' attention to the NERC Antitrust Compliance Guidelines included in the agenda, and indicated that all questions regarding antitrust compliance or related matters should be directed to Ms. Mendonça.

Minutes

Upon motion duly made and seconded, the minutes from the October 31, 2019 meeting were approved as presented to the Committee.

2019 Year-End Unaudited Results of Operations

Mr. Sharp reviewed the 2019 Year-End Unaudited Results of Operations for NERC and the ERO Enterprise, referencing the materials included in the advance agenda package. He reported that NERC was over budget for total funding and under budget for expenditures, resulting in a \$1.6 million reserve increase. Mr. Sharp reported that the ERO Enterprise ended the year under budget by \$3.7 million. Mr. Clarke called attention to the Regional Entity financial reports included in the advance agenda package.

After discussion, and upon motion duly made and seconded, the Committee recommended the 2019 Year-End Unaudited Results of Operations for acceptance by the Board.

Annual Review of Committee Mandate

Ms. Mendonça noted that the Committee is required to review its mandate on an annual basis. Based on the Legal department's review, no changes are recommended. The Committee concurred with the approach.

Adjournment

There being no further business, and upon motion duly made and seconded, the meeting was adjourned.

Submitted by,



Sônia Mendonça
Corporate Secretary

Agenda

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(Please note the Schedule may be adjusted real-time should meetings conclude early and/or extend past their scheduled end time.)

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Conference Room: Loftlight – Lobby Level

Introduction and Chair's Remarks

NERC Antitrust Compliance Guidelines and Public Announcement*

Agenda Items

- 1. Minutes*— Approve**
 - a. October 31, 2019 Meeting
- 2. 2019 Year-End Unaudited Results of Operations*— Review and Recommend Board Acceptance**
 - a. NERC 2019 Unaudited Results
 - b. ERO Enterprise Combined 2019 Unaudited Results
 - c. Regional Entity Reports
- 3. Annual Review of Committee Mandate*— Review**
- 4. Other Business**
- 5. Adjournment**

*Background materials included.