

Re: First Draft of NERC 2021 Business Plan and Budget Posted for Stakeholder Review and Comment

Date: May 19, 2020

The first draft of NERC's 2021 Business Plan and Budget is available for comment on NERC's website, along with the draft 2021 business plans and budgets for each Regional Entity. Comments are requested by June 26, 2020. This first draft focuses on achieving a flat assessment versus 2020 in response to uncertain economic conditions resulting from the pandemic despite significant budget pressures, including the ERO Secure Evidence Locker (SEL) and the Align tool delay. The flat assessment is achieved by:

- Funding Align delay costs fully through reserves;
- Reducing 2021 debt service by cash funding 2020 Align development costs versus financing;
- Lowering spending in certain areas, including no increase in headcount, optimizing current E-ISAC resources, assuming lower meeting and travel costs due to pandemic conditions, and reducing the scope or deferring non-critical projects and system enhancements; and
- Absorbing ERO SEL debt service and software support costs as a result of cost savings efforts.

To assist stakeholders in their review of the documents, the Board's Finance and Audit Committee has scheduled a conference call and webinar from 1:00–3:00 p.m. Eastern on June 4, 2020, during which NERC and Regional Entity representatives will provide an overview of their 2021 business plans and budgets. This webinar is part of our ongoing commitment to provide stakeholders with information and the opportunity for feedback in advance of the final approval of the business plans and budgets by the Board and FERC.

An outline of the remaining schedule toward final approval and filings in August 2020 is posted on the NERC website. Each Regional Entity has their own parallel process to review and obtain stakeholder input, and stakeholders are encouraged to participate in their relevant Regional Entity stakeholder review processes.

We look forward to your feedback during this important step in the development of the ERO Enterprise's 2021 business plans and budgets. Again, written comments on the first draft are requested by June 26, 2020, and should be directed to the attention of Erika Chanzas at [erika.chanzas@nerc.net](mailto:erika.chanzas@nerc.net).

Sincerely,



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