

**RELIABILITY FIRST**

Minutes

Board of Directors Teleconference

June 29, 2023 • 9:30 am – 10:30 am (ET) • Cleveland, OH

ReliabilityFirst Corporation

3 Summit Park Drive • Cleveland, OH 44131

Closed Session

Call to Order – Chair Smyth was having connectivity issues, so Vice Chair Nelson Peeler called to order a duly noticed closed meeting of the Board of Directors (Board) on June 29, 2023, at 9:35 am (ET). A quorum was present, consisting of the following members of the Board: Vice Chair Nelson Peeler; Joanna Burkey; Patrick Cass; Scott Etnoyer; Lesley Evancho; Tim Gallagher; Jason Marshall; Rachel Snead; Jennifer Sterling; Joe Trentacosta; and Simon Whitelocke, with Mr. Smyth joining once the meeting was underway.

A list of others present during the Board meeting is set forth in Attachment A.

Appoint Secretary to Record Minutes – Vice Chair Peeler designated Niki Schaefer, ReliabilityFirst's (RF) Vice President and General Counsel, as the secretary to record the meeting minutes.

Antitrust Statement – Ms. Schaefer advised all present that this meeting is subject to, and all attendees must adhere to, RF's Antitrust Compliance Guidelines.

2024 Business Plan and Budget – Beth Dowdell, RF's Senior Director Corporate Services, presented the final 2024 Business Plan and Budget (2024 BP&B) to the Board. Ms. Dowdell began by restating the budget numbers which remained unchanged from the initial draft of the 2024 BP&B. She then discussed the RF assessment, which also remained unchanged.

She reported that RF posted the 2024 BP&B for public comment, which had 36 unique views but zero comments. RF then presented the 2024 BP&B to the NERC Finance and Audit Committee and met with FERC to discuss the 2024 BP&B, along with the other Regions. Ms. Dowdell noted that there were some adjustments to the 2024 BP&B because of the collection of penalties for settlement agreements involving other Regions. Specifically, some penalty monies had to be paid out to associate Regions, but those adjustments only affected the reserves, not the overall budget percent increase or assessment total.

Ms. Dowdell then laid out the timeline for budget submission to NERC and FERC. She showed a slide of the other Regions' budget numbers, noting that SERC's budget was changing slightly to account for additional headcount it added because of the Fiscal Responsibility Act of 2023 ("the Act") and the provision requiring NERC and the Regions to perform certain transfer capability studies. She also showed the other Regions' assessments for comparison. Ms. Snead

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noted that SERC revised its budget because of the Act and asked if that was a concern for RF. Mr. Gallagher answered that RF currently thinks it does not need to adjust its headcount to accommodate the studies required by the Act. Mr. Peeler asked for more information on what the Act is going to require of the Regions, and Mr. Gallagher discussed the studies the Act has requested and the preliminary plans underway to accomplish those studies. Mr. Smyth asked if RF will be able to lean on PJM and other RTOs for help. Mr. Gallagher noted that RF does not intend to redo things the RTOs have already done but believes there needs to be a focus on the seams between the RTOs. With no more questions regarding the Act and its implications on RF's staff and workload, the Board moved to a vote on the 2024 BP&B.

Upon a motion duly made and seconded, the Board adopted Resolution No. 2023-02 to approve the final 2024 BP&B.

Next Meeting – Chair Smyth noted that the next Board meeting will be held on August 24, 2023, in Cleveland, OH.

Adjourn – Upon a motion duly made and seconded, Chair Smyth adjourned the meeting at 10:00 a.m. (ET).

As approved on this 24th day of August, 2023 by the
Board of Directors,

A handwritten signature in blue ink, appearing to read 'Niki Schaefer', is written over a faint circular stamp.

Niki Schaefer
*Vice President General Counsel & Corporate
Secretary*

Attachment A

Others Present During the Meeting

Carol Baskey • ReliabilityFirst
Jeff Craig • ReliabilityFirst
Beth Dowdell • ReliabilityFirst
Diane Holder • ReliabilityFirst
Marcus Noel • ReliabilityFirst
Niki Schaefer • ReliabilityFirst
Jody Tortora • ReliabilityFirst