



RELIABILITY FIRST

PUBLIC

# Agenda

## Annual Meeting of the Members

December 8, 2022 • 9:00 am – 10:15 am (ET)

Ritz Carlton, Pentagon City  
1250 S. Hayes Street  
Arlington, VA 22202  
Room: Diplomat – Level 1  
Attire: Business

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### Open Agenda

1. **Call to Order and Appoint Secretary to Record Minutes** 9:00 am  
Presenter: Simon Whitelocke, Chair
2. **Antitrust Statement** 9:00 am  
Presenter: Niki Schaefer, Vice President and General Counsel  
Reference: Antitrust Compliance Guidelines
3. **Chair's Remarks and Welcome** 9:05 am  
Presenter: Simon Whitelocke, Chair
4. **Keynote Speaker** 9:10 am  
Presenter: David Ortiz, FERC, Director, Office of Electric Reliability  
Reference: [Bio](#)
5. **President's Report** 9:30 am  
Presenter: Tim Gallagher, President and CEO
6. **Election of At-Large and Independent Directors** 9:45 am  
Presenter: Joanna Burkey, Chair of Nominating and Governance Committee  
Description: Ms. Burkey will oversee the election of an At-Large and Independent Director.  
Reference: a) [At-Large Nominee](#)  
b) [Independent Nominee](#)  
Action: **Elect At-Large and Independent Director**
7. **Overview of Financial Position** 9:55 am  
Presenter: Carol Baskey, Treasurer and Manager Finance and Accounting  
Description: Ms. Baskey will provide an update on the Q3 financials including variances and year-end projections.  
Reference: [Financial Update](#)  
Action: Information and Discussion
8. **Comments from Members** 10:05 am
9. **Future Meeting for 2023** 10:10 am
10. **Adjourn** 10:15 am

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**Roster • Board of Directors**

Simon Whitelocke, **Chair** • ITC Holdings Corporation (AL • 2024)  
Antonio Smyth, **Vice Chair** • AEP (S • 2023)  
Brenton Greene • **Lead Independent** (2022)  
Joanna Burkey • Independent (2025)  
Patrick Cass • Independent (2023)  
Benjamin Felton • DTE Energy (M-LSE • 2022)  
Scott Etnoyer • Talen Energy (AL • 2023)  
Tim Gallagher • ReliabilityFirst  
Courtney Geduldig • Independent (2024)  
Scott Hipkiins • FirstEnergy Corp (2024)  
Jason Marshall • Wabash Valley Power Association (S-LSE • 2023)  
Nelson Peeler • Duke Energy (T • 2024)  
Ken Seiler • PJM (RTO • 2024)  
Rachel Snead • Dominion Resources Services, Inc. (S • 2024)  
Jennifer Sterling • Exelon Corporation (L-LSE • 2022)  
Joe Trentacosta • Southern Maryland Electric Cooperative, Inc. (AL • 2022)

**The company names added after proxies received.****Roster • Large LSE Sector****Roster • Medium LSE Sector****Roster • Regional Transmission Organization (RTO) Sector****Roster • Small LSE Sector****Roster • Supplier Sector****Roster • Transmission Sector**

# Antitrust Compliance Guidelines

## **ANTITRUST COMPLIANCE GUIDELINES**

### **I. GENERAL**

It is ReliabilityFirst's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct which violates, or which might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every ReliabilityFirst participant and employee who may in any way affect ReliabilityFirst's compliance with the antitrust laws to carry out this policy.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert ReliabilityFirst participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the ReliabilityFirst policy contained in these guidelines is stricter than the applicable antitrust laws. Any ReliabilityFirst participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether ReliabilityFirst's antitrust compliance policy is implicated in any situation should consult ReliabilityFirst's President. The President will consult with legal counsel as appropriate.

### **II. PROHIBITED ACTIVITIES**

Participants in ReliabilityFirst activities (including those of its committees and task groups) should refrain from the following when acting in their capacity as participants in ReliabilityFirst activities (e.g., at ReliabilityFirst meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among actual or potential competitors.

- Discussions concerning the exclusion of actual or potential competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

### **III. ACTIVITIES THAT ARE PERMITTED**

There are a number of restrictions guiding and defining permissible activities.

In order to avoid antitrust issues, decisions and actions by ReliabilityFirst (including its committees and task groups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk electric supply system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during ReliabilityFirst meetings and in other ReliabilityFirst -related communications.

You should also ensure that ReliabilityFirst procedures, including those set forth in the ReliabilityFirst Agreement and the ReliabilityFirst Documents, are followed in conducting ReliabilityFirst business.

In addition, all discussions in ReliabilityFirst meetings and other ReliabilityFirst -related communications should be within the scope of mandate for or assignment to the particular ReliabilityFirst committee, task group or other group, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in ReliabilityFirst activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC and ReliabilityFirst reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in ReliabilityFirst activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising operating and planning standards and other reliability criteria, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk electric supply system on electricity markets, and the impact of electricity market operations on the reliability of the bulk electric supply system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.

- Matters relating to the internal governance, management and operation of ReliabilityFirst , such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be reviewed with ReliabilityFirst's President before being discussed. The President will consult with legal counsel as appropriate.

# Bio



**David Ortiz**  
**Director, Office of Electric Reliability**

David is Director of the Office of Electric Reliability (OER) at the Federal Energy Regulatory Commission. OER helps the Commission to oversee the reliability and security of the electric grid. OER's responsibilities include oversight of the North American Electric Reliability Corporation in its development and enforcement of mandatory reliability and cybersecurity standards. David leads over 90 staff, including electrical engineers, statisticians, attorneys and analysts. OER's recent accomplishments include: a standard ensuring that the grid can operate through extreme cold weather; standards for securing the supply chain

for grid-related cyber systems and protecting the integrity and availability of grid communications; a standard requiring increased grid cybersecurity incident reporting; a rule requiring new generators to be able to provide frequency response, ensuring reliability of the grid as it incorporates more renewable resources; a standard protecting the grid from solar storms; a series of reports documenting utility best practices in grid restoration and recovery; and a series of best practice reports in utility cybersecurity.

From 2013 to 2016, David was a Deputy Assistant Secretary for Energy Infrastructure Modeling and Analysis (EIMA) in the Office of Electricity Delivery and Energy Reliability at the Department of Energy. From 1998 through 2013, David worked at the RAND Corporation, where he built a program of energy policy research and analysis.

David earned his doctorate in Electrical Engineering from the University of Michigan. He graduated from Princeton University.

David lives in Falls Church, Virginia with his wife, Nicole, and two children. He is an avid tennis player, cyclist, home cook, and musician.



# At-Large Nominee

## AT-LARGE SECTOR NOMINEE



**Joe Trentacosta**  
**Senior Vice President and Chief Information Officer**  
**Southern Maryland Electric Cooperative**

Joe Trentacosta is Senior Vice President and Chief Information Officer (CIO) for Southern Maryland Electric Cooperative (SMECO). He directs SMECO's Customer and Enterprise Services Department consisting of the Information Technology (IT), Customer Service, Security, and Safety divisions. This includes managing the development and maintenance of the IT infrastructure and all IT business systems, implementing IT support strategies, and negotiating technology support and maintenance contracts.

Mr. Trentacosta is also responsible for the overall development and maintenance of the SMECO's security/compliance and safety programs, managing the operation of SMECO's 24/7 customer care center, and directing the corporate credit and collection's function.

Mr. Trentacosta serves on the IT Program Advisory Council for both the College of Southern Maryland (CSM) and St. Mary's County Public Schools. Most recently, he served as Board President for the Center for Children. He has also served on the Marcey House Advisory Board, the St. Mary's County Human Services Council, the Father Andrew White School Advisory Board (Chairman), and the Calvert Career Center Local Advisory Council. Mr. Trentacosta holds an MBA in Finance from New York University, a BS in Information Systems from Fordham University and is a graduate of the Leadership Maryland Class of 2011.

# Independent Nominee

## INDEPENDENT DIRECTOR NOMINEE



**Lesley Evancho**  
**Chief Human Resources Officer**  
**EQT**

**Lesley Evancho** is the Chief Human Resources Officer (CHRO) for EQT, which is one of the largest natural gas producers in the country. In her current role, Ms. Evancho's responsibilities include HR strategy and innovation, total rewards, employee/labor relations, organizational transformation, mergers and acquisitions, culture, talent, HR Operations, risk, and compliance. She also serves as the Management lead for the Compensation and Development Committee at EQT.

Ms. Evancho has extensive experience in human capital planning, total rewards, talent management, and culture. Since joining EQT, her accomplishments include dramatically improving employee satisfaction scores, helping the company create its new values statement, and navigating the current "war on talent" through improvements in leadership capability and overhauling goals and reviews. Ms. Evancho previously served as the Vice President, Global Talent Management and Corporate Human Resources at Westinghouse Electric Company and prior to that she held a variety of human resource roles at Thermo Fisher Scientific, Rice Energy, and MSA Safety.

Ms. Evancho holds a Bachelor of Science in Human Resources from Florida State University. Ms. Evancho also serves in leadership roles at Pittsburgh CLO, a nonprofit centered around the city's performing arts community, while also participating in the diversity and inclusion and Covid-19 sub-committees.

# Financial Update



# 2022 Financial Overview

**Carol Baskey, Treasurer and Manager, Finance and Accounting**

**December 8, 2022**

**Arlington, VA**



# 2022 Financial Information

## ➤ Actual to Budget as of September 30, 2022

- \$663K (3.4%) under budget
- ERO Enterprise: \$7.8M (6.9%) under budget

## ➤ Year-end Projection

- \$707K (2.7%) under budget
  - Corporate Goal 5% under to 3% over
- Major Contributors
  - Unfilled positions first half of year
    - Under budget: Employee Benefits (Medical Expenses), Personnel Expenses
  - COVID
    - Under budget: Meeting & Travel Expenses, Employee Benefits (Training)

## ➤ ERO Year End Projections

- Varies from: 0.1% over to (5.0%) under budget
- Total ERO Enterprise: \$760K, (0.3%) under budget



# 2023 Budgets and Assessment

## ➤ 2023 Business Plan and Budget

- Approved by FERC – November 3, 2022
- Budget – \$27,975,420
- Assessment – \$24,620,339

FINAL REGIONAL BUDGETS						
Entity	2023 Budget		% Change	2023 Assessment		% Change
TRE	\$	17,733,467	3.3%	\$	17,155,278	14.3%
SERC	\$	28,215,895	5.6%	\$	26,192,876	5.6%
RF	\$	27,975,420	6.7%	\$	24,620,339	5.0%
WECC	\$	31,812,283	6.9%	\$	19,750,537	-21.0%
NPCC*	\$	19,423,595	11.2%	\$	18,140,037	14.0%
MRO	\$	23,082,469	15.2%	\$	20,507,276	15.0%

\*Statutory Budget and Assessment





# Financial and Other Information

## ➤ Annual Financial Audits

- 2021 Audit report was approved by Finance and Audit Committee in March 2022
  - No deficiencies identified
- 2022 Audit Process begins in November

## ➤ Continuous Improvements

- Enhanced Budget Reporting
- Expense Reporting processes improved
- Periodic review of internal controls will be performed late in 2022 and early 2023

## ➤ Enterprise Risk Management

- Updated risks and controls determined for 2023
- Report out to Audit Committee in Q4 2022
- Control effectiveness testing to begin in higher-risk areas in 2023



# Questions & Answers

Forward Together  **ReliabilityFirst**