



Minutes

Board of Directors • Risk and Compliance Committee

August 21, 2024

ReliabilityFirst Corporation

Open Session

Call to Order – Chair Joanna Burkey called to order a duly noticed open meeting of the Risk and Compliance Committee (Committee) at 12:59 pm (ET). A quorum was present, consisting of the following members of the Committee: Joanna Burkey, Chair; Patrick Cass, Vice Chair; Lesley Evancho; Ken Seiler; and Simon Whitelocke. A list of others present during the Committee meeting is set forth in Attachment A.

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

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

Consent Items – Chair Burkey introduced the following consent agenda items:

Agenda Item 3(a): Draft Minutes from May 1, 2024 Committee meeting

Agenda Item 3(b): Reference Materials - Enforcement Data

Upon a motion duly made and seconded, the Committee approved the minutes.

Keynote Speakers – Josh Levi, President of the Data Center Coalition and Aaron Tinjum, Director of Energy Policy and Regulatory Affairs from the Data Center Coalition, provided an overview of the data center industry, including its growth, energy needs and plans to address them, and opportunities for dialogue/partnership with the electric industry. They shared that they advocate for their members, who build, own and operate data centers. Mr. Levi and Mr. Tinjum discussed the typical elements inside a data center, highlighting the importance of HVAC cooling and of backup systems. Mr. Levi explained the two main types of data centers and discussed the benefits of data centers as a significant driver of the economy (providing digital infrastructure and generating substantial tax revenue).

Mr. Tinjum then discussed grid benefits of data centers, including that they are efficient and invest in distribution and transmission level infrastructure and clean energy projects. Mr. Levi noted the increasing data center demand, and the products and applications that drive that demand. He shared key siting considerations and information on global data center markets, highlighting data center markets within and adjacent to RF's footprint. Chair

Burkey shared that additional materials from Ms. Snead on Dominion's perspective on data centers are included in the agenda package. Ms. Snead highlighted the significant increasing demand in Virginia due to data centers.

Discussion followed on how to stay ahead of projected demand growth, and Mr. Seiler noted the importance of communication and education on transmission capabilities and forecasting. Mr. Tinjun noted that the Data Center Coalition is working with Edison Electric Institute to formalize collaboration efforts. Mr. Peeler added that it is important to consider data center load characteristics, because large swings in energy can hurt the grid. Vinit Gupta, ITC's Vice President of Operations, stated that data center loads are large, 24/7 loads and that NERC is looking at a task force to examine these loads. Tim Gallagher, RF's President and CEO, asked whether there are lessons for RF and NERC and if there is an opportunity to bring the different perspectives together. Mr. Tinjun reiterated the need for big picture discussions between the data center and electric industries.

Physical Security Overview and Update – Mary Berkley, AEP's Manager of System Performance Analysis, led a discussion on AEP's perspective on CIP-014 and physical security. She introduced AEP's System Performance Analysis team and gave an overview of the CIP-014 requirements. She discussed how the CIP-014 standard requires a proactive approach, with extensive coordination between departments and neighboring entities. Then Ms. Berkley spoke to the challenges associated with CIP-014 compliance, and two approaches to addressing the standard. First, she discussed a defensive approach to assure the public that critical facilities are protected against physical attacks, and showed photo examples of protections in place to protect against physical attacks. Then she discussed a proactive approach to eliminate single points of failure and add redundancy. She then covered the Standard Authorization Request (SAR) to modify CIP-014 R1 and R2 to clarify risk assessment methods and she stressed the importance of ensuring that standards are not too prescriptive, but are prescriptive enough to clearly define requirements.

Cyber Security Challenges and Approaches – Amanda Birker, Manager of Transmission Security Operations Center (TSOC) and Keith Mehle, Security Operations Analyst V from FirstEnergy, provided a perspective on key cyber security challenges and approaches. Scott Hipkins, RF Board member and FirstEnergy CSO, gave a brief introduction on key security challenges, and Ms. Birker discussed preventative, corrective and detective security controls. She explained the TSOC's origin, and Mr. Mehle then discussed threat emulation and rules for detecting malicious activity. He also shared challenges faced by TSOC and the benefits of the group. Mr. Mehle stated that the ERO can continue to support information sharing among utilities on how to mitigate risks. He also discussed the benefits of RF's state outreach work and security tabletops. There was then a question and discussion on the makeup of the TSOC and how it is structured.

Next Meeting – Chair Burkey noted that the next Committee meeting will occur on December 4, 2024, in Washington, DC. At 2:50 pm, Chair Burkey moved the Committee into closed session.

Closed Session

Confidential Compliance & Enforcement Matters – Kristen Senk, RF's Deputy General Counsel and Director of Legal & Enforcement, Tom Scanlon, RF's Senior Managing Enforcement Counsel, and Matt Thomas, RF's Director of Compliance Monitoring, presented on confidential matters. Ms. Senk discussed the enforcement workload and process. She then spoke to CIP-014 activity in the enforcement and Standards spaces. Mr. Scanlon discussed other confidential enforcement actions.

FERC/NERC Oversight Update – Mr. Thomas presented updates on confidential matters. He discussed the results of recent oversight conducted of RF by NERC.

Adjourn – Chair Burkey adjourned the Committee meeting at 3:23 pm (ET).

As approved on this 4th day of December, 2024 by
the Compliance Committee,



Niki Schaefer
*Vice President General Counsel & Corporate
Secretary*

Attachment A

Others Present During the Risk and Compliance Committee Meeting

Steve Ambrose • DTE
Allison Archer • MISO
Mary Berkley • AEP
Jeff Craigo • ReliabilityFirst
Michelle Cross • ReliabilityFirst
Hue DeLuca • ReliabilityFirst
Beth Dowdell • ReliabilityFirst
Chelsey Eppich • ReliabilityFirst
Tom Foster • PJM
Tim Gallagher • ReliabilityFirst, President & CEO
Craig Grooms • Buckeye Power
Vinit Gupta • ITC
Scott Hipkins • First Energy
Diane Holder • ReliabilityFirst
Christi Klein • ReliabilityFirst
Josh Levi • Data Center
Marcus Noel • ReliabilityFirst
Ollie Pannell • FirstEnergy
Nelson Peeler • Duke Energy
Nicholas Poluch • Talen
Tom Scanlon • ReliabilityFirst
Niki Schaefer • ReliabilityFirst
Kristen Senk • ReliabilityFirst
Colleen Sidford • NERC Board of Trustees
Antonio Smyth • ReliabilityFirst
Rachel Snead • Dominion Energy
Robert Taylor • Invenergy
Aaron Tinjum • Date Center
Brian Thiry • ReliabilityFirst
Matt Thomas • ReliabilityFirst
Jody Tortora • ReliabilityFirst
Joe Trentacosta • SMECO
Jim Uhrin • ReliabilityFirst
Simon Whitelocke • ITC