



RELIABILITY FIRST

PUBLIC

## Minutes Board of Directors

December 5, 2024

North American Electric Reliability Corporation (NERC) Offices  
1401 H St NW Suite 410 • Washington, DC 20005

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### Closed Session

**Executive Session** – The ReliabilityFirst (RF) Board of Directors met in executive session at 8:00 am (ET) and discussed confidential matters concerning the corporation. Presentations included an update on the status of the interregional transfer capability study being performed by the ERO pursuant to the Fiscal Responsibility Act of 2023, and a confidential security update.

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### Open Session

**Call to Order** – Chair Smyth called to order a duly noticed open meeting of the Board of Directors at 9:52 am (ET). A quorum was present, consisting of the following members of the Board: Chair Antonio Smyth; Vice Chair Nelson Peeler; Steve Ambrose; Joanna Burkey; Mèlika Carroll; Lesley Evancho; Tim Gallagher; Craig Grooms; Scott Hipkins; Ken Seiler; Rachel Snead; Jennifer Sterling; Robert Taylor; Joe Trentacosta; and Simon Whitelocke.

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

**Appoint Secretary to Record Minutes** – Chair Smyth designated Niki Schaefer, RF's 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.

**Consent Items** – Chair Smyth welcomed all to the meeting, and introduced the following consent agenda items for approval:

Agenda Item 4(a): Draft Minutes from August 22, 2024 Board Meeting

Agenda Item 4(b): Resolution for Election of Offices (No. 2024-4)

Agenda Item 4(c): Resolution for Recognition and Appreciation of Jennifer Sterling (No. 2024-05)

Agenda Item 4(d): Resolution for Recognition and Appreciation of Simon Whitelocke (No. 2024-6)

Agenda Item 4(e): Resolution in Recognition of Patrick Cass (No. 2024-7)

Agenda Item 4 (f): RF Standards Committee BAL-502-RF-03 Board Recommendation

Upon a motion duly made and seconded, the Board approved the consent agenda items.

**Keynote Speaker** – Jim Robb, President and CEO of NERC, provided the keynote address. He discussed resource adequacy challenges, noting that wind, solar, and batteries are coming onto the system but are not replacing the generation that is leaving the system. Additionally, with data center growth and re-industrialization, there is a large increase in demand and a quite different system emerging than what was in place in the past. Mr. Robb then discussed forming NERC's Three-Year Plan, including areas that will have clear implications for the Regions. He started by discussing NERC's planning process that includes NERC's vision and mission, the ERO long-term strategy, the NERC three-year plan, the NERC business plan and budget, and NERC work plan priorities.

Mr. Robb then discussed key priorities, including 1) enhancing reliability assessments to create a more complete reliability risk picture associated with the transforming grid; 2) continuing to build up E-ISAC as an essential component for industry security; 3) ensuing an integrated security program and mature security posture for the ERO Enterprise; and 4) working with stakeholders and policymakers to educate, inform, and advance strategic priorities. He also noted the importance of agility in an evolving risk landscape, and shared that leveraging resources and technology (such as AI and Align) to enhance efficiency and effectiveness is also an ERO priority. Mr. Robb noted that many of these priorities, such as the enhanced reliability assessments, will have material implications for Regional Entity planning.

Mr. Peeler asked about the evolution of resource adequacy studies and the increasing complexity and importance of those study assumptions. Mr. Robb replied that NERC is working to improve characterizing the risk to the system and adding context to transmission studies. There were also questions and discussion on the increase in data centers.

**President's Report** – Tim Gallagher, RF's President and CEO, welcomed the new members to the Board and made a tribute to Pat Cass. He then highlighted RF's annual winter preparedness site visits and thanked PJM for its recent participation in the program. Mr. Gallagher shared that RF has performed over forty assist visits this year, which has kept staff very busy. He discussed RF's regional standard BAL-502-RF-03, noting that while RF believes national uniform standards are the superior approach, this standard is unique because it is the only FERC-approved standard in the ERO that focuses on resource adequacy. Mr. Gallagher then discussed reliability risks associated with resource adequacy, and how there are limits on RF's jurisdictional authorities in this area.

Mr. Gallagher also discussed RF's work to improve facility ratings across the footprint, as well as the recently updated CIP Themes report that discusses common themes related to deficient cyber security postures. He emphasized the importance of reducing and removing today's well-known risks, to be able to effectively address new risks as they emerge. He expressed his pride in measurable reliability and security improvements resulting from RF's work, which include outreach, standards work, and work with individual companies. Mr. Gallagher also shared the success of RF's state outreach efforts and proactive messaging in this area. Finally, he recognized those Board members who are completing their Board service, including Ken Seiler, Rachel Snead, Jennifer Sterling, and Simon Whitelocke. He noted their impressive contributions to the Board and thanked them for their service and friendship.

**Tabletop Update** – Nathan Sterrett, RF Security Architect, presented on RF Tabletops, which are a form of outreach designed to improve awareness of and dialogue on the emergency response processes between federal, state, and local governments and the industry. The events also foster communication across critical infrastructure sectors and provide an opportunity for participants to practice emergency response. He highlighted the recent New Jersey tabletop, and provided an overview of the scenario, participants, lessons learned, and feedback from the event. Mr. Sterrett discussed the importance of RF Tabletops and plans for targeting additional participants who have not participated in this type of event, particularly smaller entities.

Ms. Burkey stated that she attended the New Jersey tabletop. She shared the value of attending as an observer and emphasized the importance of the events to increase awareness between companies and government agencies. She asked the Board and RF staff if these tabletops are being offered elsewhere, and the response from the group was that they are not, and RF's facilitation of the events is appreciated. Chair Smyth noted that the Ohio tabletop was also highly successful and provided value.

**Security Update** – Marcus Noel, RF's Vice President and Chief Security Officer, provided a security update to the Board. He shared the cyber risk management strategy and noted that in prior Board meetings he shared the cyber risk management methodology, risk register, and associated controls and effectiveness measures. He stated that while it is not possible to eliminate cyber risk, it can be managed with ongoing investment, strategic planning, and effective execution. Mr. Noel then discussed the shifting investment from the existence of controls (e.g., a tool or capability) to the protection levels delivered from the controls. He shared a case study from Blue Cross/Blue Shield of North Dakota (BCBSND), where existing metrics were trailing indicators with limited usefulness. BCBSND educated its Board and stakeholders on outcome-based metrics and ran a successful pilot program using these metrics. Mr. Noel then gave examples of outcome-based metrics.

Mr. Hipkins asked what RF is using to benchmark its security progress with its peers, and Mr. Noel stated that benchmarking includes ERO data and additional data from Gartner, a technological research and consulting firm. There was then discussion on managing emerging risks and aligning RF work with emerging risks such as the reliance on major tech companies and exposure to China.

**Outreach and Regulatory Update** – Brian Thiry, RF's Director of Entity Engagement, provided an outreach and regulatory update. He began by discussing increasing requests from states for speeches, testimony, and participation in events and workshops, which is a success metric that RF refers to as in-reach. Mr. Thiry highlighted a few recent opportunities, including requests to participate in technical conferences and provide technical comments in Maryland. He discussed RF's core message of managing the pace of change, including the amounts of retirements vs. installations, technology development, and electrification.

Mr. Thiry gave an overview of the legislator panel from the RF fall summit and then discussed the emerging outreach topics of 1) data centers and load growth and co-location, 2) offshore wind development and challenges, and 3) NERC's Interregional Transfer

Capability Study. He then shared an example of how RF has information on the energy regulatory and technical landscape for each state before going into outreach engagements to allow RF to customize efforts to the state. Lastly, Mr. Thiry provided a summary of state outreach statistics for the year, including twenty one-on-one meetings, seven hearings, eight large audience presentations, and meetings with stakeholders at the National Association of Regulatory Utility Commissioners (NARUC) and the Mid-America Regulatory Conference (MARC).

## **Committee Reports:**

### **a) Talent and Compensation Committee**

Talent and Compensation Committee Chair Lesley Evancho reported that the Committee received a standing update on talent, staff and diversity. The Committee then reviewed and approved updates to the Talent and Compensation Committee Procedure, reviewed the Committee Charter, and self-assessed the Committee's performance against the Charter in 2024. The Committee also reviewed the corporate goals, reviewed and approved incentive awards and merit increases for RF staff, and reviewed and approved annual compensation items for Mr. Gallagher. Ms. Evancho noted that the Committee discussed the status of NERC's approval process for the percentages used for independent director compensation, and upon that result the Committee will then discuss the RF independent director compensation.

### **b) Risk and Compliance Committee**

Risk and Compliance Committee Chair Joanna Burkey reported that the Committee began in closed session with updates on compliance and enforcement matters and then moved onto open session items. Ms. Burkey shared that Kal Ayoub, Director of the FERC Office of Electric Reliability, provided a keynote and spoke about FERC's reliability priorities. Ms. Burkey shared that Jason Stanek, PJM's Executive Director of Governmental Services, discussed trends and challenges in the PJM footprint. Additionally, Matt Parker, Dominion's Director of Electric Transmission System Operations, discussed a data center load transfer event. She shared that Mr. Starck, EQT's Head of Power, discussed gas-electric coordination perspectives from the gas industry. The Committee also reviewed its Charter and performed the end of the year review of its activities against the Charter.

### **c) Finance and Audit Committee**

Finance and Audit Committee Vice Chair Jennifer Sterling reported that the Committee received a financial update and had a good conversation with Glenmede on the strategy for the working capital and investment account. The Committee also reviewed its Charter (and approved minor changes to it) and reviewed its annual performance of duties under the Charter. Ms. Sterling shared that the Committee received an update from Diane Holder, RF's Vice President of Entity Engagement & Corporate Services, on RF's enterprise risk management program, and reviewed the IRS Form 990. The Committee discussed in executive sessions the important work that Mr. Cass performed for the Committee and how it would be helpful to discuss finance personnel backstops for this work. There was also discussion on scenario planning to ensure coverage from a financial point of view.

**d) Nominating & Governance Committee**

Nominating and Governance Committee Chair Rachel Snead reported that the Committee received an update on the timetable of key RF events and reviewed its annual performance of duties under the Charter. The Committee then discussed director training ideas. She shared that during the closed session, the Committee discussed candidates for 2025 Board Chair, Vice Chair, and Lead Independent Director. The Committee also received an update on the recent Board turnover and the independent director search. There was discussion of committee and chair assignments, but given the independent director search and Board turnover, the Committee is waiting until early 2025 to approve committee assignments. Ms. Snead then announced that for 2025 the Committee nominated Antonio Smyth for Board Chair, Nelson Peeler for Board Vice Chair, Joanna Burkey for Lead independent Director, Melika Carroll for Chair of the Nominating & Governance Committee, and Joanna Burkey as Interim Chair for the Finance and Audit Committee. Upon a motion duly made and seconded, the Board approved the nominations.

**Next Meeting** – Chair Smyth noted that the next meeting of the Board of Directors will occur on May 1, 2025.

**Adjourn** – Upon a motion duly made and seconded, Chair Smyth adjourned the meeting at 12:25 pm (ET).

As approved on this first day of May 2025, by the  
Board of Directors,



Niki Schaefer  
*Vice President, General Counsel & Corporate  
Secretary*

**ATTACHMENT A**

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**Others Present During the Board of Directors Meeting**

Allison Archer • MISO  
Steve Belle • Dominion Energy  
Sean Cavote • PSEG  
Jeff Craigo • ReliabilityFirst  
Dr. Renuka Chatterjee • MISO  
Craig Creamean • Exelon  
Hue DeLuca • ReliabilityFirst  
Beth Dowdell • ReliabilityFirst  
Chelsey Eppich • ReliabilityFirst  
Vinit Gupta • ITC  
Diane Holder • ReliabilityFirst  
Christi Klein • ReliabilityFirst  
Marcus Noel • ReliabilityFirst  
Matthew Parker • Dominion Energy  
William Pezalla • Old Dominion  
Jim Robb • NERC  
Tom Scanlon • ReliabilityFirst  
Niki Schaefer • ReliabilityFirst  
Kristen Senk • ReliabilityFirst  
Joan Soller • Wabash  
Nathan Sterrett • ReliabilityFirst  
Brian Thiry • ReliabilityFirst  
Matt Thomas • ReliabilityFirst  
Jody Tortora • ReliabilityFirst  
Jim Uhrin • ReliabilityFirst  
Becky Webb • Exelon