

Minutes

Board of Directors • Risk and Compliance Committee

April 30, 2025

ReliabilityFirst Corporation • Cleveland, OH

Closed Session

Confidential Compliance & Enforcement Matters – Kristen Senk, RF's Deputy General Counsel and Director of Legal & Enforcement, Matt Thomas, RF's Director of Compliance Monitoring, and Tom Scanlon, Senior Managing Counsel, Enforcement presented on confidential matters.

Adjourn – Chair Ken Seiler adjourned the Closed Committee meeting at 1:15 pm (ET).

Open Session

Call to Order – Chair Ken Seiler called to order a duly noticed open meeting of the Risk and Compliance Committee (Committee) on April 30, 2025, at 1:20 pm (ET). A quorum was present, consisting of the following members of the Committee: Ken Seiler, Chair; Joanna Burkey; Melika Carroll; Dr. Renuka Chatterjee; Lesley Evancho; Craig Grooms; and Robert Taylor. A list of others present during the Committee meeting is set forth in Attachment A.

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

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

Approve Compliance Committee Meeting Minutes – Chair Seiler presented draft minutes for the December 4, 2024 Committee meeting and the Enforcement Data Reference Materials (both included in the agenda package). Upon a motion duly made and seconded, the Committee approved the minutes.

Keynote Speaker – Daniel Scripps, Chair of the Michigan Public Service Commission, provided keynote remarks. He began by giving an overview of Michigan's hybrid regulatory structure, which requires utilities to divest their transmission or join an RTO but does not require divestment of generation. Chair Scripps then discussed the state's integrated resource planning process that helps to ensure resource adequacy. He discussed what is

required to be in an integrated resource plan (IRP) and the standard for approval of an IRP, and also discussed an annual capacity demonstration requirement for utilities. Chair Scripps provided an overview of recent renewable energy legislation and requirements in Michigan, and how the laws are structured to help ensure reliability is maintained (such as defining renewables broadly and allowing compliance extensions to maintain resource adequacy or stability). Finally, he noted other significant initiatives in the areas of gas-electric coordination and planning, cybersecurity (including required annual cyber reports to the state), and energy waste reduction.

There was then open discussion with the Committee. Chair Seiler asked what the reaction has been to the recent state energy legislation, and Chair Scripps responded that it has been mixed, as the legislation did not fully address the needs of the Upper Peninsula. There was also discussion about the importance of gas-electric coordination to ensure reliability during extreme cold weather periods, and the state's efforts to speed transmission upgrades.

Standards Overview and Update – Soo Jin Kim, Vice President of Engineering, Standards, and PRISM at NERC, provided an update on recent Standards activity. She discussed revisions to the definitions of Generator Owner and Generator Operator to create a new category for Inverter-Based Resource registrations, corresponding revisions to certain Standards to reflect those definition changes, and the implementation plan for those changes. Ms. Kim also shared information about the IBR Registration Quick Reference Guide and the timeline for the definition and Standard revisions.

Ms. Kim also discussed Standards efforts related to cold weather actions and physical security. She shared that the Standards group and stakeholders are having many discussions on modeling, and encouraged participation in an upcoming workshop on the topic in June.

MISO Trends and Challenges – Dr. Renuka Chatterjee presented on MISO's initiatives related to resource adequacy and the reliability imperative. She shared that MISO is entering a different operating & risk paradigm with increasing extreme weather events and the transition to renewables. Dr. Chatterjee also discussed that due to data centers and industrial development, MISO's load is projected to grow approximately 60% through 2040. She discussed key reliability challenges, and corresponding MISO initiatives such as market redefinition, increased planning, transmission reforms, and advanced cybersecurity and data analytics.

Dr. Chatterjee provided information on how MISO's resource adequacy planning occurs over multiple time horizons, from real-time operations and the day-ahead market, to the one-year seasonal resource assessments, to the 2-5 year OMS-MISO study, and the 6-15 year member and state resource planning horizon. She also explained how MISO continues to evolve its resource adequacy construct and its probabilistic model to meet the needs of the changing operating paradigm. She concluded by discussing how MISO is

working on various reforms to reduce the processing time for its generation interconnection queue.

Mr. Gallagher encouraged the Committee to read MISO's Reliability Imperative document and praised the company for its groundbreaking work in this area.

Cybersecurity Risks Associated with Distributed Energy Resources (DER) – Lindsey Mannion, RF Principal Technical Auditor, provided an overview of DERs, which are generating resources located on the distribution system. She explained that DERs may or may not use inverter technology to interface with the grid, but they are different than bulk power system (BPS) connected inverter-based resources.

Ms. Mannion noted that DERs have traditionally been viewed as a relatively passive load resource on the BPS, but this will no longer be a valid assumption with the integration of more DERs on the electric system. She reported that DERs in the NERC have increased from 2.8% to 6.4%. She then discussed the increased attack surface stemming from the connection of numerous DERs with BPS assets or BPS connected devices. To address this risk, proper network segmentation and additional security controls should be implemented, and Ms. Mannion discussed methods to secure DERs.

Next Meeting – Chair Seiler noted that the next Committee meeting will occur on August 27, 2025, in Farmington, PA.

Adjourn - Chair Seiler adjourned the Committee meeting at 2:58 pm.

As approved on this 27th day of August, 2025 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
Jeff Craigo • ReliabilityFirst
Craig Creamean • Exelon
Beth Dowdell • ReliabilityFirst
Chelsey Eppich • ReliabilityFirst
Tim Foster • PJM
Tim Gallagher • ReliabilityFirst, President & CEO
Vinit Gupta • ITC Holdings
Scott Hipkins • First Energy
Diane Holder • ReliabilityFirst
Soo Jin Kim • NERC
Lindsey Mannion • ReliabilityFirst
Shawn McWilliams • Foxguard
Kamila Molda • PJM
Marcus Noel • ReliabilityFirst
Nelson Peeler • Duke Energy
Tom Scanlon • ReliabilityFirst
Niki Schaefer • ReliabilityFirst
Kristine Schmidt • NERC
Daniel Scripps • Michigan PUC
Kristen Senk • ReliabilityFirst
Joan Soller • Wabash
Brian Thiry • ReliabilityFirst
Matt Thomas • ReliabilityFirst
Jody Tortora • ReliabilityFirst
Joe Trentacosta • SMECO
Jim Uhrin • ReliabilityFirst
Hunter Walter • Foxguard
Becky Webb • Exelon