



RELIABILITY FIRST

PUBLIC

Minutes Board of Directors

May 1, 2025

ReliabilityFirst Corporation

Closed Session

Executive Session – The ReliabilityFirst (RF) Board of Directors met in executive session at 8:00 am (ET). Topics included a training on electricity markets, a confidential security update, and other confidential matters concerning the corporation.

Open Session

Call to Order – Joanna Burkey called to order a duly noticed open meeting of the Board of Directors (Board) at 9:36 am (ET). A quorum was present, consisting of the following members of the Board: Joanna Burkey; Steve Ambrose; Mèlika Carroll; Dr. Renuka Chatterjee; Craig Creamean; Lesley Evancho; Tim Gallagher; Craig Grooms; Vinit Gupta; Scott Hipkins; Ken Seiler; Joan Soller; Robert Taylor; and Joe Trentacosta.

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

Appoint Secretary to Record Minutes – Ms. Burkey 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 – Ms. Burkey welcomed all to the meeting, and introduced the following consent agenda items for approval:

- Draft Minutes from December 5, 2024 Annual Meeting of Members
- Draft Minutes from December 5, 2024 Board of Directors Meeting
- Draft Minutes from March 26, 2025 Board of Directors Meeting
- Resolution to Hold Industry Sector Elections (No. 2025-01)
- 2026 Proposed Board Meeting Dates
- Summary and Draft Regional Delegation Agreement

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

Keynote Speakers – Mark Kempic, President and Chief Operating Officer, Columbia Gas of Pennsylvania and Maryland, provided keynote remarks. He discussed reliability and resilience topics from a natural gas perspective and highlighted the importance of diversity in fuel types to best ensure reliability. Mr. Kempic also discussed the history of coal and gas, highlighted the current and projected generation mix, and covered examples of emerging gas technologies.

The second keynote remarks were provided by Kristine Schmidt, NERC Board of Trustees (BOT) member. Ms. Schmidt is Chair of the NERC BOT Corporate Governance and Human Resources Committee, and a member of the Finance and Audit Committee. She discussed NERC's long-term strategy to ensure alignment of resources, as well as NERC's budget process and upcoming 2027-2029 business plan and budget efforts. Discussion followed on upcoming open meetings, resource adequacy and system restoration.

President's Report – Tim Gallagher, RF's President and CEO, provided the President's report. He noted that Mr. Smyth and Mr. Hipkins are ending their Board tenure and thanked them both for their valuable contributions. Mr. Gallagher then highlighted a recent corporate restructuring that moved the engineering team under Diane Holder and moved corporate services under Jeff Craigo. This was done to enhance efficiency and bring together teams that work on cross functional efforts. Mr. Gallagher shared that the state outreach team has been busy with testimony and meetings in various states. He noted that recent meetings have focused on the reliability impacts of increasing demand caused by data centers and Artificial Intelligence (AI). Within RF, Marcus Noel has been leading the effort to define and govern appropriate internal use of AI technology. Mr. Noel is also involved in an ERO Enterprise wide effort on AI governance principles.

Mr. Gallagher then discussed the 2024 RF Impact Report, and the most recent business plan and budget efforts. He shared that RF was once again voted one of the top workplaces in Ohio. There was then a discussion on data centers and state and local incentives.

Energy Policy in the Trump Era – Catherine Lewis, RF Energy Policy Analyst, provided an overview of recent energy policy developments under the new Trump administration. She discussed various aspects of how the administration is implementing its agenda of "American Energy Dominance," including numerous executive orders, new agency administrators, EPA regulation reforms, and large-scale deregulation efforts. She discussed three executive orders in further detail: the "Declaring a National Energy Emergency" executive order issued in January, and April's "Strengthening the Reliability and Security of the U.S. Electric Grid" and "Reinvigorating America's Beautiful Clean Coal Industry" executive orders. Ms. Lewis shared that Mark Christie has been appointed as the new FERC Chair, and that FERC must now submit proposed and final "significant regulatory actions" to the Office of Management and Budget for review. She also discussed the effects of a federal funding freeze, and provided a timeline of executive actions related to electricity tariffs and international actions in response to them.

High-Voltage Direct Current (HVDC) and Interregional Transmission – Matt Holtz, Vice President of Transmission Operations at Invenergy, and Robert Taylor, Vice President of Transmission New Markets at Invenergy, provided a presentation on HVDC and Interregional Transmission. Mr. Taylor provided an overview of Invenergy, noting the breadth of its work that includes wind, solar, storage, natural gas, and water treatment. He also discussed the cost and reliability benefits of transmission and noted that Invenergy's transmission projects represent 35% of all proposed new U.S. HVDC capacity.

Mr. Holtz gave an overview of the difference between AC and DC and discussed the evolution of HVDC VSC technology. He then discussed benefits and challenges associated with HVDC. Benefits include that power flow is controlled, there are cost savings across the line, and that current goes across the full conductor. HVDC challenges include higher converter station costs, a more complicated design, and supply chain challenges. Mr. Taylor then discussed the reliability need for interregional transmission, and how direct current transmission can be beneficial although it is not currently an area of focus at utilities and RTO/ISOs.

Financial Update – Beth Dowdell, Senior Director of Corporate Services, provided the financial update. She reported that RF is \$376K (4.58%) under budget for the first quarter of 2025, driven by a decrease in personnel, meeting, and operating expenses. Ms. Dowdell also shared the projection that RF will be about \$21K (0.06%) under budget at year end, largely driven by a \$300K increase in funding.

Ms. Dowdell then discussed the 2026 Business Plan and Budget (BP&B), starting with the Board-approved budget assumptions (e.g., four new FTEs, 18% medical cost increase). She discussed current budget constraints (such as technology support for energy assessments) as well as reductions made to reduce costs, including staggering FTE start dates, holding two board meetings in Cleveland, and reducing contractor costs and merit increases. She reported that following these reductions the 2026 total budget is currently at \$35,630,231, a 6.8% increase from the 2025 BP&B. Ms. Dowdell walked through a comparison of the 2026 BP&Bs for each of the Regions, and then discussed RF's budget variations from 2025 in each expense area. Following discussion and upon a motion duly made and seconded, the Board approved the draft 2026 BP&B.

Standing updates were pushed due to time constraints.

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 efforts. The Committee also reviewed and approved employee benefits for 2025/2026 and had a discussion on RF's pay philosophy. The Committee then reviewed and discussed the process moving forward for determining RF independent director compensation.

b) Risk and Compliance Committee

Risk and Compliance Committee Chair Ken Seiler reported that the Committee began in closed session with updates on compliance and enforcement matters and then moved onto open session items. He noted that Soo Jin Kim, Vice President of Engineering, Standards, and PRISM at NERC, provided a standards update focusing on standards related to small generation and distributed energy resources. The Committee then heard a presentation from Renuka Chatterjee on MISO trends and challenges, including extreme weather events, transmission planning, and resource adequacy strategies. There was also a presentation and discussion on DER aggregation and cybersecurity risks.

c) Finance and Audit Committee

Finance and Audit Committee Chair Joanna Burkey reported that the Committee received a financial update that RF is currently under budget but is close to the forecasted budget for the first half of the year. The lead auditor from RSM (RF's third-party accountant) then discussed the results of RF's financial audit and shared that it was a clean, successful audit. The Committee received a presentation from Christi Klein on the working capital and investment analysis, and Beth Dowdell discussed the Finance and Audit Committee Planner. In the last portion of the open session, Marcus Noel led a discussion on RF's AI strategy and efforts.

d) Nominating & Governance Committee

Nominating and Governance Committee Chair Melika Carroll reported that the Committee received an update on key RF governance events and on the upcoming industry sector elections, and endorsed Resolution 2025-01 to hold the industry sector elections in July. Upon a motion duly made and seconded, the Board then approved Resolution 2025-01. Chair Carroll also reported that the Committee reviewed and endorsed revisions to the Governance Standards. Upon a motion duly made and seconded, the Board approved the revisions to the Governance Standards. Additionally, the Committee discussed the Board training plan, the renewal of the Regional Delegation Agreement, and discussed the election of a new Board Chair and Vice Chair. Upon a motion duly made and seconded, the Board approved the draft Regional Delegation Agreement.

Next Meeting – Chair Burkey noted that the next meeting of the Board of Directors will occur on August 28, 2025, in Farmington, PA.

Adjourn – Upon a motion duly made and seconded, Chair Burkey adjourned the meeting at 11:00 am (ET).

**Board of Directors Minutes
May 1, 2025**

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

A handwritten signature in blue ink, appearing to read "Niki Schaefer", is positioned above the printed name and title.

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

ATTACHMENT A

Others Present During the Board of Directors Meeting

Jeff Craigio • ReliabilityFirst
Michelle Cross • ReliabilityFirst
Beth Dowdell • ReliabilityFirst
Chelsey Eppich • ReliabilityFirst
Antonio Fernandez • FirstEnergy
Doug Hohlbaugh • FirstEnergy
Diane Holder • ReliabilityFirst
Matt Holtz • Invenergy
Mark Kempic • Columbia Gas of PA/MD
Christi Klein • ReliabilityFirst
Catherine Lewis • ReliabilityFirst
Price Marr • MISO
Shawn McWilliams • Foxguard
Kamila Molda • PJM
Marcus Noel • ReliabilityFirst
Tom Scanlon • ReliabilityFirst
Niki Schaefer • ReliabilityFirst
Kristen Schmidt • NERC
Kristen Senk • ReliabilityFirst
Greg Sorenson • ReliabilityFirst
Brian Thiry • ReliabilityFirst
Jody Tortora • ReliabilityFirst
Jim Uhrin • ReliabilityFirst
Hunter Walter • Foxguard
Becky Webb • Exelon