

Minutes

Board of Directors • Finance and Audit Committee

June 26, 2025

Teleconference

Open Session

Call to Order – Chair Joanna Burkey called to order a duly noticed open meeting of the Finance and Audit Committee (Committee) on June 26, 2025, at 4:00 pm (ET). A quorum was present, consisting of the following members of the Committee: Chair Joanna Burkey, Craig Creamean, Nelson Peeler, Ken Seiler, and Robert Taylor. A list of others present during the Committee meeting is set forth in Attachment A.

Appoint Secretary to Record Minutes – Chair Burkey designated Kristen Senk 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, ReliabilityFirst's (RF) Antitrust Compliance Guidelines.

2026 Business Plan and Budget – Christi Klein provided an update on the final draft of the 2026 Business Plan and Budget. She noted that the budget increased to \$35.8 million (a 7.4% increase over last year).

Ms. Klein discussed changes to the budget since the last draft and noted increased medical costs of 27% (initially budgeted for an 18% increase), which added \$280K to the overall budget. RF reassessed the budget to identify other areas where it could reduce costs and ultimately reduced meetings and travel by \$50,000. RF also decided to increase the release of penalties by \$78K. Regarding new employees, in 2024, RF projected that it would include five net new employees in the 2026 budget, and RF has included only four employees.

Ms. Klein shared that the assessment has not changed, and that RF plans to fund the additional amount needed through working capital. Robert Taylor asked why RF wouldn't just increase the assessment as opposed to offsetting the increase by working capital. Beth Dowdell noted that we already have a relatively high assessment increase, so it was better to absorb the \$152,000 through working capital as opposed to increasing assessments. Other Committee members agreed it was appropriate to be sensitive to the assessment amount.

Ms. Klein then discussed the next steps in the budget process and the timeline through to FERC approval in October/ November 2025. She noted that the Regions presented their budgets to FERC on June 26, 2025. Ms. Klein shared a Region-to-Region budget comparison, and Mr. Creamean noted he would like to see this budget comparison presented in order of overall budget dollars or the increase in amounts.

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Nelson Peeler asked if RF staff had insights into whether FERC staff had concerns about the proposed budgets, and Ms. Dowdell noted that during their meeting with FERC staff earlier today, they did not ask or seemed concerned about overall dollars, although they did ask some specific questions about some budget details.

Ms. Burkey asked if RF staff have ever received feedback that the Regions should be more consistent in terms of increases to their budgets. Mr. Gallagher responded that the Regions strive to be predictable but have not received direction to be more consistent in terms of dollars or increases, and this direction is unlikely to come given the unique needs of each regional footprint. Ms. Dowdell noted that the Regions and NERC discuss the types of positions or programs they are adding, which helps with budget consistency.

Upon a motion duly made and seconded, the Committee unanimously endorsed the 2026 BP&B, which will next go to the full Board for approval on June 30, 2025. Joseph Trentacosta voted to endorse via email.

Next Meeting – Chair Burkey noted that the next Committee meeting will be on August 27, 2025.

Adjourn – Upon a motion duly made and seconded, Chair Burkey adjourned the Committee meeting at 4:26 (ET).

As approved on this 27th day of August, 2025 by the
Finance and Audit Committee,

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

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

Attachment A

Others Present During the Finance and Audit Committee Meeting

Tim Gallagher • ReliabilityFirst
Jeff Craigo • ReliabilityFirst
Marcus Noel • ReliabilityFirst
Christi Klein • ReliabilityFirst
Beth Dowdell • ReliabilityFirst
Diane Holder • ReliabilityFirst
Jody Tortora • ReliabilityFirst
Kristen Senk • ReliabilityFirst