



RELIABILITY FIRST

PUBLIC

## Minutes Board of Directors

August 28, 2025

Nemacolin • Farmington, PA

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### Closed Session

**Executive Session** – The ReliabilityFirst (RF) Board of Directors met in executive session at 8:00 am (ET). Topics included an update on the NERC Long Term Resource Assessment, a discussion of the strategic plan, a confidential security update, and other confidential matters concerning the corporation.

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### Open Session

**Call to Order** – Nelson Peeler called to order a duly noticed open meeting of the Board of Directors (Board) at 9:35 am (ET). A quorum was present, consisting of the following members of the Board: Chair Nelson Peeler; Vice Chair Craig Grooms; Bob Bradish; Joanna Burkey; Steve Ambrose; Mèlika Carroll; Dr. Renuka Chatterjee; Craig Creamean; Lesley Evancho; Tim Gallagher; Vinit Gupta; 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** – Mr. Peeler 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** – Mr. Peeler welcomed all to the meeting, and introduced the following consent agenda items for approval:

- Draft Minutes from May 1, 2025 Board of Directors Meeting
- Draft Minutes from June 30, 2025 Board of Directors Meeting
- Resolution to Hold Annual Meeting of Members (No. 2025-03)
- Resolution to Amend Corporate Officers (No. 2025-04)

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

**Keynote Speakers** – Sam Robinson, Deputy Chief of Staff for Governor Josh Shapiro provided the keynote remarks. He discussed Governor Shapiro's recent complaint with FERC regarding the PJM capacity auction, and the resulting FERC approved settlement with PJM that reduced the auction price cap. Mr. Robinson stated that this price cap will save consumers significant money, and he expressed concern for next June when the price cap expires. He remarked that in the near term, the Governor remains concerned about the ability of the market to respond to high price signals.

Mr. Robinson then discussed an upcoming multi-state technical conference in Philadelphia, where the governors of the states in the PJM footprint will meet to discuss how to best establish an active participatory role for states in PJM's governance structure. He also discussed how Pennsylvania has been collaboratively working with PJM, energy companies, and developers to build more energy generation and infrastructure. Mr. Robinson outlined Governor Shapiro's "Lightning Plan," which is a six-part energy package introduced in the state legislature. The six bills focus on an "all of the above" energy strategy, including energy tax credits, streamlined siting approvals, new energy tax credits, and incentivizing clean baseload resources like nuclear.

There was then discussion with the Board about potential long-term ramifications of the price cap, and what could replace it in the future.

**President's Report** – Tim Gallagher, RF's President and CEO, provided the President's report. He discussed the ERO's extensive work on studies and their influence on reliability, and described the work being done to fine tune these studies. He also thanked RF CFO Marcus Noel for leading efforts to pilot generative AI technology and develop an AI framework for the ERO Enterprise.

Mr. Gallagher discussed reliability issues related to data centers, including large increases in demand and the lack of infrastructure to meet that demand. He also noted that use of demand response solutions does not fit well with the data center model, as data centers want to serve their customers 24/7. He also gave an overview of the NERC Reliability Risk Priorities report and the top identified risks (which include cyber security, energy policy, and grid transformation).

Continuing with system risks, Mr. Gallagher noted that the Risk and Compliance Committee heard from NERC's Sr. Vice President, Mark Lauby, on the April 2025 Iberian Peninsula event and noted the need to, among other things, enhance voltage control resources, review overvoltage protection settings, and ensure generation units, including IBRs capable of voltage regulation, perform such control. He also discussed supply and demand and the interdependencies of the different types of resources. But he noted that the solutions aren't just technical, but also require policy changes.

**Policy Update** – Brian Thiry, Director of Strategic Engagement, provided a policy update. He began by discussing how volatile or misaligned policy can present a reliability risk, as it can result in delayed action and unintended consequences. He then discussed how Section 202(c) of the Federal Power Act allows the Secretary of Energy to issue an emergency order to temporarily keep generation online if its disconnection could result in

energy shortages or national security issues, and that the Trump administration has issued Section 202(c) orders to keep two different retiring generation plants online.

Mr. Thiry gave an overview of the “One Big Beautiful Bill Act” and shared that the bill phases out many clean energy tax credits. He also discussed recent executive actions rescinding carbon emissions regulations from the Biden administration. He provided information on two new FERC nominees, Laura Swett and David LaCerte. Mr. Thiry then discussed the recent executive order focusing on AI advancement and data centers, several energy bills currently in markup in the House Energy & Commerce Committee, as well as continued legislative efforts toward permitting reform.

Mr. Gupta remarked that he serves on the NERC Reliability and Security Technical Committee (RSTC), a group that recognizes policy as a reliability priority and is interested in what aspects of policy to focus on. Mr. Thiry responded that key reliability issues include how much generation is coming offline, as well as policy related to natural gas infrastructure.

**Small Modular Nuclear Reactor Discussion** – Bryan Friedman from Westinghouse provided a presentation on the company’s AP300 small modular reactors (SMRs). He provided an overview of Westinghouse’s technology and services, which includes a global nuclear fleet. Mr. Friedman described the AP300 SMR, which is based on licensed and operating AP1000 technology and safety systems. He noted that the AP300 SMR has a compact design and a shorter construction schedule than other nuclear plants. Mr. Friedman then discussed timelines for the AP300 SMR and stated that it should be readily deployable by the early 2030s.

**Financial Update** – Beth Dowdell, Senior Director of Corporate Services, provided the financial update to the Board. She presented the second quarter financials as of June 30, 2025. Ms. Dowdell discussed key variances, noting that funding is performing well and that personnel expenses are down due to some vacancies, but this will increase in the second half of the year. She then covered the year end projections and reported that RF is projected to be approximately \$253K (0.76%) under budget at year end.

**Security Update** – Marcus Noel, VP and Chief Security Officer, provided the security update. He began by discussing RF’s recent successful tabletop exercises for WECC and for the state of Maryland (which had 97 attendees from 47 different organizations). He highlighted that NERC’s tabletop will take place in the third quarter, and the E-ISAC’s GridEx VIII, the largest grid security exercise in North America, will take place on November 18-19, 2025. Mr. Noel then discussed the recent executive order to accelerate AI innovation and use, and he gave an update on the ERO’s AI framework.

He provided an overview of geopolitical threats from Iran, China, Russia, and North Korea, along with the motivations, typical targets, and tactics of each country. Mr. Noel gave examples of the sophistication of some of these countries, noting that the confluence of vulnerabilities and sophisticated threat actors creates a dangerous mix. He also discussed that there have been widespread resignations, reductions in force, and program cuts at

federal security agencies like CISA, which increase security risks overall. Mr. Noel concluded by reporting on recent high-profile vulnerabilities in widely deployed IT products.

**Outreach and Regulatory Update** – Diane Holder, Vice President of Engineering & Strategic Engagement, provided the quarterly state outreach update. She gave an overview of the state outreach statistics for the year to date, which includes 26 meetings with states, and six hearings. Ms. Holder shared positive feedback from state legislators and officials following outreach, and discussed how RF's role as a technical resource for the state of Maryland related to reliability focused actions in that state.

Ms. Holder shared that RF is working to expand the topics discussed during state outreach activities, and newer topics include data center growth, blackstart, and transmission planning studies. She gave insight into the continued evolution of the state outreach function, which includes efforts to bring legislatures together to share best practices, issue a resource adequacy report for the RF region, and add a greater focus on sharing cyber and physical security expertise.

#### **Committee Reports:**

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

Talent and Compensation Committee Chair Lesley Evancho reported that the Committee reviewed the RF succession plan, including the methodology for its creation and updates. In executive session, the Committee provided the mid-year review for Mr. Gallagher and discussed the succession plan for the CEO role. The Committee approved the succession plan during the executive session.

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

Risk and Compliance Committee Chair Ken Seiler reported that the Committee began in closed session to discuss various confidential issues. There was there a presentation on AI and its growing use in companies and impact on load. The Committee also heard a presentation on the impacts of large loads, and a summary of the Iberian Peninsula outage. DTE provided a presentation on current security challenges and solutions, and their approach to grid modernization. The Committee had a good discussion on risks and internal controls to address those risks.

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

Finance and Audit Committee Chair Joanna Burkey reported that the Committee received a financial update, and an overview of ERO AI governance efforts. There was also an update on the working capital and investment analysis, and the Committee reviewed minor proposed edits to finance related policies. Additionally, the Committee reviewed and recommends approval of edits to the Antitrust Policy. These enhancements to the policy are going to be implemented into all the antitrust policies across the ERO. Ms. Burkey also noted that new antitrust content is being added to the Board fiduciary training.

**d) Nominating & Governance Committee**

Nominating and Governance Committee Chair Melika Carroll reported that the Committee received updates on the Timetable and reviewed training completed to date. She shared that the Committee endorsed the Resolution the Board approved earlier to hold the Annual Meeting. The Committee had a presentation on RF Membership and then had a discussion on the At-Large Director election and the current needs of the Board based on the footprint and RF composition.

**Next Meeting** – Chair Peeler noted that the next meeting of the Board of Directors will occur on December 4, 2025 in Washington, DC at the NERC offices.

**Adjourn** – Upon a motion duly made and seconded, Chair Peeler adjourned the meeting at 12:33 am (ET).

As approved on this 4<sup>th</sup> day of December, 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**

Alison Archer • MISO  
Jeff Craigo • ReliabilityFirst  
Michelle Cross • ReliabilityFirst  
Michael Del Viscio • PJM  
Beth Dowdell • ReliabilityFirst  
Chelsey Eppich • ReliabilityFirst  
Tom Foster • PJM  
Bryan Friedman • Westinghouse  
Diane Holder • ReliabilityFirst  
Christi Klein • ReliabilityFirst  
Marcus Noel • ReliabilityFirst  
Sam Robinson • Deputy Chief of Staff, PA Governor's Office  
Tom Scanlon • ReliabilityFirst  
Niki Schaefer • ReliabilityFirst  
Kristen Senk • ReliabilityFirst  
Jason Smith • DTE  
Brian Thiry • ReliabilityFirst  
Matt Thomas • ReliabilityFirst  
Jody Tortora • ReliabilityFirst  
Jim Uhrin • ReliabilityFirst  
Atif Usman • ReliabilityFirst  
Becky Webb • Exelon  
Ken Zapinski • Pittsburgh Works