



RELIABILITY FIRST

## Agenda

### Board of Directors

April 30, 2026 • 8:00 am – 1:00 pm (ET)

ReliabilityFirst Corporation  
3 Summit Park Drive, Suite 600  
Cleveland, OH 44131

Room: 5<sup>th</sup> Floor, Suite 500

Attire: **Business Casual**

#### Closed Agenda • Ohio Conference Room • 6<sup>th</sup> Floor

##### Board of Directors – Executive Session

- |    |  |         |
|----|--|---------|
| 1. | <b>MISO LTRA</b><br>Presenter: Diane Holder, Vice President Engineering & Strategic Engagement | 8:00 am |
| 2. | <b>Confidential Security Update</b><br>Presenter: Marcus Noel, VP and CSO                      | 8:15 am |
| 3. | <b>Confidential Executive Session</b><br>Presenter: Nelson Peeler, Chair                       | 8:30 am |

#### Open Agenda • 5<sup>th</sup> Floor, Suite 500

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|----|--|---------|
| 1. | <b>Call to Order, Opening Remarks, and Appoint Secretary to Record Minutes</b><br>Presenter: Nelson Peeler, Chair  | 9:00 am |
| 2. | <b>Antitrust Statement</b><br>Presenter: Niki Schaefer, Vice President and General Counsel<br>Reference: Antitrust Compliance Guidelines   | 9:05 am |
| 3. | <b>Consent Items</b><br>Presenter: Nelson Peeler, Chair<br>Reference: <i>Minutes:</i><br><ul style="list-style-type: none"> <li>a) <a href="#">Draft Minutes from December 4, 2025 Annual Meeting of Members</a></li> <li>b) <a href="#">Draft Minutes from December 4, 2025 Board Meeting</a></li> <li>c) <a href="#">Draft Minutes from March 30, 2026 Board Meeting</a></li> </ul> <i>Resolutions:</i><br><ul style="list-style-type: none"> <li>a) <a href="#">Resolution to Hold Industry Sector Elections (No. 2026-02)</a></li> </ul> <i>Reference:</i><br><ul style="list-style-type: none"> <li>a) <a href="#">Impact Report</a></li> </ul> | 9:10 am |
- Action: **Approve Consent Items**

4. **Keynote Speaker** 9:15 am  
 Presenter: Jason Blake, President and CEO, SERC Reliability Corporation  
 Reference: [Bio](#)
5. **PJM Control Room Technology** 9:45 am  
 Presenter: David Souder, Executive Director, System Operations, and Paul Dajewski, Senior Manager, Dispatch, PJM Interconnection LLC  
 Reference: Mr. Souder and Mr. Dajewski will provide an overview of PJM's control room technology, highlighting data-center specific viewing capabilities and other innovative tools used to identify and address grid risks.  
 Reference: Presentation  
 Action: Information and Discussion
6. **President's Report** 10:15 am  
 Presenter: Tim Gallagher, President and CEO  
 Reference: None
- BREAK**
- 10:45 am
7. **Energy Storage Overview** 11:00 am  
 Presenter: Michelle Cross, Manager, Regulatory and Legislative Affairs  
 Description: Ms. Cross will provide an overview of where battery storage exists today, its operational strengths and limitations, and where it provides the greatest value. She will discuss how battery storage may help manage system impacts of large loads while highlighting why storage must be planned as part of a broader, balanced resource portfolio.  
 Reference: [Presentation](#)  
 Action: Information and Discussion
8. **Standing Updates** (Information provided for transparency into key aspects of RF operations) 11:30 am
- Finance**
- Presenter: Christi Klein, Manager Finance and Accounting, Treasurer, Interim HR Manager  
 Description: Ms. Klein will provide an update on the financial audit, the 2025 year-end financials, and 2026 financials to date. She will also present the draft 2027 ReliabilityFirst Business Plan and Budget to the Board of Directors for approval to submit as a first draft to NERC and to publicly post for 30 days for stakeholder comment.  
 Reference: a) [Financial Update](#)  
 b) [Business Plan and Budget Presentation](#)  
 c) 2027 Draft Business Plan and Budget  
 Action: **Approve the posting of draft 2027 Business Plan and Budget for industry comment and submittal to NERC**

9. **Security** 11:45 am  
Marcus Noel, Chief Security Officer, will provide an organizational security update.
10. **Regulatory** 12:00 pm  
Catherine Lewis, Energy Policy Analyst, will provide a regulatory update.
11. **Committee Reports** 12:15 pm  
*Talent and Compensation Committee • Lesley Evancho*  
*Risk and Compliance Committee • Ken Seiler*  
*Finance and Audit Committee • Joanna Burkey*  
*Nominating & Governance Committee • Melika Carroll*
12. **Stakeholder Comments** 12:45 pm  
**2026 Future Meetings:**
  - August 26-27 • RF Offices
  - December 2-3 • NERC Offices • Washington, DC
13. **Adjourn and lunch to follow** 1:00 pm

**Roster • Board of Directors**

Nelson Peeler, **Vice Chair** • Duke Energy (T • 2027)  
Craig Grooms, **Vice Chair** • Buckeye Power (Small LSE • 2026)  
Joanna Burkey • **Lead Independent** (2028)  
Steve Ambrose • DTE Energy (M-LSE • 2028)  
Doug Cannon • AEP (S-2026)  
Melika Carroll • Independent (2026)  
Dr. Renuka Chatterjee • MISO (RTO • 2027)  
Craig Creamean • Exelon (L-LSE • 2027)  
Lesley Evancho • Independent (2028)  
Tim Gallagher • ReliabilityFirst  
Vinit Gupta • ITC Holdings (At-Large • 2027)  
Nate Hill • Amazon (At-Large • 2028)  
Mike Mroczynski • FirstEnergy Corp (T • 2027)  
Ken Seiler • Independent (2026)  
Paul Spicer • WEC Energy Group (S • 2027)  
Robert Taylor • Invenergy (At-Large • 2027)

# **Draft Minutes from December 4, 2025 Annual Meeting of Members**



RELIABILITY FIRST

PUBLIC

## **DRAFT Minutes**

# **Annual Meeting of the Members**

December 4, 2025  
Washington, DC

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### **Open Session**

**Call to Order** – Chair Nelson Peeler called to order a duly noticed open Annual Meeting of the Members on December 4, 2025 at 9:49 (ET). A quorum of the members of ReliabilityFirst Corporation (RF) was present. A list of these members is set forth in Attachment A. A list of others present during the Annual Meeting of the Members is set forth in Attachment B.

**Appoint Secretary to Record Minutes** – Chair 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.

**Chair’s Remarks and Welcome** – Chair Peeler welcomed all attendees to the meeting.

**Keynote Speaker** – Judge Jehmal Hudson, Commissioner at the Virginia State Corporation Commission, provided keynote remarks. He noted the essential importance of reliability, and of RF’s work. Judge Hudson shared that he will become President of NARUC in 2026, and stated that NARUC’s partnerships with FERC, the DOE, and the ERO are key to ensuring the successful transition to the energy system of the next decade. He then discussed his priorities for NARUC, which include addressing affordability challenges, getting new generation online, and handling investment and ratepayer pressures from large loads. Judge Hudson also discussed data centers and the importance of clear data center cost allocation rules to protect ratepayers.

**Election of an At-Large, Independent Directors, and Supplier Sectors** – Melika Carroll, Chair of the Nominating & Governance Committee, presided over the election of one At-Large Director, two Independent Directors, and one Supplier Sector Director. Ms. Carroll announced that Nate Hill was elected as At-Large Director; Joanna Burkey and Lesley Evancho were reelected as Independent Directors; and Paul Spicer was elected as Supplier Director. Their terms will begin January 1, 2026.

**Overview of Financial Position**– Beth Dowdell, RF’s Senior Director of Corporate Services, provided a financial update. She reported that as of September 30, 2025, RF was 3% (\$810K) under budget, largely due to strong investment performance and lower than projected personnel and operating expenses. Ms. Dowdell noted that meeting expenses were slightly higher than projected due to increased travel. She then shared that RF is projecting to be approximately 1% (\$331K) under budget by year end.

**Minutes • December 4, 2025  
Annual Meeting of the Members**

**Comments from Members** – Chair Peeler provided an opportunity for members to provide comments, and no additional comments were made.

**Future Meeting** – Chair Peeler announced the next Annual Meeting of Members is scheduled for December 3, 2026, in Washington DC.

**Adjourn** – Upon a motion duly made and seconded, Chair Peeler adjourned the Annual Meeting of Members at 10:30 am (ET).

As approved on this 30<sup>th</sup> day of April, 2026 by  
the Board of Directors,

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

## Attachment A

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Nate Hill on Behalf of Amazon Data Center Services, Inc.

Mark Diggs On Behalf of American Electric Power Service Corp

Ryan Strom On Behalf of Buckeye Power Inc.

Brett Kruse On Behalf of Calpine Energy Services, LP

Daniela Hammons On Behalf of CenterPoint Energy Indiana South

Richard Blumenstock On Behalf of Consumers Energy

Ruchi Shah On Behalf of Dayton Power and Light Company

Steven Velle On Behalf of Dominion Energy Marketing, Inc.

V. Jason Smith on Behalf of DTE Electric

Nelson Peeler On Behalf of Duke Energy

Hugh Conley On Behalf of Duquesne Light Company

Dan Roethemeyer On Behalf of Dynegy Inc.

Becky Webb On Behalf of Exelon Corporation

Antonio Fernandez On Behalf of FirstEnergy Corp.

Michael Ayotte On Behalf of International Transmission Company

Rhonda Jones On Behalf of Invenergy LLC

Patrick Devon On Behalf of Michigan Public Power Agency

Alision Archer On Behalf of Midcontinent Independent System Operator

Ernest Griggs On Behalf of Neptune Regional Transmission System, LLC.

Silivia Parada Mitchell On Behalf of NEXTERA Energy Resources

Nick Privette On Behalf of Ohio Valley Electric Corporation

William Pezalla On Behalf of Old Dominion Electric Cooperative

Michael Del Viscio On Behalf of PJM Interconnection LLC

Michelle Longo On Behalf of PPL Electric Utilities Corporation

Gary Studen On Behalf of Public Service Enterprise Group, Inc.

Stephanie Ullah-Mazuca On Behalf of Rockland Electric Company

David Viar On Behalf of Southern Maryland Electric Cooperative, Inc.

Scott Berry On Behalf of Wabash Valley Power Association, Inc.

Conor Ward On Behalf of Wisconsin Electric Power Company

Andrew Anderson On Behalf of Wolverine Power Supply Cooperative, Inc.

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## Others Present During the Annual Meeting of Members

Steve Ambrose • DTE Energy  
Kal Ayoub • FERC  
Steve Belle • Dominion Energy  
Stacey Burbure • AEP  
Joanna Burkey • Independent  
Mallory Carlone • ReliabilityFirst  
Melika Carroll • Independent  
Jeff Craig • ReliabilityFirst  
Craig Creamean • Exelon  
Michelle Cross • ReliabilityFirst  
Michael Del Viscio • PJM  
Beth Dowdell • ReliabilityFirst  
Chelsey Eppich • ReliabilityFirst  
Lesley Evancho • EQT  
Tim Gallagher • ReliabilityFirst, President & CEO  
Craig Grooms • Buckeye Power  
Diane Holder • ReliabilityFirst  
Judge Jehmal Hudson • Commissioners of Richmond, VA  
Christi Klein • ReliabilityFirst  
Summer Moses • AEP  
Mark Mroczynski • FirstEnergy  
Marcus Noel • ReliabilityFirst  
Aubrey Patterson • AEP  
William Pezalla • Old Dominion Electric  
Tom Scanlon • ReliabilityFirst  
Niki Schaefer • ReliabilityFirst  
Ken Seiler • ReliabilityFirst  
Kristen Senk • ReliabilityFirst  
Andrea Shepherd • AEP  
Todd Snitchler • Electric Power and Supply  
Paul Spicer • WEC  
Robert Taylor • Invenergy  
Brian Thiry • ReliabilityFirst  
Matt Thomas • ReliabilityFirst  
Jody Tortora • ReliabilityFirst  
Joe Trentacosta • SMECO  
Jim Uhrin • ReliabilityFirst  
Atif Usman • ReliabilityFirst  
Hunter Walter • Foxguard  
Becky Webb • Exelon

**Minutes • December 4, 2025  
Annual Meeting of the Members**

# Draft Minutes from December 4, 2025 Board Meeting



RELIABILITY FIRST

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## **Draft - Minutes** **Board of Directors**

December 4, 2025  
Washington, DC

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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 a confidential security update from Vice President and Chief Security Officer Marcus Noel.

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### **Open Session**

**Call to Order** – Chair Nelson Peeler called to order a duly noticed open meeting of the Board of Directors (Board) at 10:35 am (ET). A quorum was present, consisting of the following members of the Board: Chair Nelson Peeler; Vice Chair Craig Grooms; Steve Ambrose; Joanna Burkey; Mèlika Carroll; Craig Creamean; Lesley Evancho; Tim Gallagher; Mark Mroczynski; Ken Seiler; and Robert Taylor.

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

**Appoint Secretary to Record Minutes** – Chair 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** – Chair Peeler welcomed all to the meeting, congratulated the newly elected Board members, and introduced the following consent agenda items for approval:

- Draft Minutes from August 28, 2025 Board of Directors Meeting
- Strategic Plan 2023-2027 (Revised)
- Resolution for Election of Corporate Officers (No. 2025-05)

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

**President's Report** – Tim Gallagher, RF's President and CEO, provided a detailed report on organizational performance and key initiatives. He began by thanking the departing Board members, Joe Trentacosta and Joan Soller for their valuable contributions to the Board. He congratulated Nate Hill from Amazon and Paul Spicer from WE Energies on their elections to the Board, and Joanna Burkey and Leslie Evancho on their reelection.

Mr. Gallagher then discussed RF's revisions to the Strategic Plan, which fit well with NERC's upcoming three-year strategic plan. He shared that RF's last employee engagement survey showed an impressive 88% employee engagement, an increase from 85% engagement last year.

Mr. Gallagher then discussed the importance of RF's state outreach and reliability assessment efforts and noted that state officials are reaching out to RF to obtain our expertise. He also commended RF's engineering staff for their efforts on the ITCS, and RF's Entity Engagement team for their plant winterization site visits. Mr. Gallagher provided an update on RF's AI efforts and the AI Principles that govern the use of AI across the ERO Enterprise. He outlined priorities and budget considerations for 2026, including adding more resources in the enforcement and security groups to help with the large workload in those areas.

**Ensuring Reliability in a Time of Uncertainty** - Todd Snitchler, CEO of the Electric Power and Supply Association (EPSA), provided keynote remarks. He discussed the dramatic increases in power demand across the country, and how it can be difficult to forecast load in a rapidly changing landscape. Mr. Snitchler cautioned that overestimating demand levels can lead to costly overbuilding, and emphasized the need to plan for real, verifiable projects using accurate data.

He then discussed how some projected demand may not come to fruition as quickly as planned, due to supply chain issues, workforce shortages, and permitting and siting delays. Mr. Snitchler also discussed interconnection queue reform, including commitments by the RTOs to speed up the process and recent efforts to speed up siting processes at the state level.

**Guest Speaker** – Kal Ayoub, Director of the Office of Electric Reliability at FERC, provided remarks. He commended RF staff for their exemplary work and leadership, and shared updates on new FERC Chair Laura Swett, and her priorities. These priorities include reliability and affordability, quickly connecting data centers, and increasing speed and transparency in permitting processes. Mr. Ayoub stated that RF's activities align well with these FERC priorities, particularly RF's engagement with the states and risk mitigation activities. He then provided an overview of FERC's winter assessment report and discussed the Interregional Transfer Capability Study (ITCS) and thanked RF for its help with that effort.

**Security Update** – Mr. Noel provided the security update. He began by discussing a new "human risk management" strategy that includes continued security awareness training and reinforcement, strategic interventions if needed, and continuous monitoring and audits. He discussed the fourth annual statewide disaster tabletop exercise, which will take place in Lansing, MI in May. The exercise will simulate a militia-based cyber and physical attack on substations, and it is designed to strengthen communication channels between infrastructure providers, government partners, and first responders.

Mr. Noel provided an overview of emerging threats and discussed the recent major cloud outages at Amazon Web Services and Azure. He stated that these events show how the

reliance on a small number of cloud providers can result in single point of failure scenarios. He also discussed collaboration among organized threat groups, and campaigns orchestrated by some of these groups. Mr. Noel concluded by discussing how federal cybersecurity organizations and agencies have had major staffing cuts over the past nine months, which is concerning given the increased collaboration among organized threat groups.

**Outreach and Regulatory Update** – Michelle Cross, RF’s Manager of Regulatory & Legislative Affairs, provided a state outreach update. She provided an overview of the 2025 state outreach activities, which included 7 legislative hearings and 82 total engagements, an increase of 78% from 2024 engagements. She reported that 54 of the 82 engagements resulted from “in-reach,” meaning that the state or entity reached out to RF asking us to provide the engagement. Ms. Cross also shared some positive feedback following these engagements and noted that one engagement often leads to several additional engagements. She discussed the value of cross departmental efforts with the engineering and legal teams when working on state outreach. She also provided a federal policy update and concluded by discussing planned 2026 state outreach activities such as a Michigan tabletop drill and a State Outreach 101 program for new policymakers.

### **Committee Reports:**

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

Talent and Compensation Committee Vice Chair Steve Ambrose reported that the Committee reviewed RF’s performance of corporate goals and then discussed and endorsed the recommendations for the merit increases and the incentive award. This was later approved by the full Board in executive session. The Committee also discussed and approved an increase for the independent directors. There was a review of updates to the Committee procedures and incentive award policy to better reflect the responsibilities and practices, as well as review and approval of changes to the Committee Charter, which were later approved by the full Board. In executive session, the Committee completed the annual performance review of Mr. Gallagher and established his 2026 merit increase, which was approved by the full Board in executive session.

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

Risk and Compliance Committee Chair Ken Seiler reported that the Committee began in closed session discussing compliance and enforcement matters and then heard from Mike Benn from data center developer Stack Infrastructure. He shared information on data center development activities and potential impacts on the load going forward. Next, Sunny Wescott, a meteorologist at DHS, discussed weather trends and events, and the potential impacts of increasing extreme weather to the energy industry. The Committee then received a standards update from Mallory Carlone. The Committee concluded by performing its annual review of its Charter and the annual activities required by the Charter.

**c) Finance and Audit Committee**

Finance and Audit Committee Chair Joanna Burkey reported that the Committee received an update from Jeff Craigo and Atif Usman on AI initiatives, including progress on the AI principles and focused AI pilot programs. There was then a financial update for 2025 with year-end financial projections. Ms. Klein provided an update on the working capital and the investment portfolio, and representatives from Glenmede, RF's investment advisors, described the investment strategy and performance. The Committee then reviewed the Charter and the annual required Charter activities and approved a minor change to the Charter. Ms. Burkey requested Board approval of the change, and upon a motion duly made and seconded, the Board approved the Charter revision. Ms. Burkey shared that during closed session, the Committee discussed the RF Enterprise Risk Management program. The Committee also discussed the cash reserves strategy and reviewed the Form 990 and the Ohio tax filings. The Committee concluded with an executive session with Mr. Gallagher, and then an executive session with just the Committee members.

**d) Nominating & Governance Committee**

Nominating and Governance Committee Chair Melika Carroll reported that the Committee received updates on the timetable of key events, and reviewed the Committee Charter and Committee's performance against the Charter. The Committee spent time discussing director training ideas, with interest in more data center and load forecasting topics. During closed session, the Committee reviewed and approved Board committee assignments for 2026, as well as the chair and vice chair assignments for each committee. The Committee endorsed keeping the Board officer positions the same in 2026, with Mr. Peeler continuing as Board Chair, Mr. Grooms as Vice Chair, and Ms. Burkey as lead independent director. Upon a motion duly made and seconded, the Board approved the committee assignments, committee chairs and vice chairs, and Board officer positions.

**Next Meeting** – Chair Peeler noted that the next meeting of the Board of Directors will occur on April 29, 2026 at the RF offices.

**Adjourn** – Upon a motion duly made and seconded, Chair Peeler adjourned the meeting at 12:16 am (ET).

As approved on this 30<sup>th</sup> day of April, 2026, 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**

Kal Ayoub • FERC  
Steve Belle • Dominion Energy  
Stacey Burbure • AEP  
Mallory Carlone • ReliabilityFirst  
Jeff Craig • ReliabilityFirst  
Michelle Cross • ReliabilityFirst  
Michael Del Viscio • PJM  
Beth Dowdell • ReliabilityFirst  
Chelsey Eppich • ReliabilityFirst  
Diane Holder • ReliabilityFirst  
Judge Jehmal Hudson • Commissioners of Richmond, VA  
Christi Klein • ReliabilityFirst  
Marcus Noel • ReliabilityFirst  
Summer Moses • AEP  
Aubrey Patterson • AEP  
William Pezall • Old Dominion Energy  
Tom Scanlon • ReliabilityFirst  
Niki Schaefer • ReliabilityFirst  
Andrea Shepherd • AEP  
Kristen Senk • ReliabilityFirst  
Todd Snitchler • Electric Power and Supply  
Paul Spicer • WEC Energy  
Brian Thiry • ReliabilityFirst  
Matt Thomas • ReliabilityFirst  
Jody Tortora • ReliabilityFirst  
Jim Uhrin • ReliabilityFirst  
Atif Usman • ReliabilityFirst  
Hunter Walter • Foxguard  
Becky Webb • Exelon

# Draft Minutes from March 30, 2026 Board Meeting



RELIABILITY FIRST

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## Minutes Board of Directors

March 30, 2026

ReliabilityFirst Corporation

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### Closed Session

**Call to Order** – Chair Nelson Peeler called to order a duly noticed open meeting of the Board of Directors (Board) at 1:00 pm (ET). A quorum was present, consisting of the following members of the Board: Chair, Nelson Peeler; Vice Chair Craig Grooms; Joanna Burkey; Steve Ambrose; Doug Cannon; Mèlika Carroll; Dr. Renuka Chatterjee; Craig Creamean; Lesley Evancho; Tim Gallagher; Nate Hill; Mark Mroczynski; Ken Seiler; and Paul Spicer. Robert Taylor was unable to attend the meeting but emailed his approval of the budget assumptions and operating reserve.

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

**Appoint Secretary to Record Minutes** – Chair 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.

**2027 Business Plan and Budget Assumptions** – Chair Peeler noted that the Finance and Audit Committee has already approved the budget assumptions. Mr. Craigo began by discussing some key processes that inform RF’s budget. He first described the FTE analysis performed by RF, given that staff is the largest cost driver. He also described the “start, stop, continue” exercise performed by leadership, which he described as more of a “stop, stop, stop” this year to trim the budget. As a result of that process, he noted that RF determined that it would forgo adding new full-time employees as initially projected for 2027 and instead repurpose other positions. Mr. Craigo then discussed eliminating the intern program in 2027 for over \$100k in company savings. Overall, Mr. Craigo noted that through the budget process, RF was able to cut about one million dollars from the initial projections.

Mr. Gallagher also noted that management has worked to understand how Artificial Intelligence could help them save money through increased efficiency.

Mr. Craigo then described initiatives impacting RF’s budget: cloud computing/migration, AI optimization/exploration, Align/SEL work, energy policy work, external outreach activities, and impactful FERC orders and NERC standards. Mr. Craigo then went through key budget reductions such as no new FTEs and hosting more meetings onsite. Following that, he discussed risks to the budget such as hurdles presented by tools like Align and the SEL, complexity of IBR registrations, and the unavoidable rise of medical costs.

Mr. Mroczynski asked why medical increases are outpacing the market, and Mr. Craig said it is because RF has some employees with large medical costs and our risk as a client has gone up. But he noted that we will work with our broker and potentially get more bids to ensure RF is getting the lowest cost.

Ms. Klein then presented the RF budget composition, noting that fixed costs such as staff and RF's building lease drive 85% of the budget. She noted that RF owns minimal assets and does not have a line of credit because it is unnecessary.

For the assumed employee merit increase, Ms. Klein explained why RF budgeted 4.5% (4% merit increase; .5% for market adjustments). Mr. Cremean asked about how RF arrived at 4% and Ms. Klein explained that number is inclusive of planned promotions, and that without the promotions it is around 3.2%. Mr. Gallagher noted that some people at RF may be below market in their pay and therefore will need to be adjusted through this budget line item.

Ms. Klein then noted that RF budgeted 25% for medical insurance increases given the signals from the market and because RF employees' usage of medical benefits is not favorable to discounted rates. She also discussed an assumed 25% increase in travel costs (partially offset by increasing the number of meetings held at RF). Mr. Cannon asked about opportunities to reduce travel costs and whether RF has considered reducing the number of people going to conferences. Ms. Klein explained that RF is reducing the number of people attending events but also needs to right size travel budgets that were too low in prior years. She stated that for years the travel budget was flat during a time period when actual costs jumped significantly.

Mr. Spicer noted the market adjustments for salaries and encouraged RF to closely analyze that market data compared to the level of experience of RF's own employees, and the rate that candidates accept job offers. Ms. Klein responded that although RF has low turnover, RF has some data to share, and with the generous benefits package (paying 90% of medical benefits for employees), and the salary as determined with input from a third-party consultant, RF has had success in having candidates accept offers. Mr. Gallagher noted that although rare, several employees have left for higher paying jobs.

Ms. Klein then moved to a slide showing that preliminary budget numbers have a 5.4% increase over 2026 which equates to approximately \$1.9 million, with \$1.5 million of that related to personnel expenses. The total budget for 2027 would be \$37,786,218.

Mr. Cannon asked about the basis for the 8.2% increase in Operating Expense, Travel and Meetings, and Fixed Assets category and whether that includes increased lease expenses. Ms. Klein noted that it includes some increase for utilities, but not an increase for the lease itself.

Mr. Burkey then encouraged the Board members to continue to ask hard questions to encourage open dialogue. In response, Mr. Spicer noted that RF should continue assessing the number of employees going to out of town meetings, which could save

money and also reinforce a culture where RF employees are being conscious of travel costs.

Ms. Klein then showed the Committee a slide which captured the entirety of the discussed budget assumptions for approval. The budget assumptions are: (1) merit, promotions and market adjustments increase of 4.5%, (2) medical cost increase of 25%, (3) increases in travel, decreases in meetings, and overall inflation costs, (4) continued use of contractors and consultants to assist with work overflow, (5) funding of NERC-led Align and SEL enhancement project of \$100,000, and (6) increases in computer software costs and continued investment in cloud initiatives and AI.

Upon a motion duly made and seconded, the Board approved the 2027 BP&B Assumptions.

Ms. Klein noted that RF is continuing to review the assessment strategy and will have a recommendation for the Board in the next few weeks.

Ms. Klein then discussed RF's operating reserve and the circumstances and approvals required to utilize it. She noted the recommendation of the \$1 million operating reserve (which has never been accessed). A motion to approve the \$1 million operating reserve was made, seconded and unanimously approved.

Dr. Chatterjee asked for examples of when Regions have used their operating reserves for unplanned projects. Mr. Gallagher noted that WECC has used it for studies, and that NERC might have had to use it for the ITCS study, but the Regions then assisted in the work.

Upon a motion duly made and seconded, the Board approved the Operating Reserve for 2027.

**Next Meeting** – Chair Peeler noted that the next meeting of the Board of Directors will occur on April 30, 2026, at RF's headquarters in Cleveland, OH.

**Adjourn** – Upon a motion duly made and seconded, Chair Peeler adjourned the meeting at 1:51 (ET).

As approved on this 30<sup>th</sup> of April, 2026 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

Jeff Craig • ReliabilityFirst  
Diane Holder • ReliabilityFirst  
Christi Klein • ReliabilityFirst  
Niki Schaefer • ReliabilityFirst  
Kristen Senk • ReliabilityFirst  
Jody Tortora • ReliabilityFirst

# **Resolution to Hold Industry Sector Elections (No. 2026-02)**



RESOLUTION NO. 2026-02

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**Resolution for  
Industry Sector Director Elections**

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**WHEREAS**, the Corporation's Bylaws provide that the Corporation's Industry Sectors may elect sector directors prior to the Annual Meeting of Members;

**NOW, THEREFORE, BE IT RESOLVED**, that the election of directors by the Supplier and Small Load Serving Entity sector shall be conducted prior to the 2026 Annual Meeting of Members at a special telephonic meeting to be held on July 31, 2026, at 10:00 a.m., Eastern Time;

**FURTHER RESOLVED**, that the close of business on June 30, 2026 is designated as the record date for the determination of the Regular Members entitled to receive notice of, and to vote in, the election;

**FURTHER RESOLVED**, that members of each of the Industry Sectors must submit their nominees for directors to represent their respective Industry Sectors by June 27, 2026 to their respective Industry Sectors;

**FURTHER RESOLVED**, that the authorized officers, each acting alone or together with the other, are hereby authorized and directed to solicit and transmit a notice and proxy to each Regular Member entitled to receive notice of, and to vote, in the election;

**FURTHER RESOLVED**, that Niki Schaefer of the Corporation is hereby appointed and authorized to tabulate proxies on behalf of the Corporation and to act as inspector of election in connection with the Election;

**FURTHER RESOLVED**, that the President or the Corporate Secretary, or such other officer of the Corporation as may be appointed by them, shall preside at the special meeting;

**FURTHER RESOLVED**, that all actions heretofore taken by the authorized officers of the Corporation in connection with the subject matter of any of the foregoing resolutions be, and they hereby are, approved, confirmed and ratified in all respects; and

**FINALLY RESOLVED**, that the appropriate officers of the Corporation be and they hereby are authorized and directed to take all actions and execute all such documents as they deem necessary or appropriate to effectuate the foregoing resolutions.

As adopted on this 30<sup>th</sup> day of April, 2026 by  
the Board of Directors,

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

# Bio



**Jason Blake**  
**President & CEO**

Mr. Blake is President and CEO for SERC and serves on its Board of Directors. As President and CEO, Mr. Blake leads SERC in its essential mission to reduce risks and ensure a reliable and secure electric grid across 16 southeastern and central states. This area covers approximately 630,000 square miles, a growing population in excess of 97 million, and a broad and diverse range of more than 300 electric utilities and power companies. Mr. Blake leads SERC's essential mission with a commitment to operational excellence, innovation, inclusivity, and deploying resources in manner that makes a positive difference.

Before being named President and CEO in 2018, Mr. Blake spent almost nine years serving as the Vice President and General Counsel for SERC's northern neighbor and sister region, ReliabilityFirst Corporation. During that time, he helped lead RF through its start-up phase and into a sustainable risk-based organization focused on ensuring a reliable and secure electric grid across the Mid- Atlantic and Great Lakes regions of the U.S. Prior to this, Mr. Blake developed broad business and regulatory experience through his private practice with large, corporate law firms located in Pittsburgh, Pennsylvania and then in Cleveland, Ohio.

Mr. Blake is a graduate of the Ohio State University and the University of Pittsburgh School of Law. He enjoys the outdoors, a wide variety of music, and spending time with his wife, son, and daughter.

# Battery Storage

# BATTERY STORAGE TECHNOLOGIES

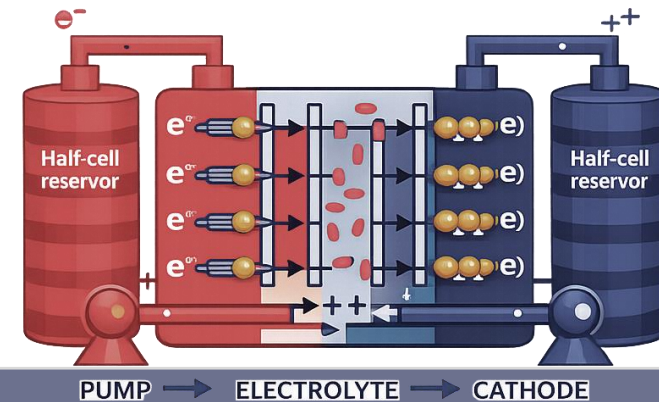
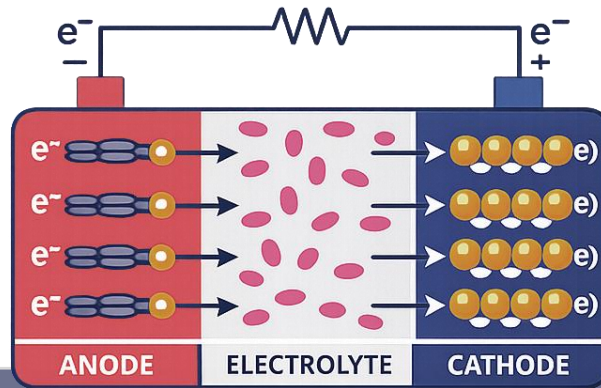
Michelle Cross, Manager Regulatory & Legislative Affairs

April 30, 2026

Cleveland, OH

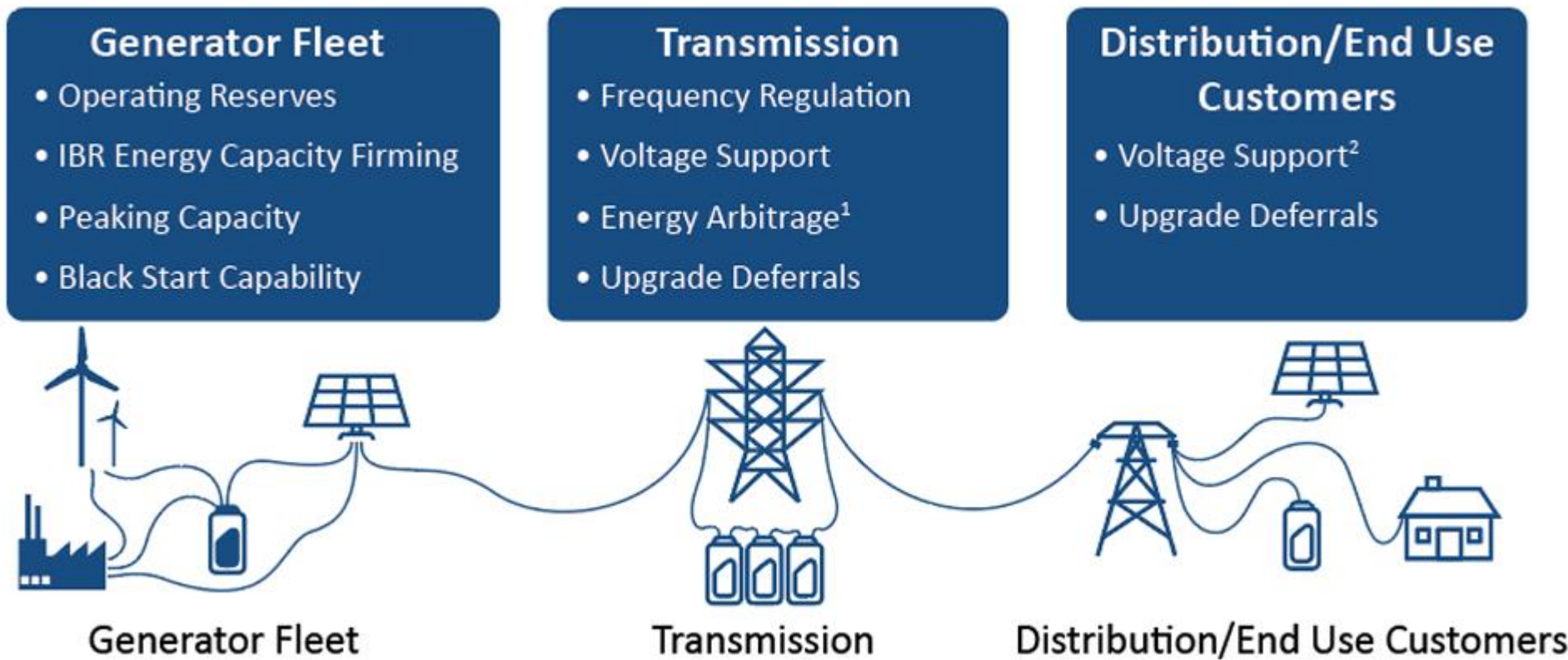


# BATTERY STORAGE COMPARISON



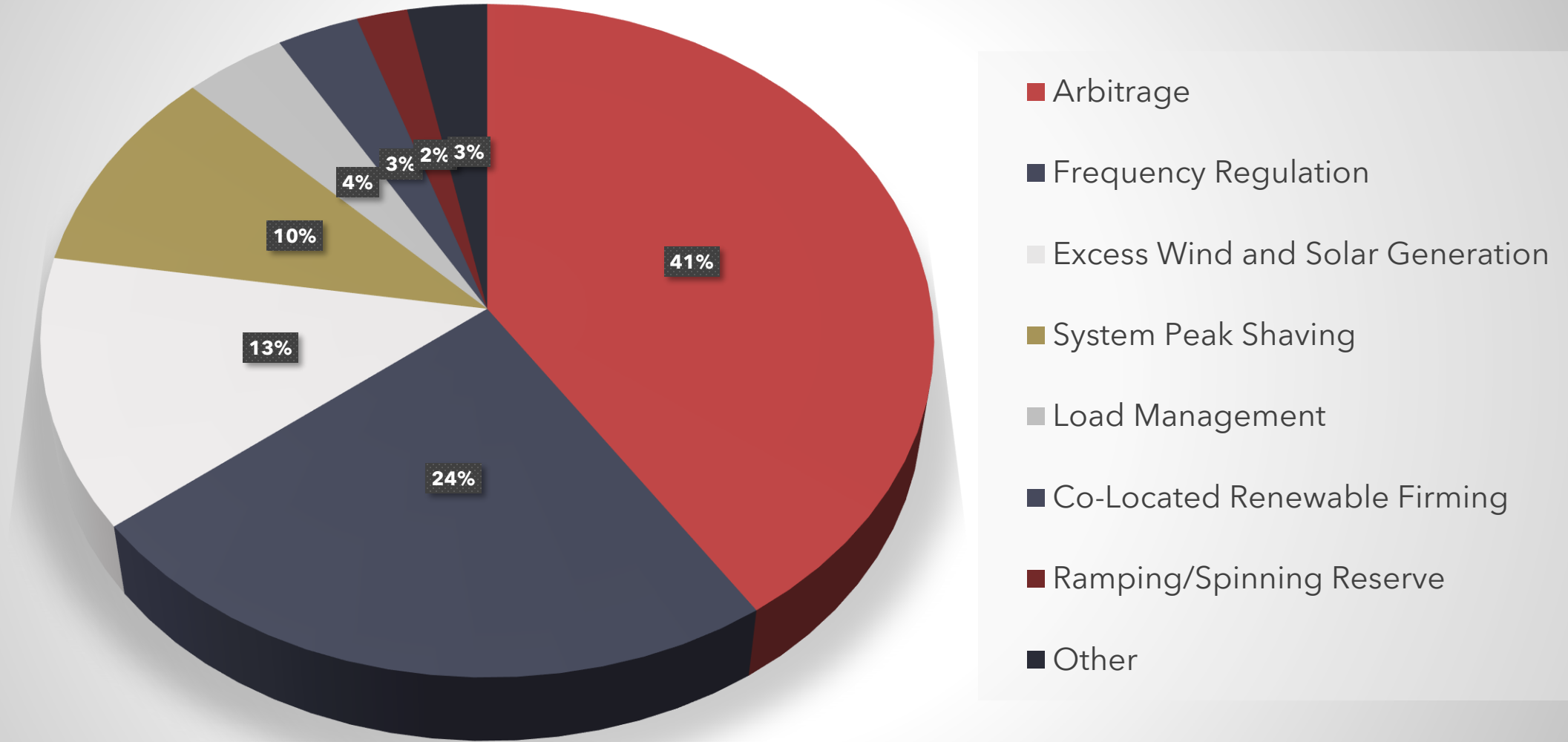
Attribute for Comparison	Lithium-Ion	Flow
Typical Duration	2-4 hours standard; 6-8 hours possible with energy-heavy designs	6-12 hours standard
Installed Cost	Lowest upfront cost due to EV-driven manufacturing scale	Higher upfront costs
Lifetime/Degradation	Capacity degrades over time (often 20-30% over 10-15 years)	Minimal cycle related degradation; 20-30 year life
Efficiency	High Efficiency (88-92% AC round trip)	Moderate (65-85%)
Footprint & Sizing	Compact, modular, fast to deploy	Larger footprint; electrolyte tanks increasing siting needs
Best-Fit Use Case	Peak shaving, fast response, short RA windows	Long-duration energy, multi-hour reliability coverage

# MAIN APPLICATIONS



# PRIMARY APPLICATION OF BATTERIES

Storage Primary Application by Type (% by total MW installed)

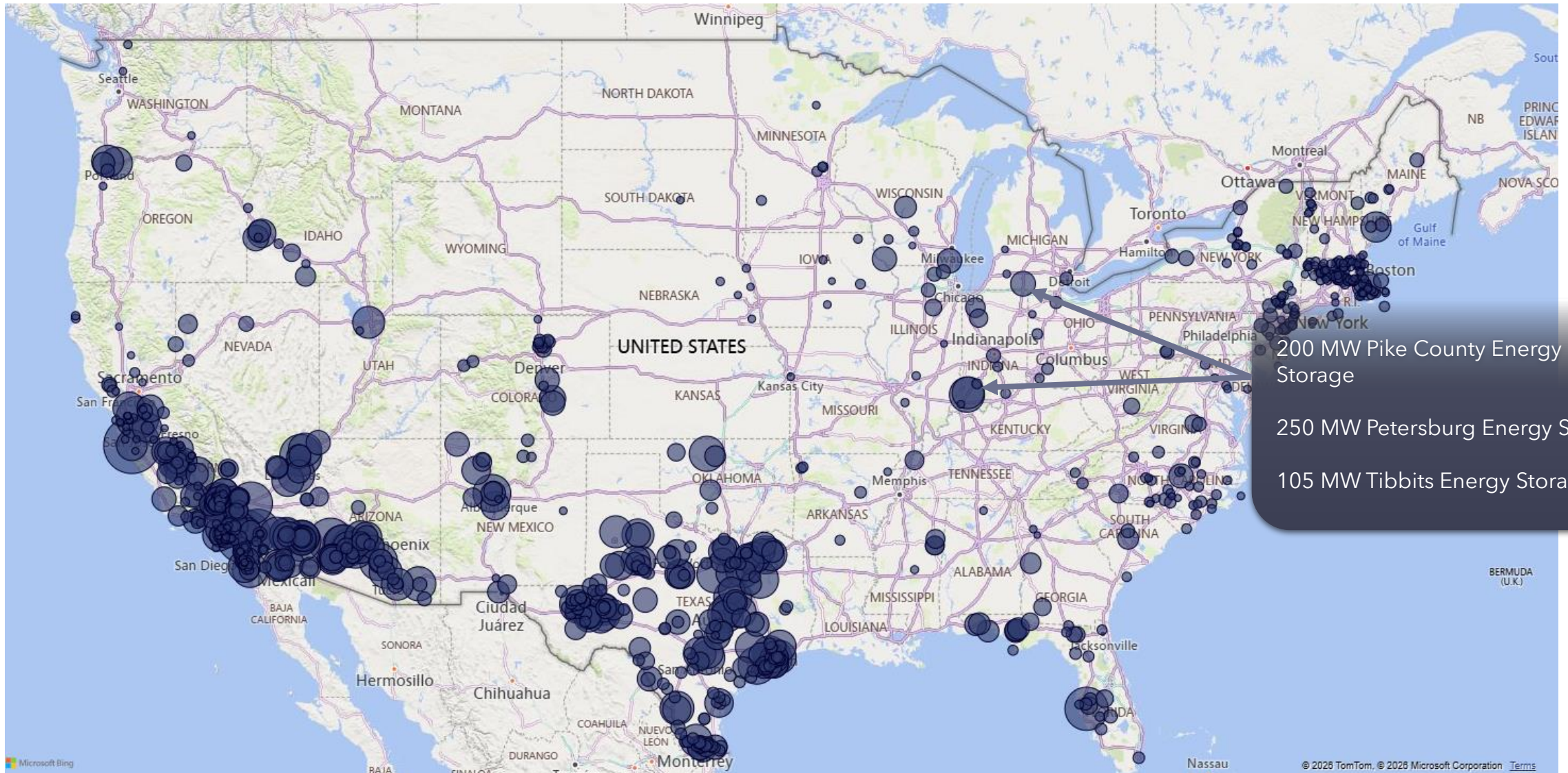


# BATTERY STORAGE CAPACITY

Battery Storage Capacity Operating and Planned (Cumulative)

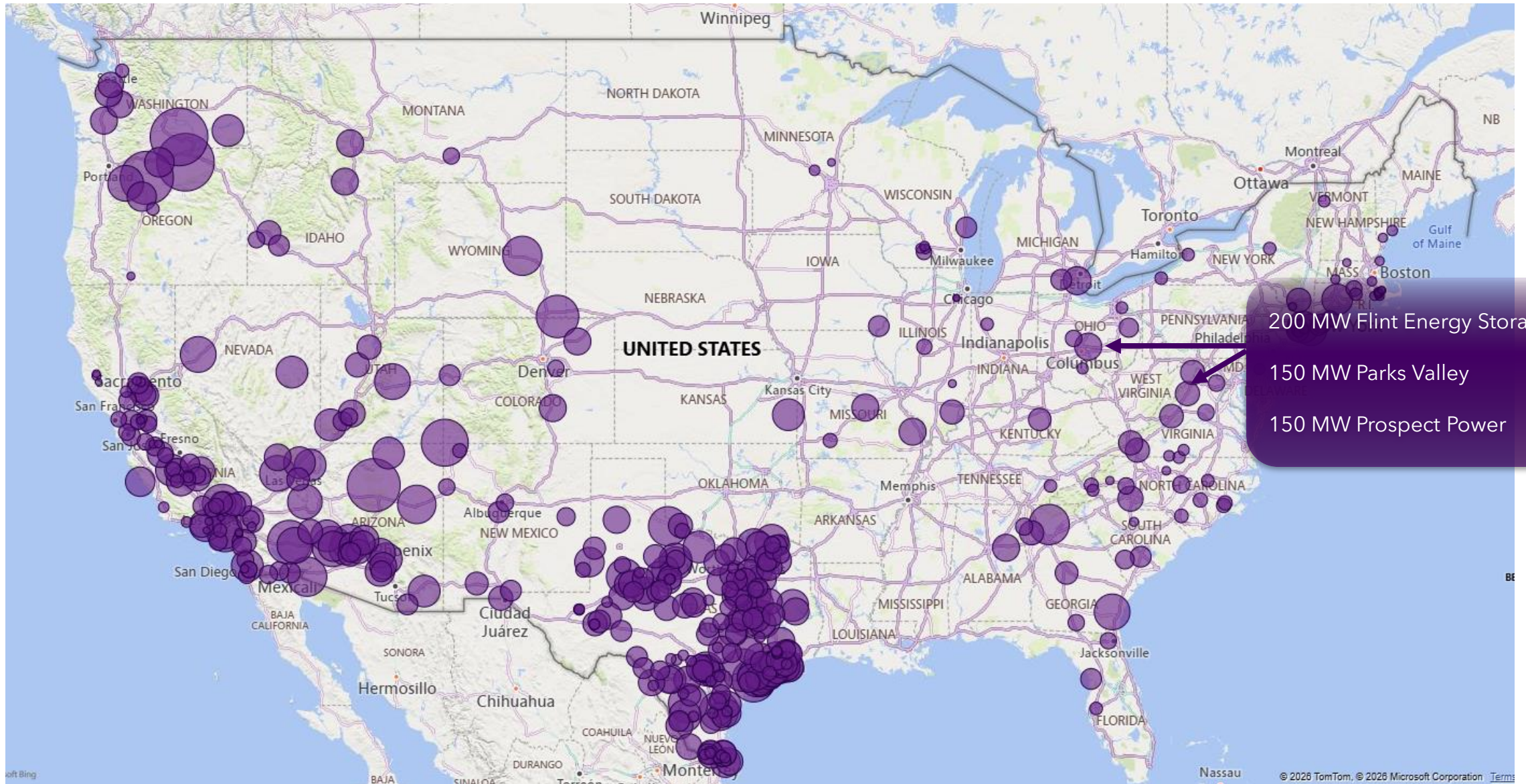


# BATTERIES IN OPERATION



FORWARD TOGETHER  RELIABILITYFIRST

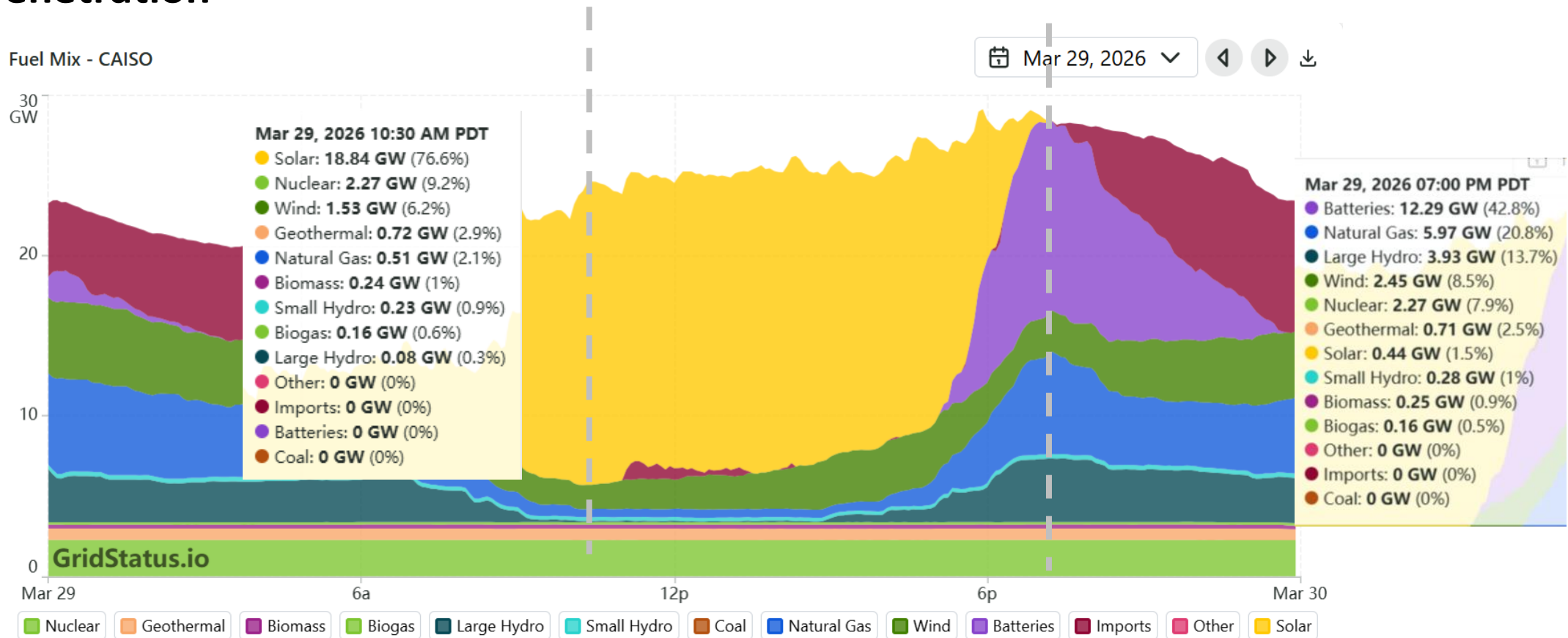
# BATTERIES PLANNED



ReliabilityFirst PowerBI from EIA data

# REASONS FOR BATTERY GROWTH

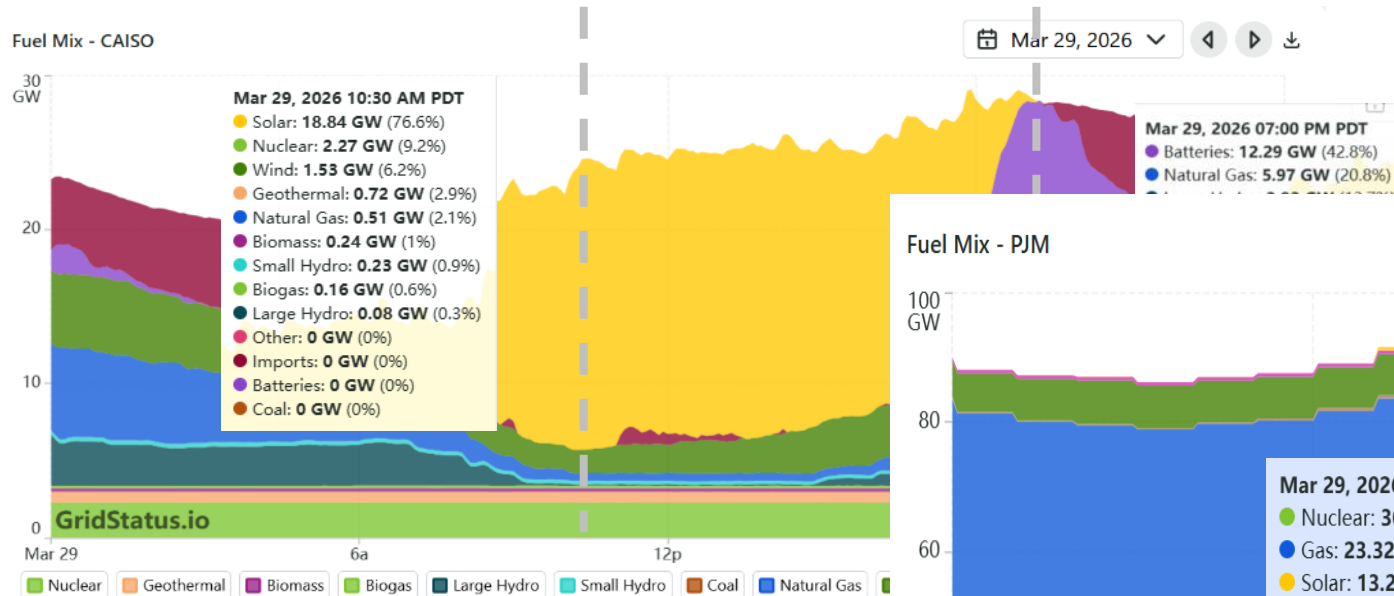
## 1 High Renewable Penetration



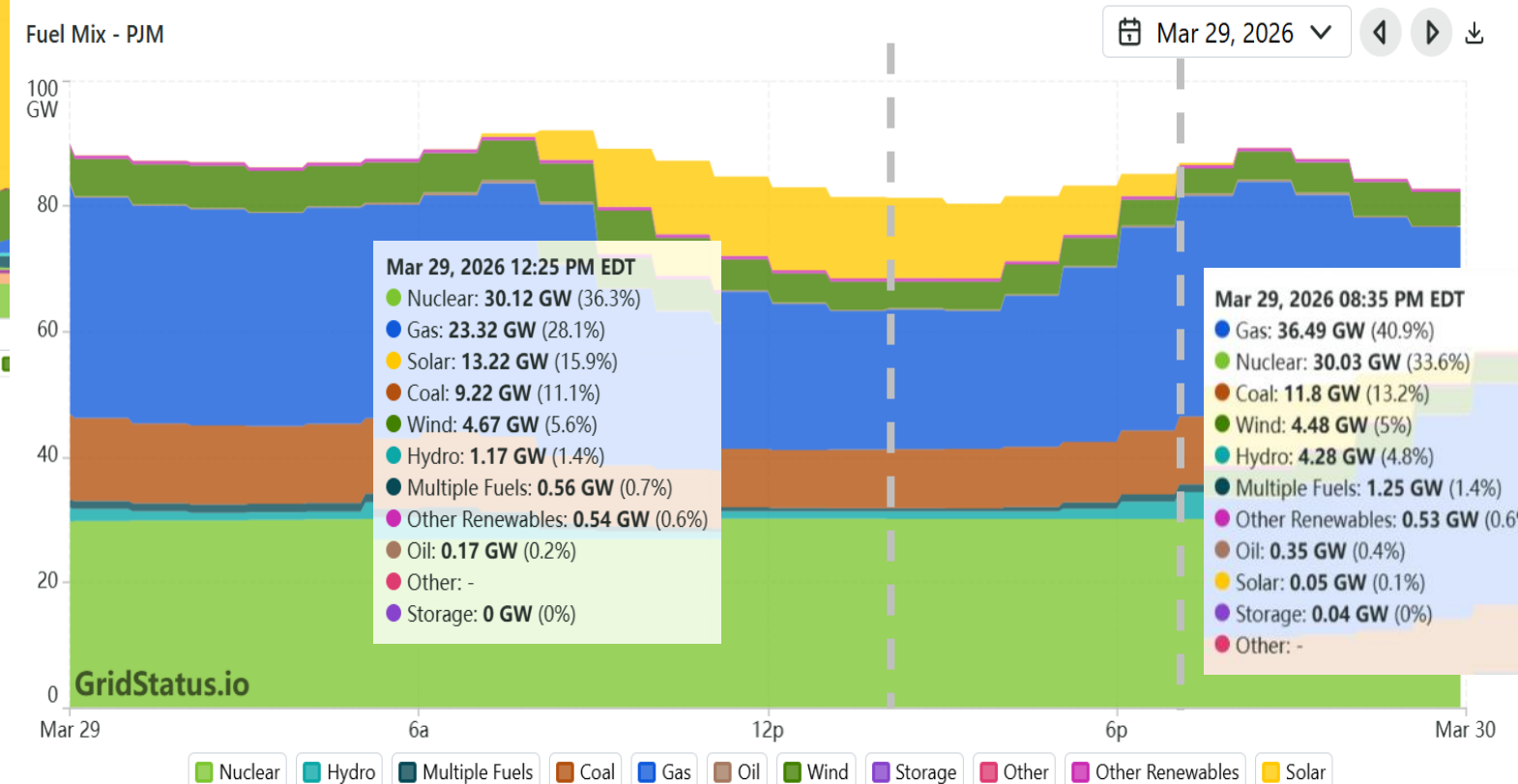
# REASONS FOR BATTERY GROWTH

## 1 High Renewable Penetration

### CAISO



### PJM

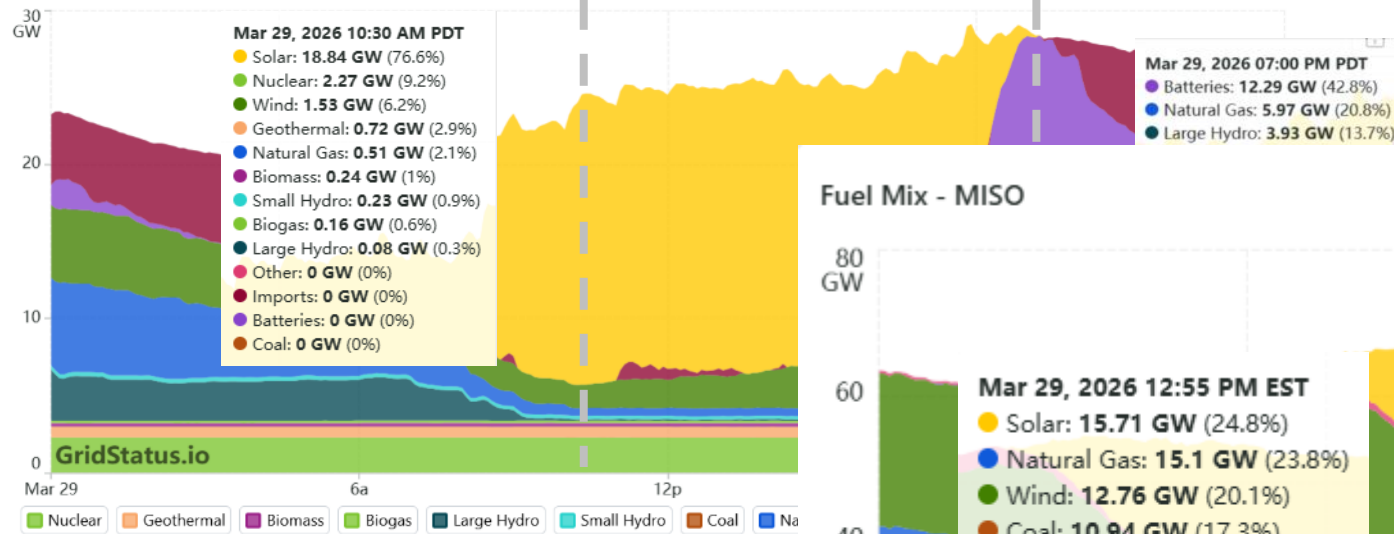


# REASONS FOR BATTERY GROWTH

## 1 High Renewable Penetration

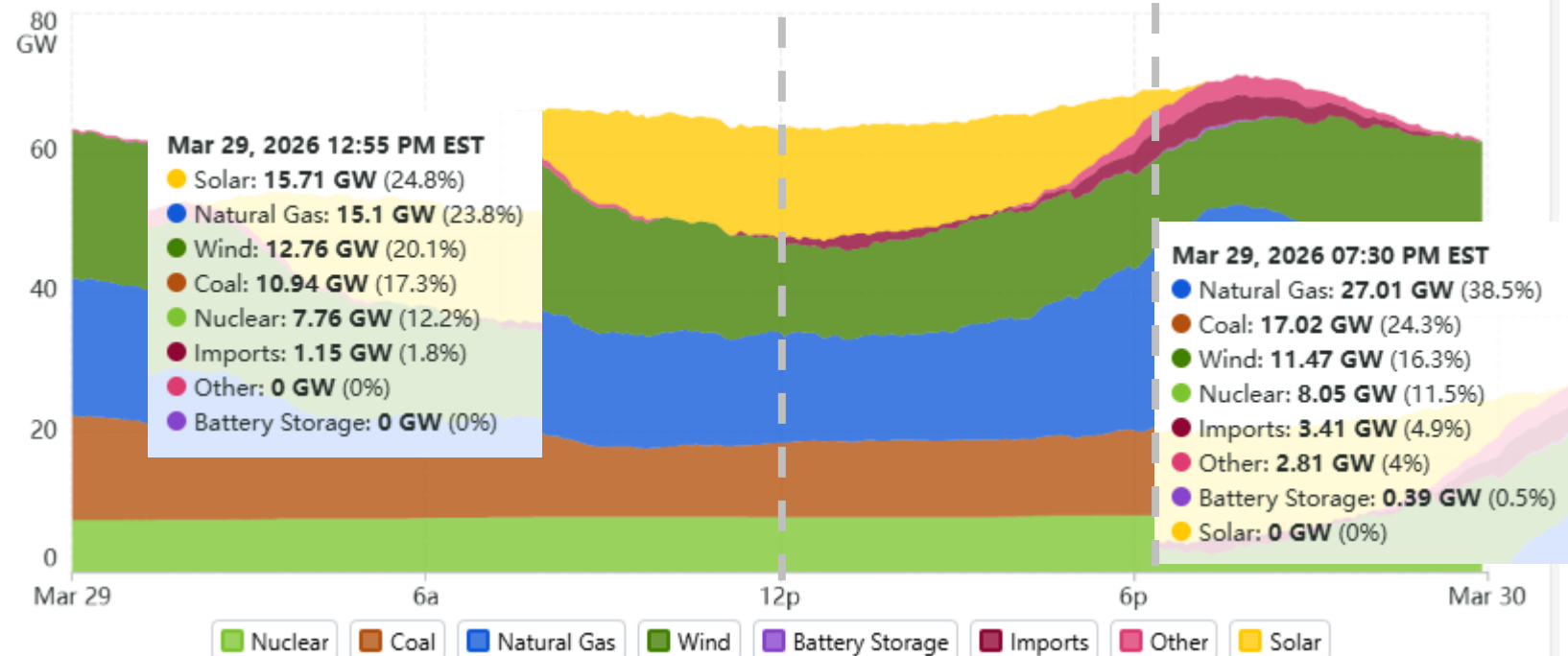
### CAISO

Fuel Mix - CAISO



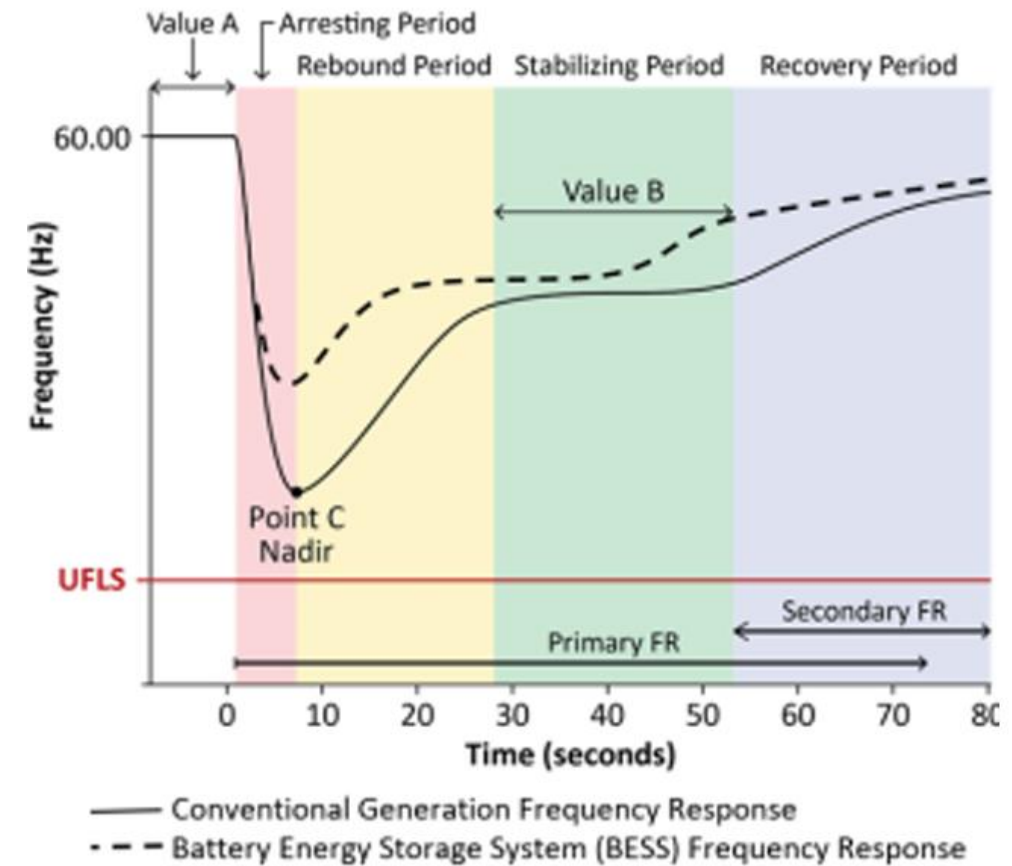
### MISO

Fuel Mix - MISO



# REASONS FOR BATTERY GROWTH

- 1 High Renewable Penetration
- 2 Frequent or Worsening Reliability Stresses



**Figure 3: Frequency Response Comparison Example from 2025 SOR**

# REASONS FOR BATTERY GROWTH

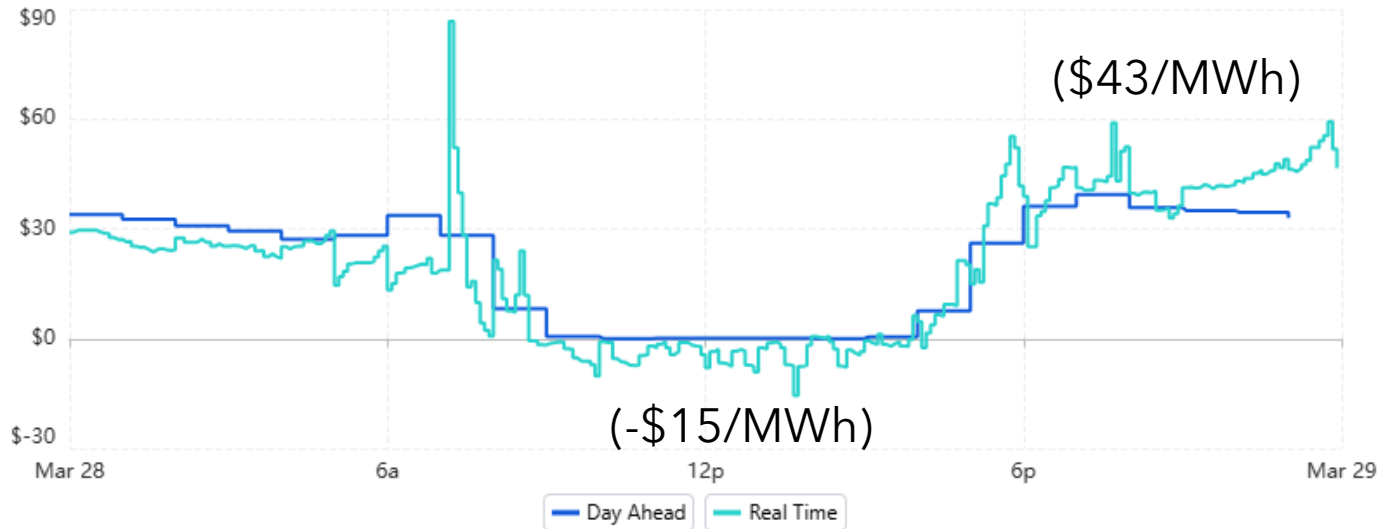
- 1 **High Renewable Penetration**
- 2 **Frequent or Worsening Reliability Stresses**
- 3 **Market Regulations to Compensate Storage**

Feature	PJM	MISO	ERCOT	CAISO
<b>Market Type</b>	Energy, capacity, and ancillary services	Energy and ancillary services (capacity via RA constructs)	Energy-only market	Energy, capacity-style RA, and ancillary services
<b>Energy Revenue</b>	Day-ahead & real-time LMP arbitrage	Day-ahead & real-time LMP arbitrage	<b>Real-time price volatility and scarcity pricing</b>	Day-ahead & real-time LMP arbitrage
<b>Ancillary Services</b>	Regulation (RegD/RegA), reserves	Regulation, spinning and supplemental reserves	Large AS market (including fast frequency services)	Regulation, spinning, non-spinning reserves
<b>Fast-Response Value</b>	Moderate - recognized but somewhat diluted by market structure	Limited - AS prices generally lower	<b>Very high - scarcity pricing and fast response heavily rewarded</b>	<b>High - fast ramping and evening net peak value</b>
<b>Regulatory Mandates / Targets</b>	None; market-driven	None; planning-driven	None	Yes - storage procurement mandates
<b>Primary Value Stack</b>	Capacity + regulation + energy	Energy + limited AS	Energy + AS (arbitrage-driven)	RA + energy shifting + reliability

# REASONS FOR BATTERY GROWTH

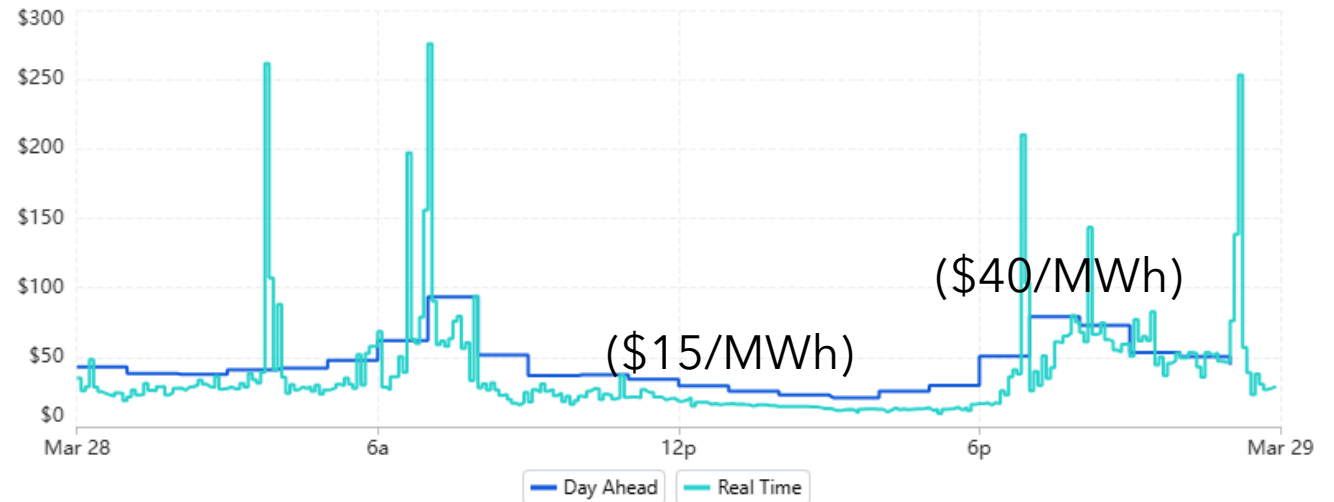
## 3 Market Regulations to Compensate Storage

Locational Marginal Price - CAISO



TH\_NP15

Locational Marginal Price - PJM

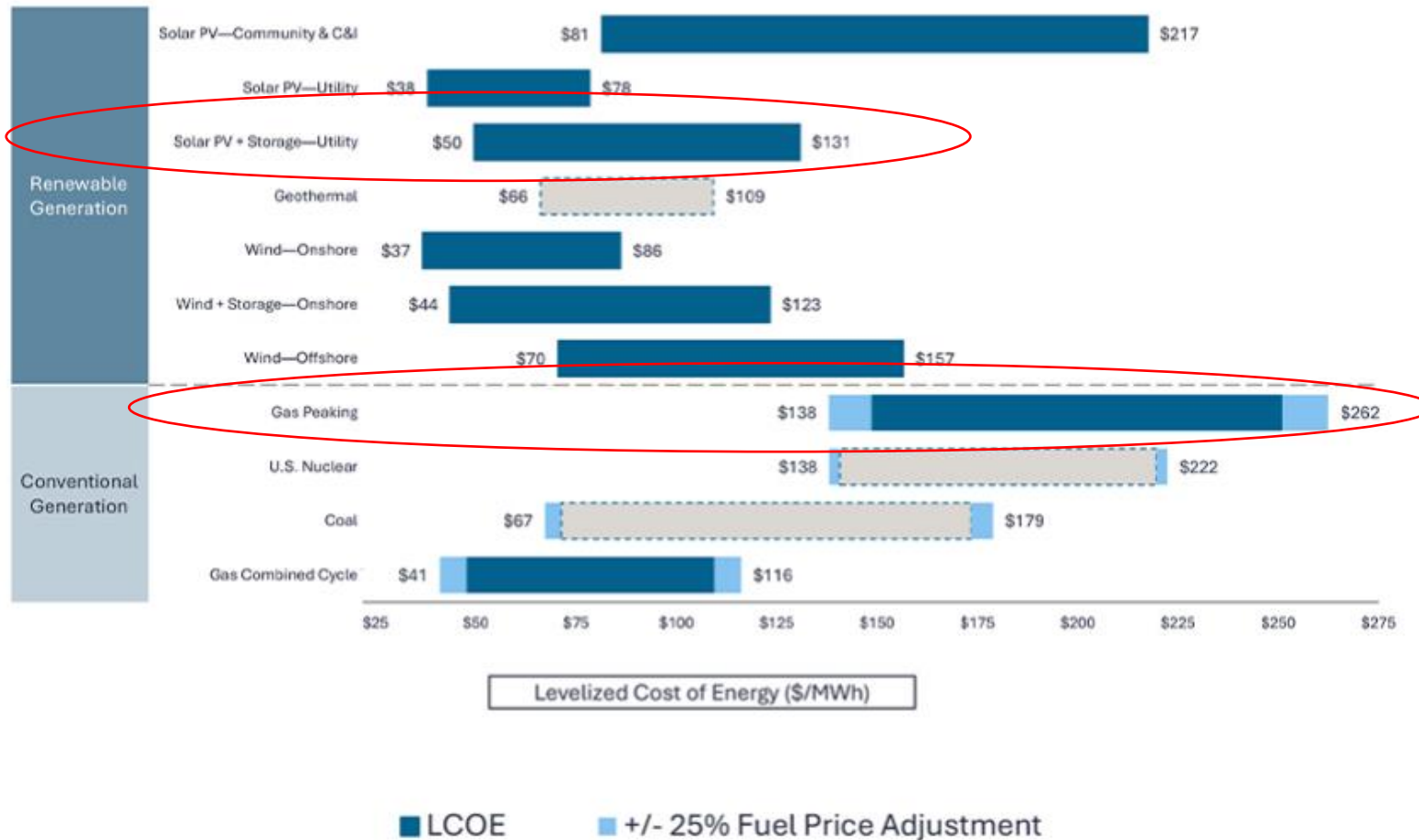


PJM-RTO

# REASONS FOR BATTERY GROWTH

- 1 High Renewable Penetration
- 2 Frequent or Worsening Reliability Stresses
- 3 Market Regulations to Compensate Storage
- 4 Levelized Cost

Levelized Cost of Energy Comparison—Sensitivity to Fuel Prices  
 Variations in fuel prices can materially impact the LCOE of conventional generation technologies



# CHALLENGES/LIMITATIONS



## 1 Net Negative Resource

Batteries are not generation. Energy is lost during the charge/discharge cycle, making it a net negative resource

## 2 Limited Availability

Battery storage can only provide reliability services to the grid when charging or discharging. They provide high-quality but time-limited support.

## 3 Needs to Charge

If not paired with solar, then transmission needs to be studied and potential reinforcements needed to ensure battery can be charged.

## 4 Supply Chain

Today's markets may appear well-supplied, but export restrictions and risks to security of supply are proliferating.

## 5 Recycling & Disposal

Li-ion battery recycling faces economic, technical and infrastructure challenges including high costs and limited material recovery.

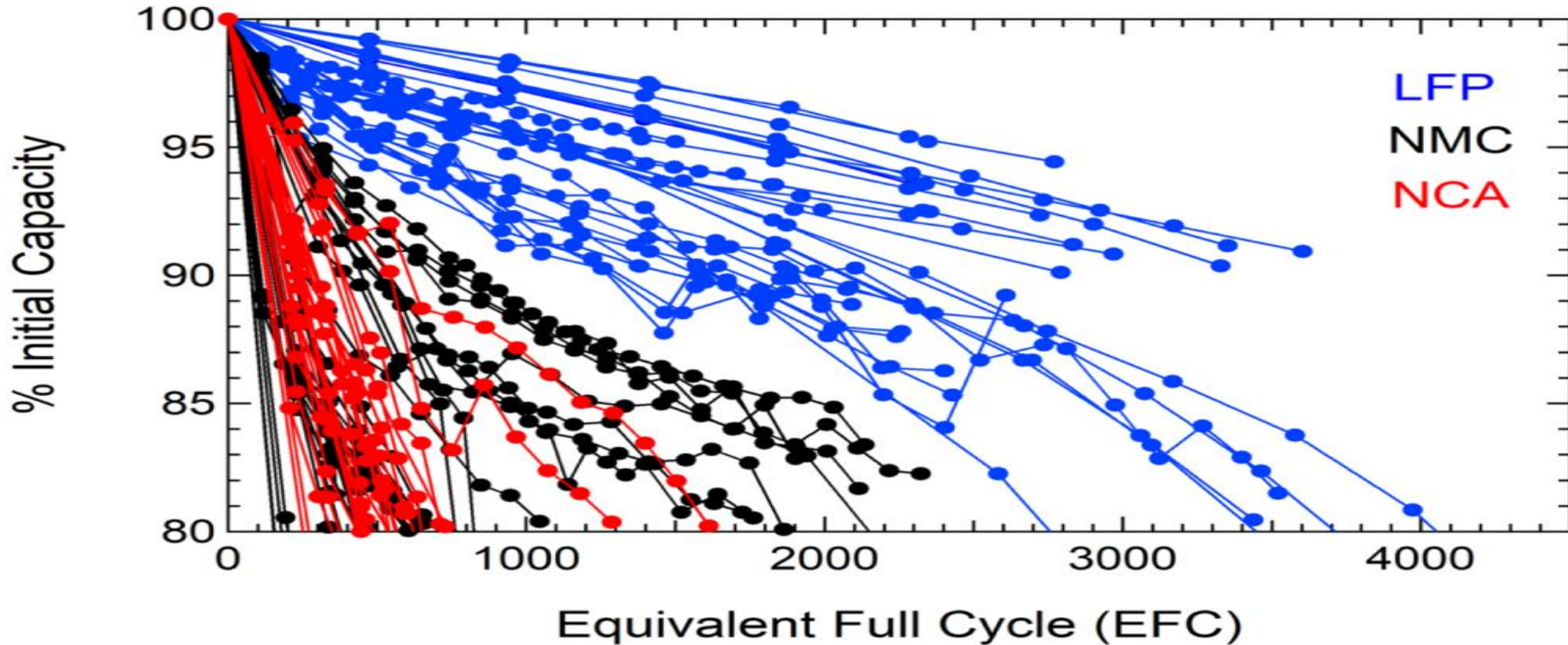
## 6 Degradation/Capacity Fade

Batteries gradually lose usable capacity and performance over time as the battery is charged, discharged, and ages.

## 7 Fire Risks

Li-ion batteries have a known risk of thermal runaway. The process is difficult to stop and can result in fire, explosion and off-gassing until the cells are exhausted.

# CAPACITY FADE MODEL



This curve corresponds to **average degradation of ~0.003-0.005% per EFC**, resulting in:

- ~20-30% capacity loss over **4,000-8,000 cycles**
- Consistent with **10-15 year** grid-storage warranties

# BATTERY STORAGE FIRES

## McMicken Battery Storage

Explosion upon entry at the Arizona Public Service's McMicken Battery Energy Storage System caused by cascading thermal runaway  
Turning Point for BESS Safety Standards  
No longer in service

[NERC Lesson's Learned](#)

**April 2019**

## Moss Landing Storage

Located in Monterey, CA the 750 MW battery storage facility experienced thermal runaway.

This was the largest battery storage facility in the US. Due to the facility's size burn duration was extended for many hours with residual heat extending multiple days  
Facility now operates 450 MW battery storage

[WECC Event Report](#)

**Jan 2025**

**May 2024**

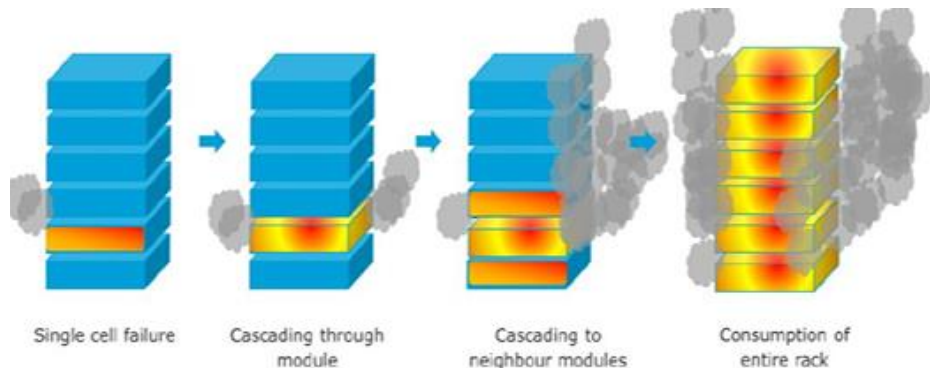
## Otay Mesa Storage

Located in San Diego, CA the 250 MW facility experienced thermal runaway that resulted in a sustained battery fire.  
Crews allowed the affected equipment burn while preventing spread  
Facility is still an active asset with on-going remediation

**October 2025**

## SRP Bolster Substation

Located in Peoria, Arizona  
25 MW of megapack containers experienced thermal runaway  
The battery system remains offline for investigation and repair



**Figure 1: A single cell failure propagated through one Module (Image credit: APS).**

# KEY TAKEAWAYS



01

➤ Batteries add value to the system by providing some essential reliability services, energy arbitrage, peaking capacity and reserves.

02

➤ Batteries work well when paired with a generating resource, otherwise they need to be paired with transmission infrastructure. Battery locations will need to be studied and planned carefully to ensure that the battery can be charged during off-peak times. Areas where transmission is already congested, or not robust, reinforcements may be needed

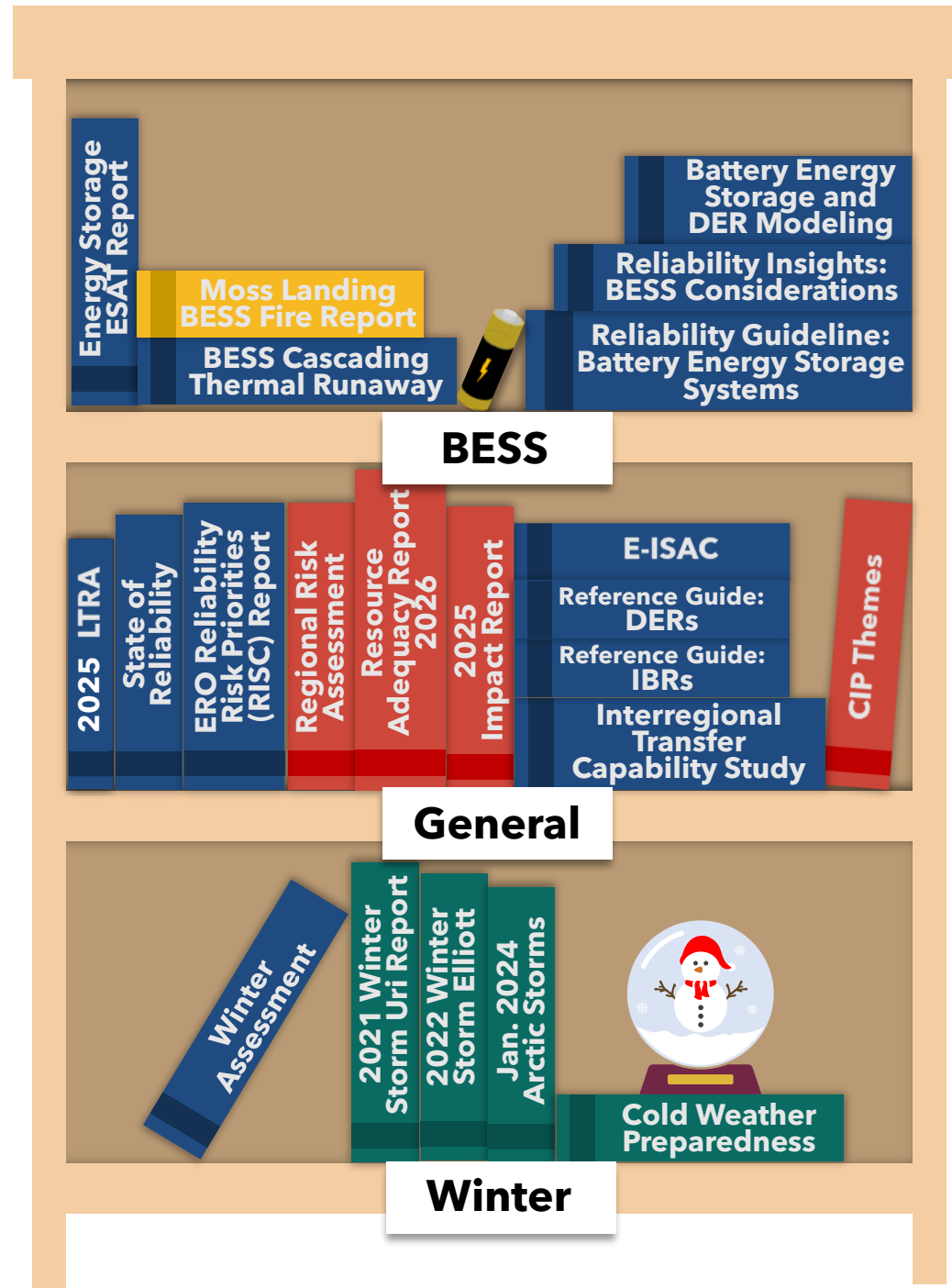
03

➤ Batteries are not generators and are a net-negative resource that has limited availability to add value to the system.

04

➤ Battery storage systems experience predictable capacity degradation over time, and growing deployment is increasing attention on recycling pathways and the supply of critical battery minerals.

# WHAT'S ON OUR BOOKSHELF?

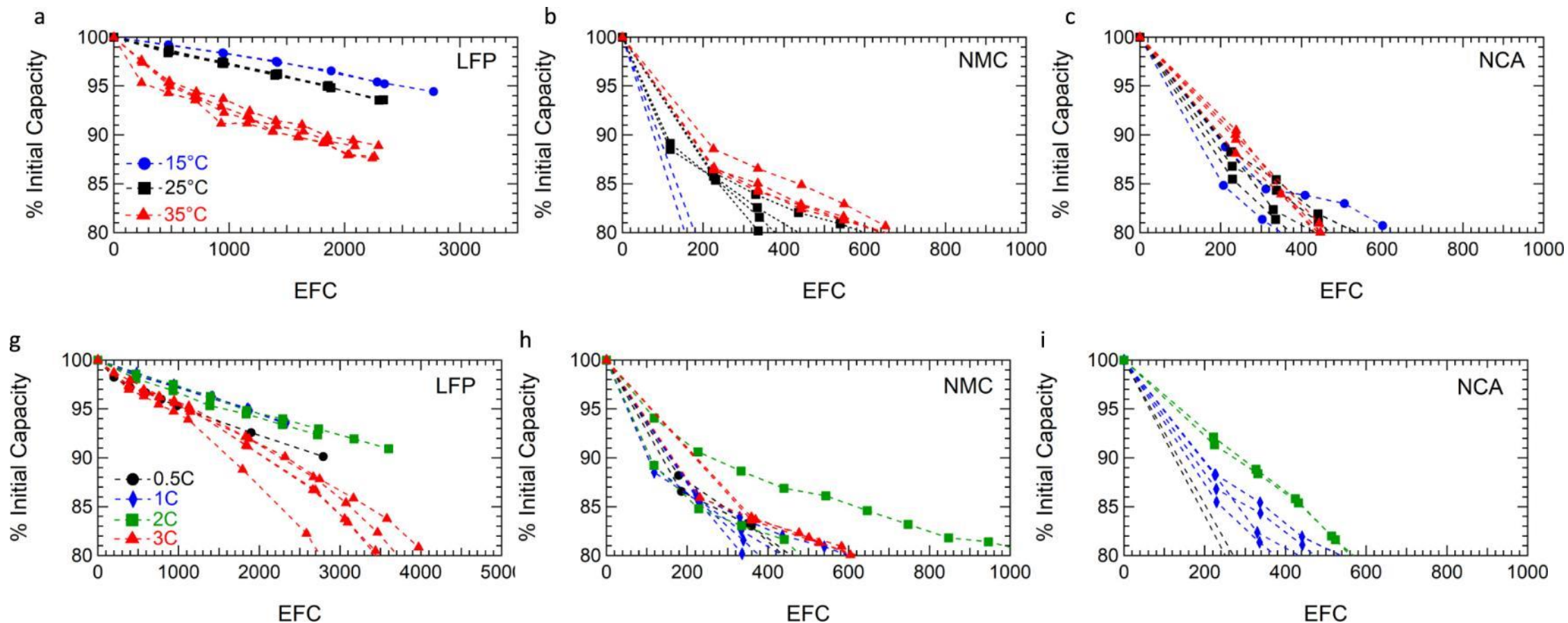




Thank You

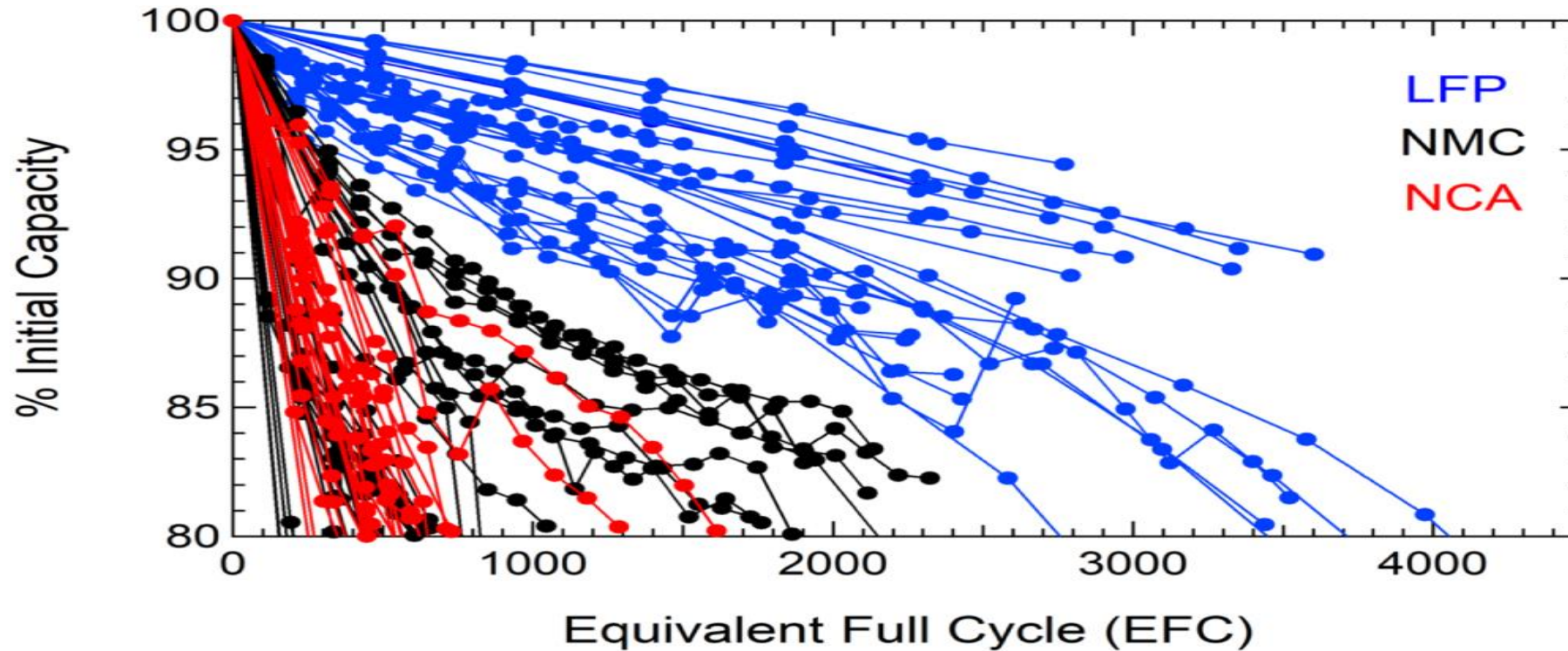
# CAPACITY FADE AS A FUNCTION OF TEMPERATURE

Three types of batteries tested LFP ( $\text{LiFePO}_4$ ), NCA ( $\text{LiNi}_x\text{Co}_y\text{Al}_{1-x-y}\text{O}_2$ ), and NMC ( $\text{LiNi}_x\text{Mn}_y\text{Co}_{1-x-y}\text{O}_2$ )



# DATA FOR THE CAPACITY FADE MODEL

Three types of batteries tested LFP ( $\text{LiFePO}_4$ ), NCA ( $\text{LiNi}_x\text{Co}_y\text{Al}_{1-x-y}\text{O}_2$ ), and NMC ( $\text{LiNi}_x\text{Mn}_y\text{Co}_{1-x-y}\text{O}_2$ )



# Financial Update

# FINANCIAL UPDATE

Christi Klein, Treasurer and Finance & Accounting Manager

April 30, 2026

Cleveland, OH



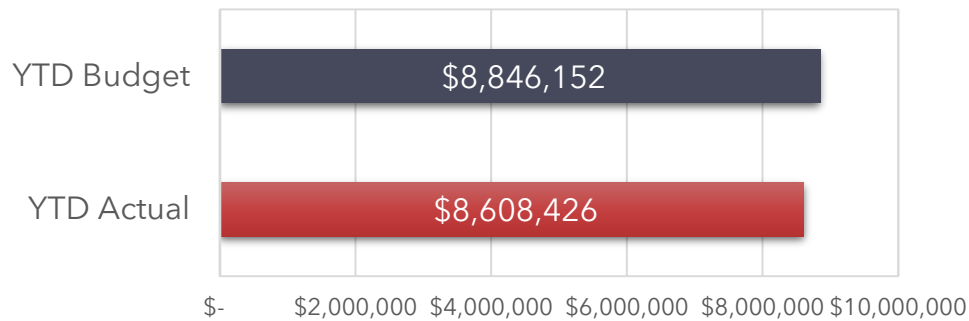
**RELIABILITY FIRST**

# 2026 FINANCIALS – FIRST QUARTER

## 2026 Operating Expenses as of 3/31/2026

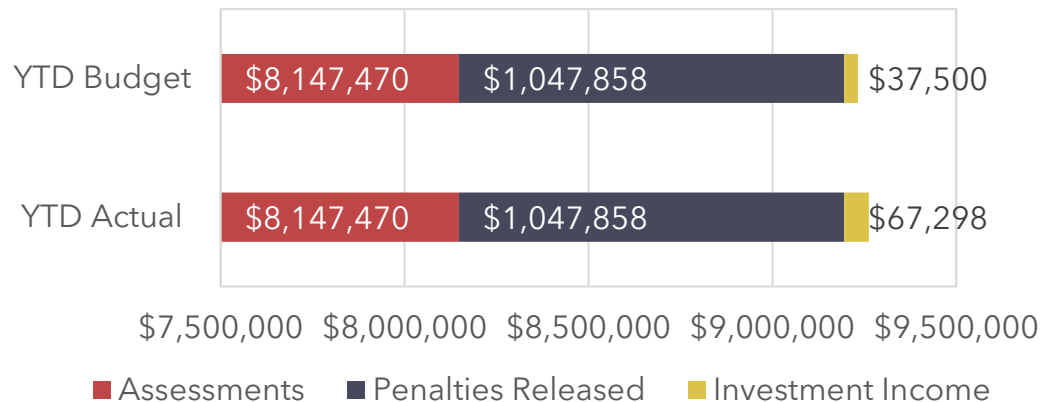
Goal = +3/-5% of Budget

Target Met = 2.7% under budget (\$238K)



## Funding as of 3/31/2026

\$30K or 0.3% positive variance over budget



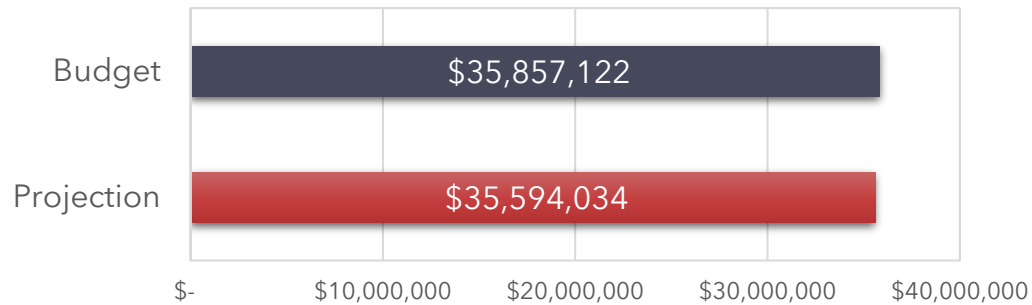
- **Budget-to-Actual** variance of \$238K (-2.7%) under budget
- **Personnel Expenses** - \$91K (-1.2%) under budget:
  - Negotiated lower health care costs than budgeted
- **Meeting and Travel Expenses** - \$33K (-15.2%) under budget
  - Timing
- **Operating Expenses + Fixed Assets** - \$114K (-12.2%) under budget:
  - Office costs - Computer hardware and software under budget due to timing of planned initiatives

# 2026 FINANCIALS – FULL YEAR PROJECTION

## 2026 Projected Operating Expenses

Goal = +3/-5% of Budget

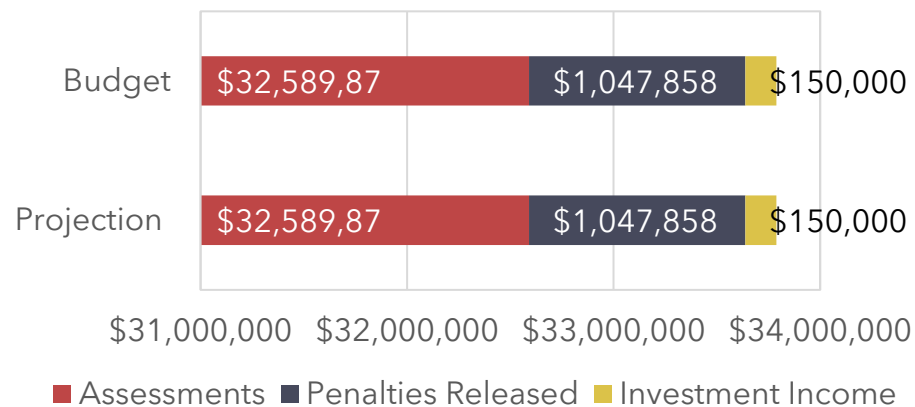
Estimated 0.73% under budget (\$261K)



- **Budget-to-Projection** variance of \$263K (-0.73%) under budget
- **Personnel Expenses** - \$383K (-1.2%) under budget
- **Meeting and Travel Expenses** - \$69K (5.9%) over budget
- **Operating Expenses + Fixed Assets** - \$51K (1.4%) over budget:
  - Contracts and Consultants - over budget
  - Office costs - under budget

## 2026 Projected Funding

Estimated to be at budget

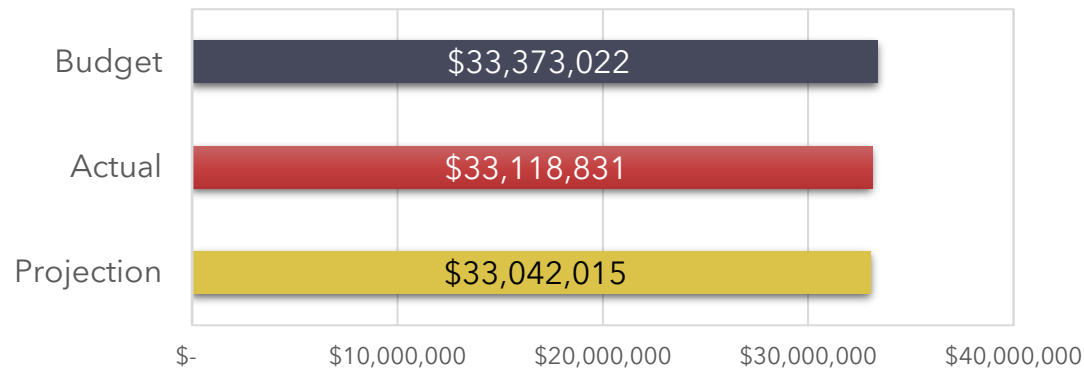


# 2025 FINANCIALS – FULL YEAR

## 2025 Operating Expenses

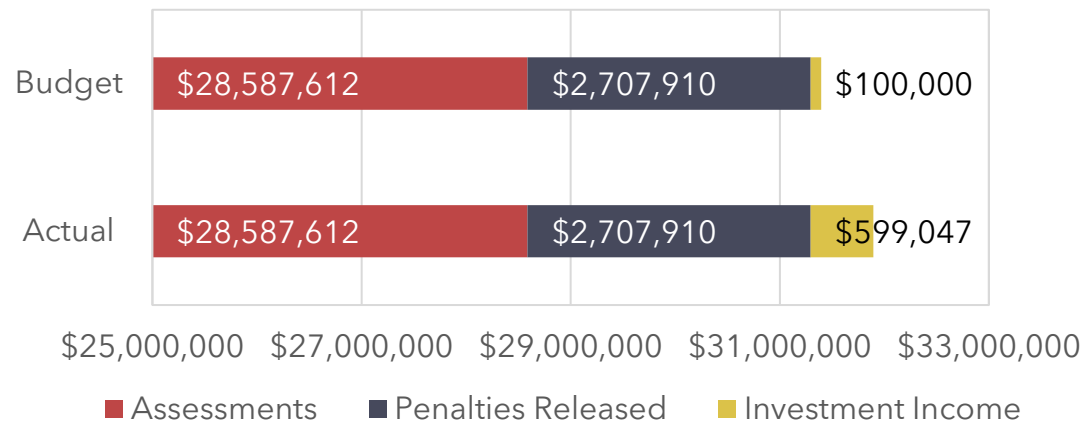
Goal = +3/-5% of Budget

Target Met: 0.8% under budget (\$254K)



## 2025 Funding

\$499K or 1.6% positive variance over budget



- **Budget-to-Actual** variance of \$254K (-0.8%) under budget
- **Projection-to-Actual** variance of \$77K (0.2%) over projection
- **Personnel Expenses** - \$218K (-0.8%) under budget:
  - Medical Benefits increase not until 2<sup>nd</sup> half of 2025
  - Training and tuition costs lower than budget; employees took advantage of lower or no-cost training opportunities
- **Meeting and Travel Expenses** - \$72K (6.6%) over budget:
  - Budget remained flat year-over-year
  - More in-person meetings and conferences and growth in state outreach area
  - Average cost of hotel stays and airfare increased
- **Operating Expenses + Fixed Assets** - \$108K (2.9%) under budget
  - Contracts & Consultants - Lower security initiatives and some budgeted work performed in-house
  - Office Costs - Higher computer hardware software costs due to work performed in-house and accelerated laptop purchases from 2026
- **Funding** - \$499K (499%) positive variance
  - Interest from checking accounts and unrealized gains from investment portfolio, both of which performed better than expected

# QUESTIONS & ANSWERS

FORWARD TOGETHER  RELIABILITYFIRST



# **Business Plan and Budget Presentation**

# 2027 BUSINESS PLAN & BUDGET

Christi Klein, Treasurer and Finance & Accounting Manager

April 30, 2026

Cleveland OH



# AGENDA

---

APPROVED BUDGET ASSUMPTIONS

BUDGET BREAKDOWN

ASSESSMENT STABILIZATION

REGIONAL COMPARISON

FULL BOARD APPROVAL



# APPROVED BUDGET ASSUMPTIONS



Merit, promotions, and market adjustments budget of 4.5% over current year salaries



Medical cost premium increase 25% over current year premiums



Increases in travel, decreases in meetings, and overall inflation costs



Continue to utilize contractors and consultants to assist with work overflow



Fund NERC-led Align and SEL enhancements project - \$100K



Increases in computer software costs and continued investment in cloud initiatives and AI

# 2027 BUDGET BREAKDOWN



# WHERE WE LANDED

2027 Total Budget: \$37,786,218

- 5.4% increase over 2026 (\$1,929,096)
  - Personnel Expense - 4.9% increase (\$1,521,627)
  - Meeting and Travel Expenses - 7.5% increase (\$87,944)
  - Operating Expense & Fixed Assets - 7.7% increase (\$319,525)

Assessment: \$37,152,461

- 14% increase over 2026 (\$4,562,583)

Penalties released: \$780,477

- 25% decrease over 2026 (\$267,381)

FTEs Added: 0

- Total FTEs 106

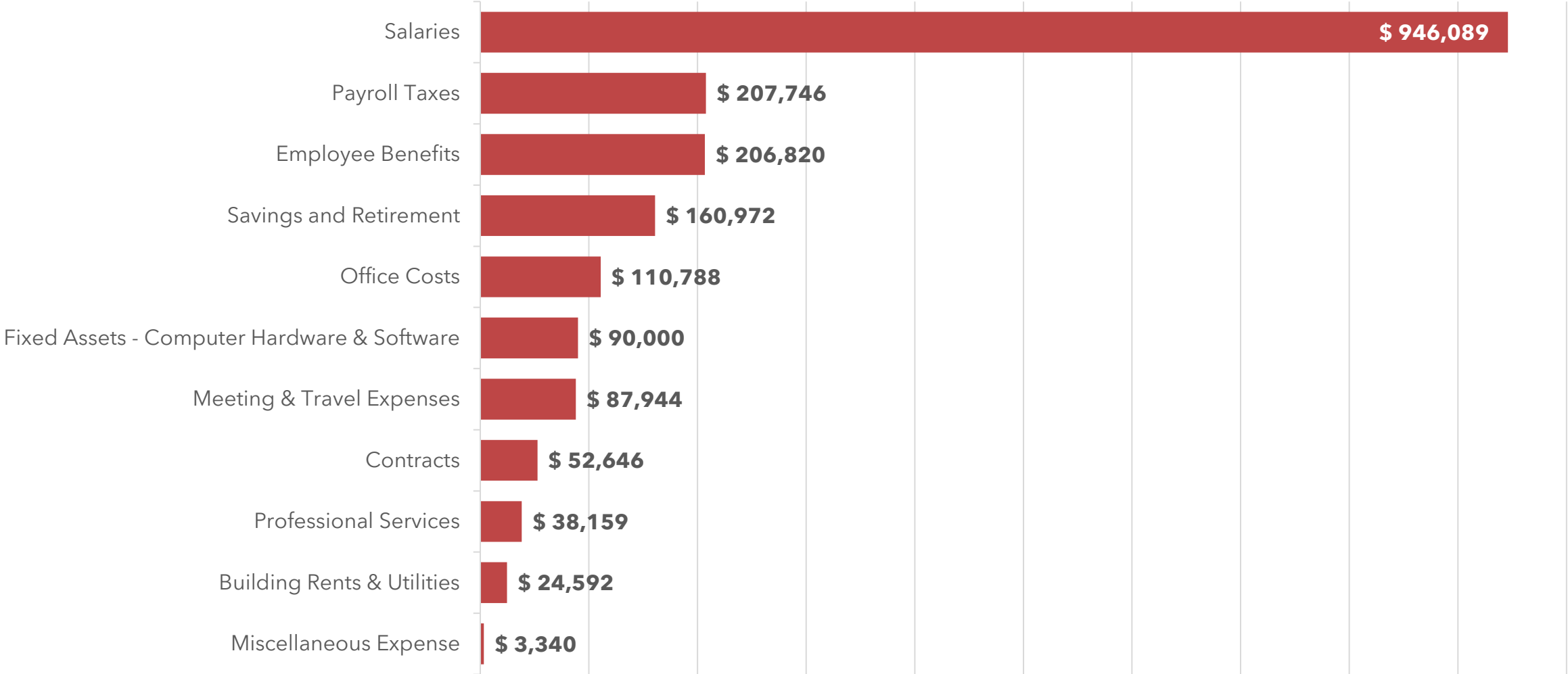
# KEY BUDGET DRIVERS

- Direct Salaries increase of 3.6% (\$696K) over 2026 budget:
  - Employee merit & promotion combined increase - 4% of current year salaries
  - Market adjustments - 0.5% of current year salaries
  - Repurpose current positions - no net FTE additions
  - Eliminate intern program for one year
- Medical insurance increase of 8.3% (\$262K) over 2026 budget:
  - 25% premium increase over current year actuals
- Travel cost increases of 25% (\$167K)
  - Partially offset by decreased meeting costs of 16% (\$79K)
- Align and SEL enhancements - \$100K
- Ongoing modeling studies and the software/hardware to support
- Cost of maintaining Microsoft Azure cloud environment
- Increased state outreach, winterization visits and/or other in-person assist visits
- Focus on upskilling staff for changing resource mix and grid reliability



# 2027 BUDGET INCREASES

2027 Budget Increases



# BUDGET RISKS

- Pause on intern program for one year could impact future recruiting
- Medical premium estimates are lower than actual
- Existing staff and contractors may not be able to keep pace with increased workload
- Travel expenses continue to increase



# 2028 BUDGET PROJECTIONS

## Low Projection: 5.7%

- Assumptions
  - 2 FTEs \*
  - 3 interns
  - 3% merit increase
  - 10% increase in medical
  - 4% increase in meetings and travel
  - 4.5% increase in office costs includes computer hardware/software

\* FTEs include

- Legislative Analyst
- Security Analyst

## High Projection: 9.6%

- Assumptions
  - 5 FTEs \*\* total - 3 additional to low projection
  - 6 interns
  - 4.5% merit increase
  - 20% increase in medical
  - 9% increase in meetings and travel
  - 5.8% increase in office costs includes computer hardware/software

\*\* FTEs include

- Legislative Analyst
- Security Analyst
- Communications Manager
- Process Coordinator/Front Desk Support

# 2029 BUDGET PROJECTIONS

## Low Projection: 3.4%

- Assumptions
  - No FTEs
  - 3 interns
  - 3% merit increase
  - 10% increase in medical
  - 4% increase in meetings and travel
  - 4.5% increase in office costs includes computer hardware/software

## High Projection: 7.4%

- Assumptions
  - 3 FTEs \*
  - 6 interns
  - 4.5% merit increase
  - 10% increase in medical
  - 9% increase in meetings and travel
  - 5.9% increase in office costs includes computer hardware/software

\* FTEs include

- CIP Auditor
- O&P Auditor
- Enforcement Attorney

# ASSESSMENT STABILIZATION



# ASSESSMENT STABILIZATION ANALYSIS

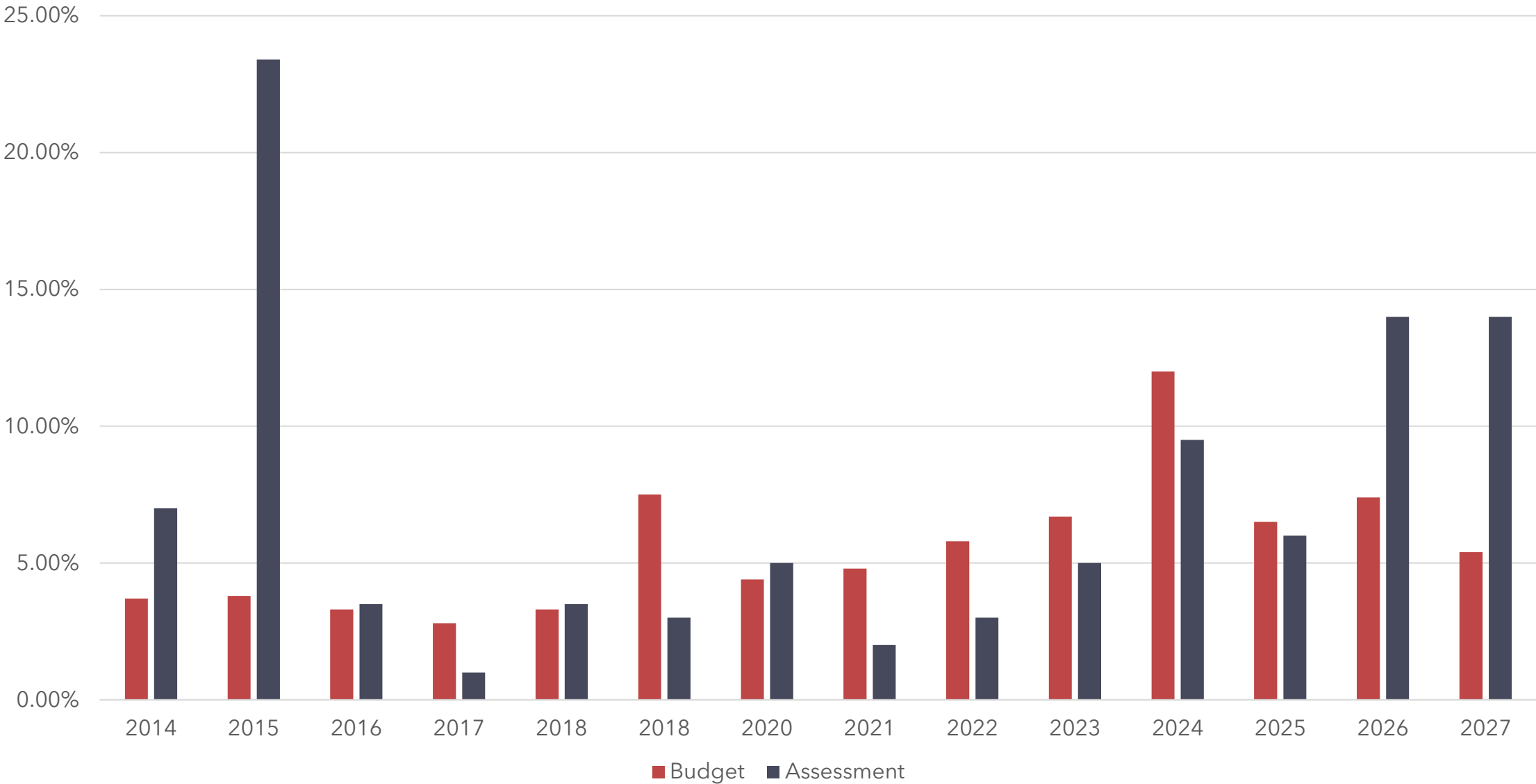
## Objective

- Stabilize annual assessments to minimize large fluctuations
- Provide stakeholders with a pragmatic expectation of future assessment changes

## Assumptions

- 2028 and 2029 budget increases align with current year projections
- Working Capital Reserve is maintained at an acceptable level to satisfy projected cash flow for daily operations and is in-line with Reserve Strategy Guidelines
- Penalties collected will be used to stabilize future annual assessments
- Operating Reserve remains at \$1 million

# BUDGET VS. ASSESSMENT HISTORY



# REGIONAL COMPARISON

Region	Budget Increase	Assessment Increase	2027 FTEs Added	2027 Total FTEs	2027 Merit Increase
NPCC	12.9%	15.0%	9	82	4.0%
SERC	7.9%	8.7%	3	118	4.25%
TXRE	7.2%	15.7%	2	77	4.0%
WECC	5.5%	8.0%	9	190	5.0%
RF	5.4%	14.0%	0	106	4.5%
MRO	1.9%	1.9%	0	87	6.0%
NERC	Not available	Not available	Not available	Not available	Not available

Preliminary as of April 14, 2026.  
NERC data not available.

# BP&B APPROVAL

## Action

- Approve First Draft BP&B

## Next Steps

- 30-day posting for industry comment and release to NERC, incorporating changes discussed during this meeting

## Final Approval

- By June 30<sup>th</sup>, full Board review and approval of the final 2027 BP&B
- Submit to NERC for approval

# QUESTIONS & ANSWERS

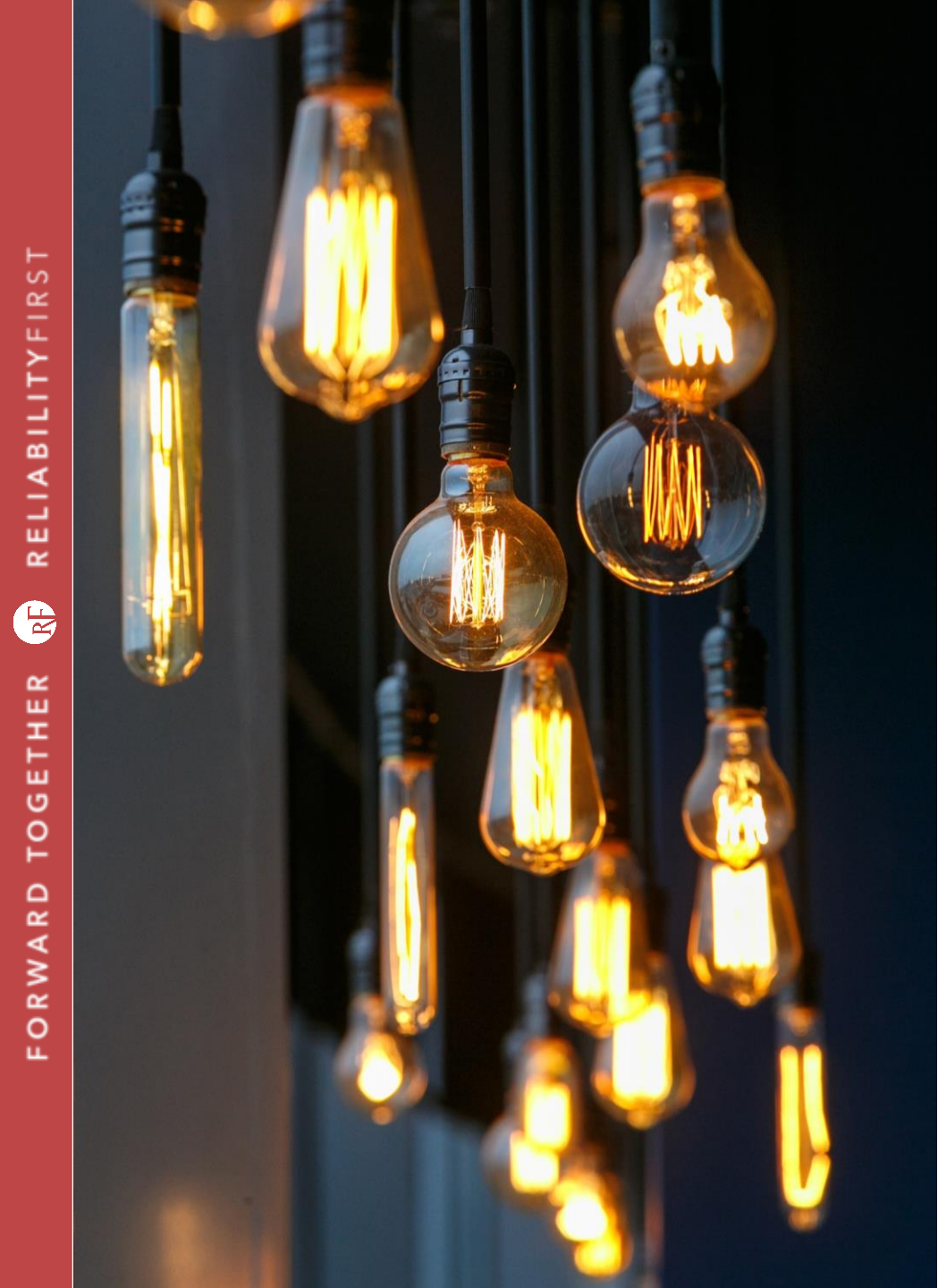
FORWARD TOGETHER  RELIABILITYFIRST



# APPENDIX



## 2027 VS. 2026 BUDGET



# 2027 VS. 2026 BUDGET

	2026 Budget	2027 Budget	Increase/ Decrease	Percentage Change
<b>Personnel Expenses</b>				
<b>Total Salaries <sup>(1)</sup></b>	<b>\$ 22,229,231</b>	<b>\$ 23,175,320</b>	<b>\$ 946,089</b>	<b>4.3%</b>
<b>Total Payroll Taxes</b>	<b>\$ 1,430,376</b>	<b>\$ 1,638,122</b>	<b>\$ 207,746</b>	<b>14.5%</b>
<b>Employee Benefits</b>				
Training & Tuition Reimbursement	403,251	354,777	(48,474)	-12.0%
Medical, Dental, Vision, LTD, Life Insurance Premiums	3,161,371	3,423,785	262,414	8.3%
All Other Employee Benefits	29,320	22,200	(7,120)	-24.3%
<b>Total Employee Benefits</b>	<b>\$ 3,593,942</b>	<b>\$ 3,800,762</b>	<b>\$ 206,820</b>	<b>5.8%</b>
<b>Total Savings and Retirement</b>	<b>\$ 3,614,612</b>	<b>\$ 3,775,584</b>	<b>\$ 160,972</b>	<b>4.5%</b>
<b>Total Personnel Expenses</b>	<b>\$ 30,868,161</b>	<b>\$ 32,389,788</b>	<b>\$ 1,521,627</b>	<b>4.9%</b>
<b>Meeting Expenses</b>				
Meeting Expense & Conference Calls	\$ 509,030	\$ 430,440	\$ (78,590)	-15.4%
Travel - Miscellaneous	\$ 660,820	\$ 827,354	\$ 166,534	25.2%
<b>Total Meeting &amp; Travel Expenses</b>	<b>\$ 1,169,850</b>	<b>\$ 1,257,794</b>	<b>\$ 87,944</b>	<b>7.5%</b>

	2026 Budget	2027 Budget	Increase/ Decrease	Percentage Change
<b>Operating Expenses, excl Depreciation</b>				
<b>Contracts</b>	\$ 689,266	\$ 741,912	\$ 52,646	7.6%
<b>Building Rents &amp; Utilities</b>	\$ 728,000	\$ 752,592	\$ 24,592	3.4%
<b>Office Costs</b>				
Computer Hardware	131,000	37,500	(93,500)	-71.4%
Computer Software, Services & Maintenance	1,164,409	1,375,999	211,590	18.2%
Subscriptions & Publications	61,437	41,552	(19,885)	-32.4%
All Other Office Costs	187,425	200,008	12,583	6.7%
<b>Total Office Costs</b>	<b>\$ 1,544,271</b>	<b>\$ 1,655,059</b>	<b>\$ 110,788</b>	<b>7.2%</b>
<b>Professional Services</b>				
BOD Fee	\$ 518,960	\$ 543,303	\$ 24,343	4.7%
All Other Professional Fees	273,354	287,170	13,816	5.1%
<b>Total Professional Services</b>	<b>\$ 792,314</b>	<b>\$ 830,473</b>	<b>\$ 38,159</b>	<b>4.8%</b>
<b>Miscellaneous Expense</b>	\$ 35,260	\$ 38,600	\$ 3,340	9.5%
<b>Total Operating Expenses, excl Depreciation</b>	<b>\$ 3,789,111</b>	<b>\$ 4,018,636</b>	<b>\$ 229,525</b>	<b>6.1%</b>
<b>Total Expenses</b>	<b>\$ 35,827,122</b>	<b>\$ 37,666,218</b>	<b>\$ 1,839,096</b>	<b>5.1%</b>
<b>Fixed Assets - Computer Hardware &amp; Software</b>	<b>\$ 30,000</b>	<b>\$ 120,000</b>	<b>\$ 90,000</b>	<b>300.0%</b>
<b>Total Budget (Expenses + Fixed Assets)</b>	<b>\$ 35,857,122</b>	<b>\$ 37,786,218</b>	<b>\$ 1,929,096</b>	<b>5.4%</b>

(1) Total Salaries includes direct compensation, short-term incentive compensation, long-term incentive compensation, & vacation accrual.

# Regulatory

# ENERGY POLICY UNDER THE TRUMP ADMINISTRATION: YEAR 2

*Plus, how RF's State Outreach Team has expanded engagements on these topics and more*

Catherine Lewis; Energy Policy Analyst

April 30, 2026



**RELIABILITY FIRST**

# AGENDA

1. Section 202(c) Emergency Orders
2. AI & Data Center Advancement
3. Offshore Wind Development
4. RF State Outreach Team Q1 Highlights

# AI & Data Center Advancement

## Public-Private Partnerships

Building data centers on federal lands



## National AI Legislative Framework

Includes streamlined permitting for power & tech companies covering costs of energy infrastructure they require



## FERC & RTO Regulations

FERC considering DOE request for data center rulemaking & reviewing PJM colocation proposal



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# Offshore Wind Development

EO: *Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects*

**1/20/2025**

The Secretary of the Interior issued an order requiring the DOI to review regulations, guidance, policies, and practices related to offshore leasing to reduce "preferential treatment." Wind Energy Areas (WEAs) eliminated.

**7/29/2025**

The Trump administration halted leases for five major offshore wind projects on the East Coast, stopping their construction and operation. Officials said the pause was due to national security concerns, including potential interference with radar systems.

**12/22/2025**

All ongoing offshore wind projects back in development after stop-work orders ruled unlawful again. Federal government has stopped current litigation and appeals, and Revolution Wind, Vineyard Wind, and CVOW projects nearing completion.

**Present**

**7/7/2025**

The EPA "identified an error in the Maryland Department of the Environment's (MDE) final permit decision" for the U.S. Wind project. Project halted until new permit obtained.

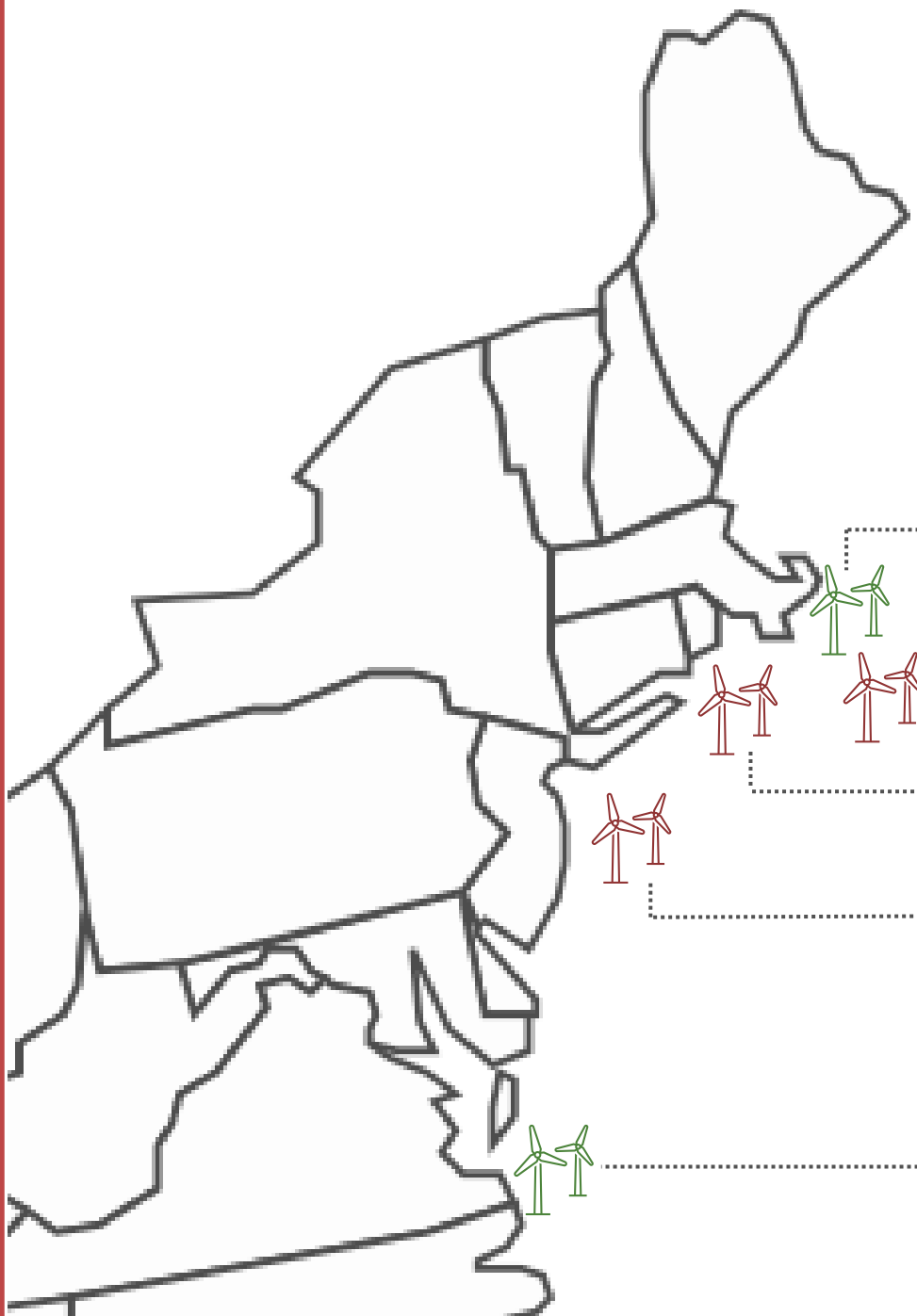
**12/8/2025**

The court ruled that federal agencies acted unlawfully when they stopped approving wind energy projects based solely on the first presidential directive, without proper analysis or justification as required by law. It also found the delay harmed states and developers and ordered the agencies to lift the pause on wind project approvals.

**3/23/2026**

The Trump administration announced an agreement with the French energy company TotalEnergies to cancel its offshore wind leases in the New York Bight and Carolina Long Bay regions.

# Latest Update



## Revolution Wind

*Rhode Island*

## Vineyard Wind

*Massachusetts*

## Sunrise Wind

*New York*

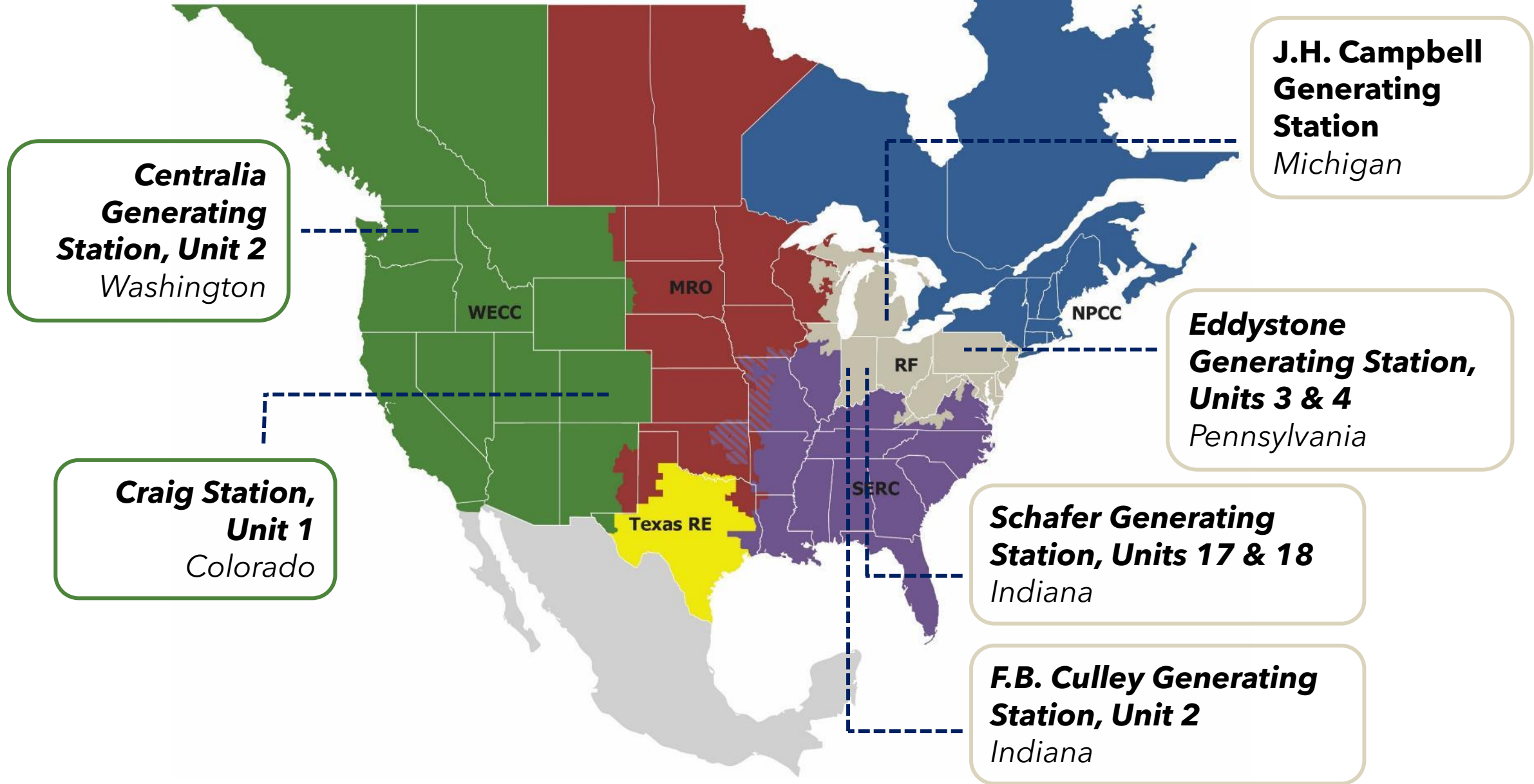
## Empire Wind

*New York*

## Coastal Virginia Offshore Wind (CVOW)

*Virginia*

# 202(c) Emergency Orders



**Centralia  
Generating  
Station, Unit 2**  
*Washington*

**Craig Station,  
Unit 1**  
*Colorado*

**J.H. Campbell  
Generating  
Station**  
*Michigan*

**Eddystone  
Generating Station,  
Units 3 & 4**  
*Pennsylvania*

**Schafer Generating  
Station, Units 17 & 18**  
*Indiana*

**F.B. Culley Generating  
Station, Unit 2**  
*Indiana*

# January 2026 202(c) Emergency Orders

Recipient	Region	Authorization	Issued	Expired
ERCOT	ERCOT	Data center backup gen, EEA 3	Jan. 24, 2026	Jan. 27, 2026
PJM	PJM	All units, max output, permit waiver	Jan. 25, 2026	Jan. 31, 2026
ISO-NE	ISO-NE	All units, max output, permit waiver	Jan. 25, 2026	Jan. 31, 2026
ERCOT	ERCOT	Specified resources, as-needed dispatch	Jan. 25, 2026	Jan. 27, 2026
Duke Energy	SERC	All Duke units, max output, permit waiver	Jan. 26, 2026	Jan. 30, 2026
PJM	PJM	Data center backup gen, EEA 3	Jan. 26, 2026	Jan. 31, 2026
Duke Energy Carolinas / Duke Energy Progress	SERC	Data center backup gen, EEA 3	Jan. 26, 2026	Jan. 30, 2026
NYISO	NYISO	All units, max output, permit waiver	Jan. 26, 2026	Feb. 2, 2026
HPS Energy	Florida (FRCC)	All units, max output, permit waiver	Jan. 30, 2026	Feb. 3, 2026
Duke Energy (ext.)	SERC	All Duke units, max output, permit waiver	Jan. 29, 2026	Feb. 3, 2026
PJM (ext.)	PJM	Data center backup gen, EEA 3	Jan. 29, 2026	Feb. 2, 2026
PJM (ext.)	PJM	All units, max output, permit waiver	Jan. 29, 2026	Feb. 2, 2026
Duke Energy Florida	Florida (FRCC)	All units, max output, permit waiver	Jan. 31, 2026	Feb. 3, 2026
OUC	Florida (FRCC)	All units, max output, permit waiver	Jan. 31, 2026	Feb. 6, 2026
FMPA	Florida (FRCC)	All units, max output, permit waiver	Jan. 31, 2026	Feb. 3, 2026
FMPA	Florida (FRCC)	Backup units, max output, permit waiver	Jan. 31, 2026	Feb. 3, 2026
Lakeland Electric	Florida (FRCC)	Specified resources, as-needed dispatch	Jan. 31, 2026	Feb. 6, 2026
OUC	Florida (FRCC)	Backup units, max output, permit waiver	Jan. 31, 2026	Feb. 6, 2026
Duke Energy Carolinas / Duke Energy Progress (ext.)	SERC	Data center backup gen, EEA 3	Jan. 30, 2026	Feb. 3, 2026
ISO-NE (ext.)	ISO-NE	All units, max output, permit waiver	Jan. 30, 2026	Feb. 14, 2026



Diane Holder testifying before the Delaware Senate & House Joint Committee

RF SO Team with NERC at NARUC Winter Summit



Tech Talks on prevalent SO topics



Resource Adequacy Report

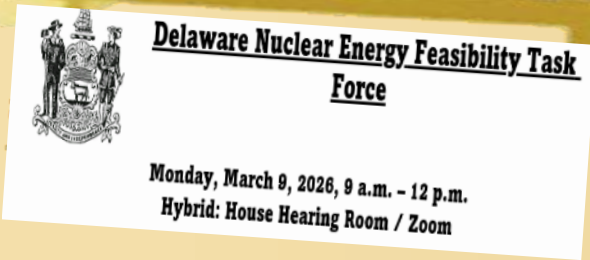


Catherine Lewis presenting at the IMPA Annual Meeting



RF hosted the ERO Women's Leadership Conference

Courtney Fasca spoke in front of the DE Nuclear Energy Feasibility Task Force



RF SO Team talks interdependencies between gas & electric systems



Diane Holder testified at the Power the Mid-Atlantic: Multi-State hearing



Michelle & Brian speak on grid reliability during the OH Chamber of Commerce's Energy Symposium



# QUESTIONS & ANSWERS

*Thanks for listening!*

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