

Agenda

Board of Directors • Risk and Compliance Committee

August 26, 2026 • 12:30 PM – 3:00 PM (ET)

Inn Walden
1119 Aurora Hudson Rd
Aurora, OH 44202

Room: Jodhpurs Lounge

Attire: **Business Casual**

Closed Agenda

1. **Confidential Compliance and Enforcement Matters** 12:30 pm
Presenter: Kristen Senk, Deputy General Counsel, Matt Thomas, Director, Compliance and Monitoring, and Tom Scanlon, Associate General Counsel and Director of Enforcement
Description: Ms. Senk, Mr. Thomas, and Mr. Scanlon will present confidential matters and an overview of the confidential documents.
Reference: (a) Confidential Enforcement Documents
(b) Summary of FERC and NERC Oversight Activities
Action: Information and Discussion
2. **Adjourn** 1:00 pm

Open Agenda

3. **Call to Order and Appoint Secretary to Record Minutes** 1:10 pm
Presenter: Ken Seiler, Chair
4. **Antitrust Statement** 1:10 pm
Presenter: Ken Seiler, Chair
5. **Consent Items** 1:15 pm
Presenter: Ken Seiler, Chair
Reference: [Draft Minutes for the April 29, 2026 Risk and Compliance Committee Meeting.](#)
Action: **Approve Consent Items**

- 6. Keynote Speaker** 1:20 pm
- Presenter: Howard Gugel, Senior Vice President, Regulatory Oversight, NERC
- Description: Mr. Gugel will provide an overview of recent NERC activities, with a focus on IBR registration and standards development, the Level 3 Alert relating to computational loads, and system performance during recent extreme weather.
- Reference: [Presentation](#)
- Action: Information and Discussion
- 7. DTE's Journey with AI** 1:50 pm
- Presenter: Steve Ambrose, Vice President and CIO, DTE Energy
- Reference: Mr. Ambrose will discuss how DTE Energy is using AI to strengthen its operational efficiency and effectiveness while addressing and protecting against security risks.
- Reference: Presentation
- Action: Information and Discussion
- 8. Risk and Data Initiative** 2:20 pm
- Presenter: Atif Usman, Director, Analytics and Risk, and Jeff Craig, SVP Operations and Risk
- Description: Mr. Usman and Mr. Craig will provide an update on the risk and data initiative relating to operationalizing risk identification, monitoring, and mitigation efforts.
- Reference: a) Presentation
b) Reference – Risk Statements
- Action: Information and Discussion
- 9. Enforcement Trends** 2:40 pm
- Presenter: Tom Scanlon, Associate General Counsel and Director of Enforcement
- Description: Mr. Scanlon will provide an overview of enforcement trends, with a focus on recent violations of both the CIP and Operating and Planning Standards.
- Reference: [Presentation](#)
- Action: Information and Discussion
- 10. Next Meeting** 2:55 pm
- December 2, 2026 • NERC Offices, Washington, DC
- 11. Adjourn** 3:00 pm

Roster • Risk and Compliance Committee

Ken Seiler, **Chair** • Independent (2026)
Melika Carroll, **Vice Chair** • Independent (2027)
Joanna Burkey • Lead Independent (2028)
Dr. Renuka Chatterjee • MISO (RTO • 2027)
Lesley Evancho • Independent (2028)
Craig Grooms • Buckeye Power (S-LSE • 2026)
Mark Mroczynski • FirstEnergy (T • 2027)

DRAFT Minutes

Board of Directors • Risk and Compliance Committee

April 29, 2026

ReliabilityFirst Corporation • Cleveland, OH

Closed Session

Call to Order – Chair Ken Seiler called to order a duly noticed meeting of the Risk and Compliance Committee (Committee) on April 29, 2026, at 12:32 pm (ET). A quorum was present, consisting of the following members of the Committee: Ken Seiler, Chair; Melika Carroll, Vice Chair; Joanna Burkey; Dr. Renuka Chatterjee; Lesley Evancho; Craig Grooms; and Mark Mroczynski. A list of others present during the Committee meeting is set forth in Attachment A.

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

High Risk Readiness Initiative – Diane Holder, VP Engineering & Strategic Engagement, provided a confidential update on RF's high risk readiness initiative.

Risk and Data Initiative - Atif Usman, Director, Analytics and Risk, and Jeff Craigo, SVP Operations and Risk discussed RF's risk and data initiative to better integrate risk identification, monitoring, trending, and mitigation into operations with clearly defined roles, processes, and tools.

Adjourn – Chair Ken Seiler adjourned the Closed Committee meeting at 1:24 pm (ET).

Open Session

Call to Order – Chair Ken Seiler called to order a duly noticed open meeting of the Committee at 1:30 pm (ET).

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

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

Approve Compliance Committee Meeting Minutes – Chair Seiler presented draft minutes for the December 2, 2025 Committee meeting and the Enforcement Data Reference Materials (both included in the agenda package). Upon a motion duly made and seconded, the Committee approved the minutes.

Keynote Speaker – Jerry James, President of Eastern Energy Storage and Artex Oil Company provided the keynote remarks. He discussed major changes happening on the electric grid, including AI's need for large amounts of energy, the transition from coal to natural gas and renewables, and how industrial demand for electricity is growing for the first time in 25 years.

Mr. James then spoke to how natural gas demand is growing faster than its production, and highlighted the value of natural gas storage during extreme weather events. He noted that significantly more natural gas than other electricity sources is used on peak days. Mr. James then discussed how Ohio, Pennsylvania & West Virginia produce 98% of the natural gas in the eastern U.S. and should be thought of as a strategic gas resource. He concluded by sharing recent findings from the National Petroleum Council recommending multi-sector resource planning and infrastructure improvements.

Large Load Working Group Update – Matt Veith, Managing Director of Transmission System Operations Engineering at American Electric Power and Former Chair of the NERC Large Load Task Force, provided an update on the Large Load Task Force/Working Group (LLTF/LLWG). He discussed the LLTF/LLWG white paper on the characteristics and risks of emerging large loads and noted that multiple real events already demonstrate these risks. Mr. Veith then summarized the white paper on the assessment of gaps related to large loads, highlighting that large loads are not registered entities and that existing standards and processes assume legacy load behavior.

He also discussed key themes from a recent reliability guideline on risk mitigation for emerging large loads, which is intended to serve as an interim control while new standards are developed. Mr. Veith stressed the importance of operating visibility, planning coordination, and interconnection oversight for large loads. He concluded by stating that action is underway to reduce these risks, but that sustained focus is required.

2025-2026 RRA – Johnny Gest, Manager Engineering & System Performance, provided an overview of the 2025-26 RF Regional Risk Assessment (RRA). He first discussed how RF analyzes performance data and obtains input from industry stakeholders on RF technical committees to inform the report. He then shared key risks identified in the RRA: environmental factors, grid transformation (reliability impacts from federal and state regulations and policies on resource and demand growth), security, supply chain, misoperations, modeling, and situational awareness. Mr. Gest compared the RF RRA to the NERC Reliability Issues Steering Committee risk profiles, and stated that RF covers all NERC-identified risks but also focuses on region-specific risks such as situational awareness. He ended by highlighting resource adequacy risks over the next five years

Risk and Compliance Committee Minutes
April 29, 2026

related to fossil fuel retirements, and RF's plans to help address this risk via stakeholder engagement and data analysis.

A Committee discussion ensued on the need for a skilled industry workforce to respond to these risks, and the importance of workforce development. There was also further discussion of the RRA's identified risk areas.

Next Meeting – Chair Seiler noted that the next Committee meeting will occur on August 26, 2026 in Cleveland at the RF offices.

Adjourn - Chair Seiler adjourned the Committee meeting at 3:05 pm (ET).

As approved on this 26th day of August, 2026 by
the Risk and Compliance Committee,

Niki Schaefer
*Vice President General Counsel & Corporate
Secretary*

Attachment A

Others Present During the Risk and Compliance Committee Meeting

Steve Ambrose • DTE
Alison Archer • MISO
Jason Blake • SERC
Jeff Craigo • ReliabilityFirst
Craig Creamean • Exelon
Michelle Cross • ReliabilityFirst
Michael Del Viscio • PJM
Steve Downey • Consultant
Chelsey Eppich • ReliabilityFirst
Tim Fryfogle • ReliabilityFirst
Tim Gallagher • ReliabilityFirst, President & CEO
Johnny Gest • ReliabilityFirst
Brent Greene • RF Board - Retiree
Vinit Gupta • ITC Holdings
Mike Hattery • ReliabilityFirst
Diane Holder • ReliabilityFirst
Jerry James • Eastern Energy Storage and Artex Oil
Marcus Noel • ReliabilityFirst
Ray Palmieri • ReliabilityFirst - Retiree
Tony Purgar • ReliabilityFirst
Tom Scanlon • ReliabilityFirst
Niki Schaefer • ReliabilityFirst
Kristen Senk • ReliabilityFirst
Andrea Shepherd • AEP
Robert Taylor • Invenergy
Brian Thiry • ReliabilityFirst
Matt Thomas • ReliabilityFirst
Jody Tortora • ReliabilityFirst
Jim Uhrin • ReliabilityFirst
Atif Usman • ReliabilityFirst
Matt Veith • AEP
Staci Wittig • ReliabilityFirst

Reliability Outlook

Howard Gugel
SVP, Regulatory Oversight
August 26, 2026

Hyper Complex Risk Environment



July Heatwave

- July 4th weekend
- Widespread daily record-breaking maximum temperatures
- Heat indices approaching or exceeding 105 to 110 degrees F



Department of Energy 202(c) Orders

PJM

Environmental Constraints
June 30 – July 6

[DOE Order No. 202-26-32](#) and extension [DOE Order No. 202-26-32A](#)

Authorized PJM to temporarily operate certain electric generating units beyond normal environmental permit limits if necessary to maintain electric grid reliability during the expected extreme heat event from Tuesday, June 30 to Monday, July 6.

Order was used during peak loading periods.

PJM

Large Load Dispatch
June 30 – July 7

[DOE Order No. 202-26-33](#) and extension [DOE Order No. 202-26-33A](#)

Authorized PJM to direct backup generation resources located at large electricity customers (particularly data centers, industrial facilities, and commercial sites) to operate during emergency grid conditions from Tuesday, June 30 to Tuesday, July 7.

Order was not used. Facilities were notified of potential dispatch.

PJM

Environmental Constraints
and Large Load Dispatch
July 15 – July 21

[DOE Order No. 202-26-35](#)

Authorized PJM to temporarily operate certain electric generating units beyond normal environmental permit limits and direct backup generation resources located at large electricity customers (particularly data centers, industrial facilities, and commercial sites) from Wednesday, July 15 through Tuesday, July 21.

The environmental constraints portion of the order was used.

Energy Emergency Alerts

- 29 Energy Emergency Alerts (EEA)
- 9 EEAs in RF footprint
- Emergency procedures implemented

Total Energy Emergency Alerts issued in July	29 ea.
---	---------------

PJM Interconnection	7 ea.	EEA1
---------------------	-------	------

PJM Interconnection	2 ea.	EEA2
---------------------	-------	------

Southwest Power Pool	3 ea.	EEA1
----------------------	-------	------

Southwest Power Pool	2 ea.	EEA2
----------------------	-------	------

Southwest Power Pool	1 ea.	EEA3
----------------------	-------	------

VACAR South	7 ea.	EEA1
-------------	-------	------

MISO	2 ea.	EEA1
------	-------	------

MISO	1 ea.	EEA2
------	-------	------

Sask Power RC	2 ea.	EEA3
---------------	-------	------

Sask Power RC	1 ea.	EEA2
---------------	-------	------

FRCC RC	1 ea.	EEA1
---------	-------	------

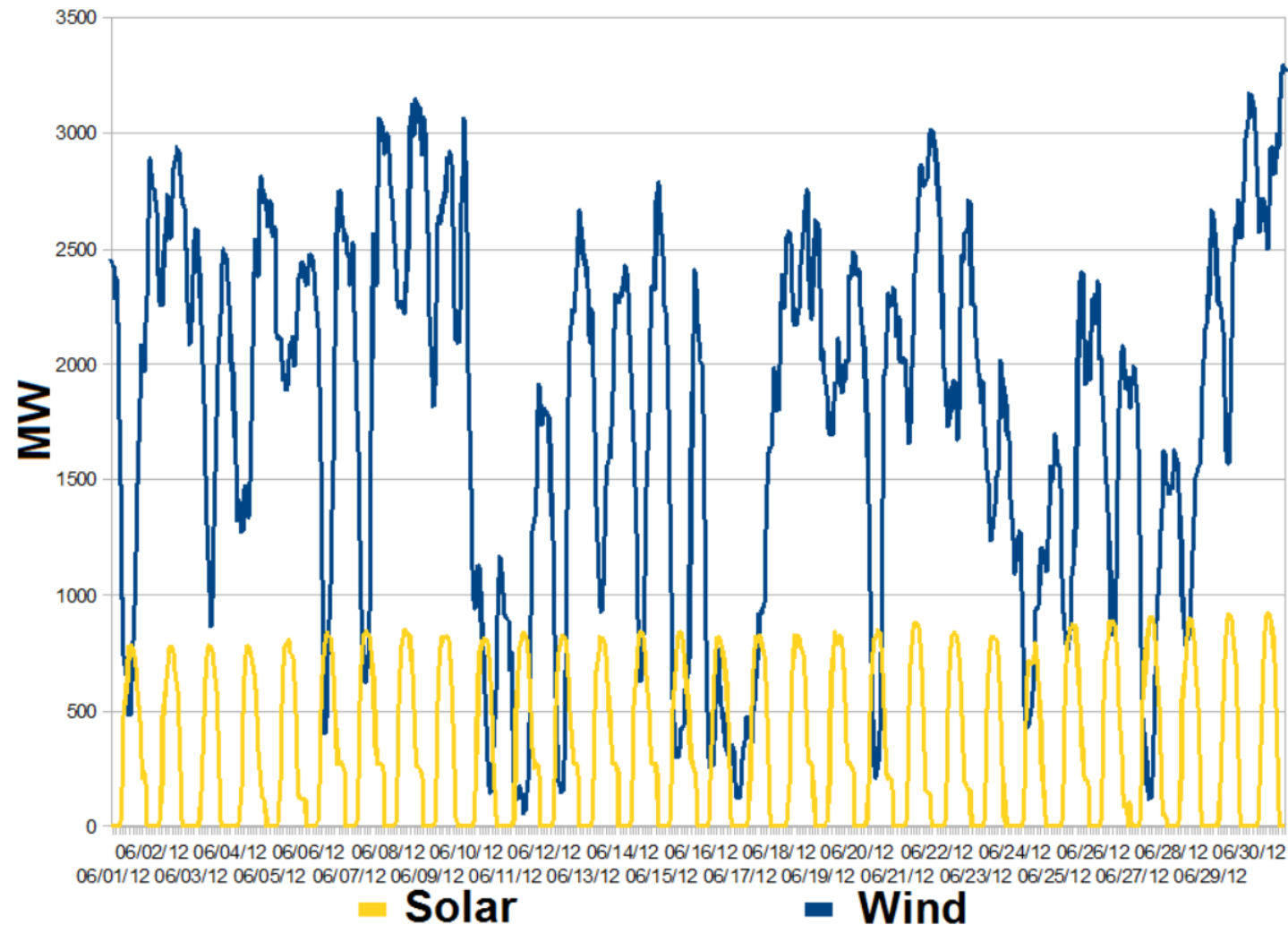
July Summer Operations Recap

- A dangerous heat wave
- PJM managed the system
- Several new demand records*
- System operators implemented their operating procedures

*Unofficial

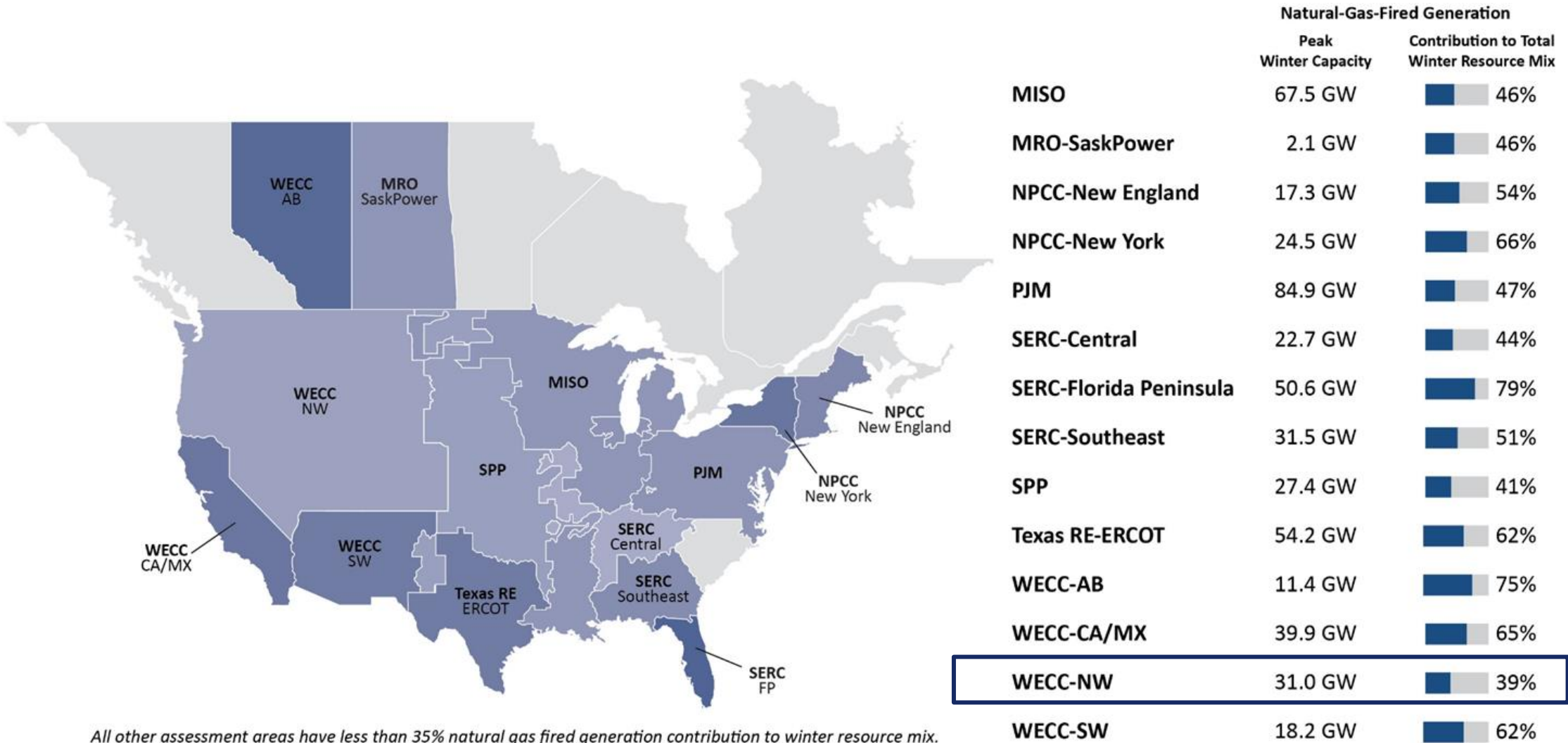
Challenges with Renewable Integration: Ramping and Volatility

Solar and Wind Production in California



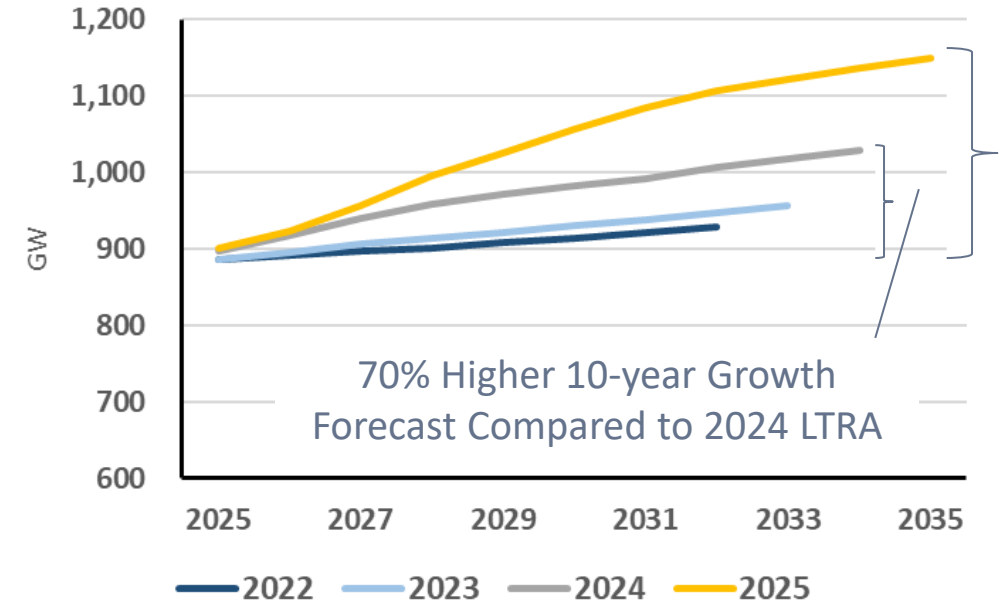
Increasing Dependence on Natural Gas

Natural-Gas-Fired Generation Capacity Contributions to 2023–2024 Winter Generation Mix



Demand Forecasts Continue Rapid Ascent

- Assessment area summer peak demand is forecast to rise by over 223 GW (24% increase from 2025 peak demand)
- New data centers are the main source of load growth followed by other large industrial loads and electrification
- Winter peak demand growth continues to exceed summer growth
- Data centers and large industrial loads drive the demand forecasts and increase forecast volatility

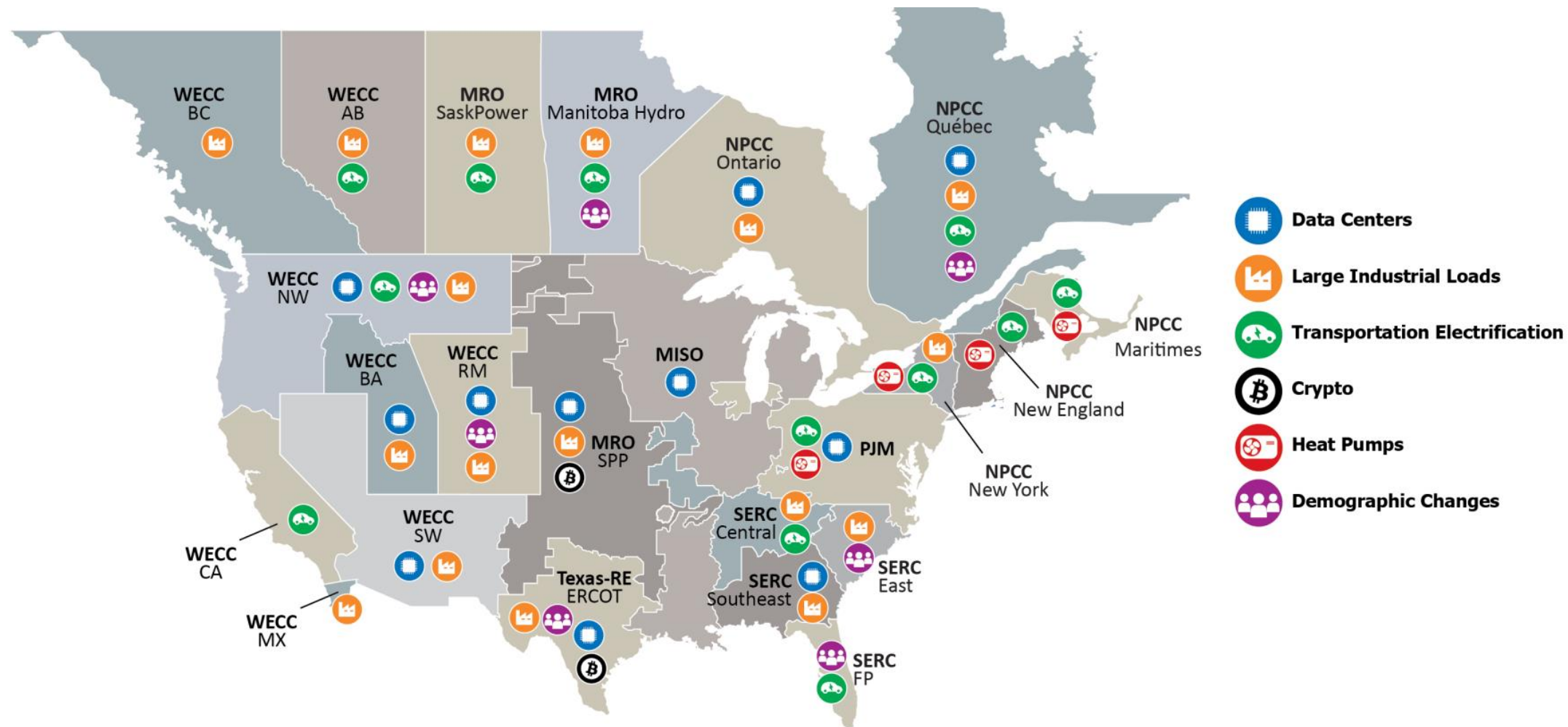


10-year BPS Summer Peak Demand Growth

With 10-year Growth From Previous LTRAs

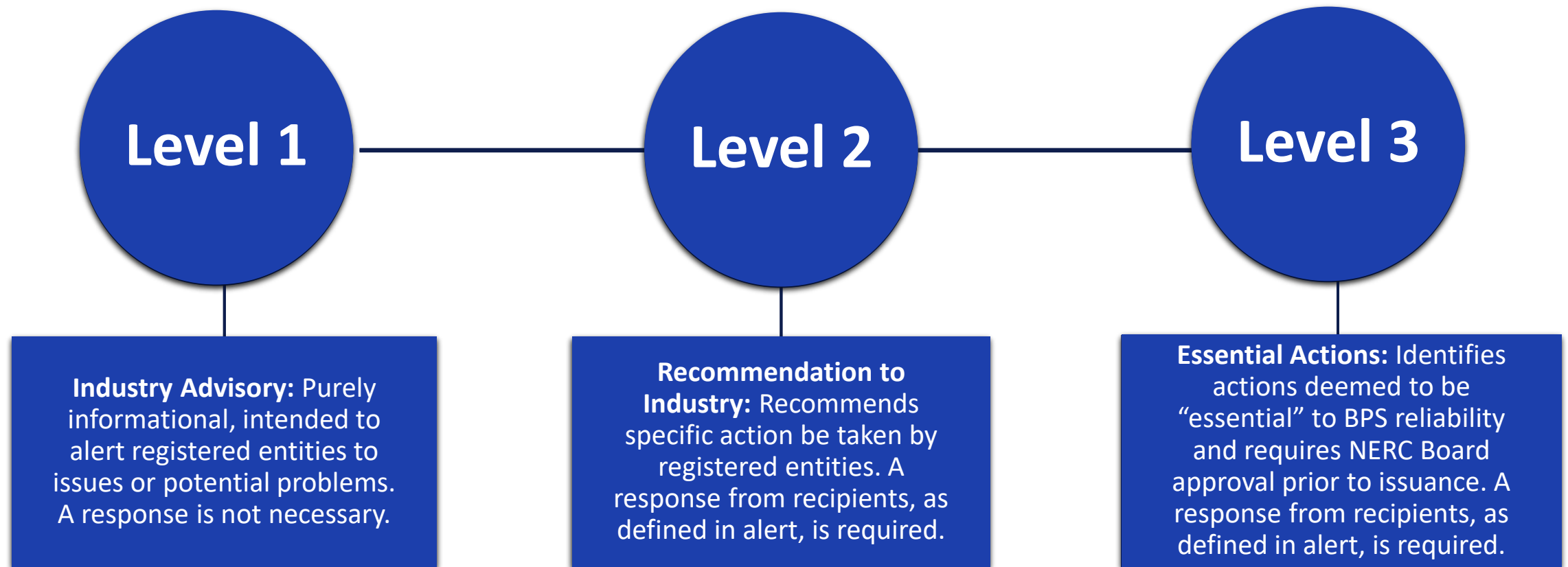
Load forecasts submitted to NERC for the LTRA are from the first half of 2025. Some newer forecasts are beginning to emerge. In ERCOT, project delays or cancellations cause lower growth projections in the next few years but continued increases in years 4+). PJM's upcoming load forecast has not been released.

What NERC's 2025 Long-Term Reliability Assessment Told Us



- Updating registry criteria
- Developing Reliability Standards
- Technical resources, including:
 - White papers
 - Reliability guideline
 - NERC Alerts
 - Incident reviews
 - Collaborative workshops and roundtables





IBR Registration Status – ERO wide

- Category 2 IBR facilities identified: 531
- Registration notification letters sent: 449
 - 127 incumbent registered entities (added GO-2 and/or GOP-2 function to existing registration)
 - 322 new registered entities
 - 201 entities: GO-2 function only
 - 32 entities: GOP-2 function only
 - 89 entities: both GO-2 and GOP-2 functions

What Did We Learn?

- Regular, engaged, collaborative meetings - provided multiple benefits
- Quickly pivot to other actions when original but ineffective plans that “looked good on paper” didn’t work
- Value suggestions from regional partners
- Future effective date of registration
 - Allowed alignment with effective date of IBR Reliability Standards
 - Fixed, public registration deadline
- Very few forced registrations but...
- Ongoing work to capture best ideas

What's Next – More Registration Work

- Developers are continuing to build IBRs (and other generators)
- Work Plan was a concentrated effort for registration function across the ERO Enterprise; that work hasn't stopped
 - Ongoing registration work related to entities' buying, selling, and decommissioning assets
 - Consolidation of assets under single legal entity
 - New operating agreements
 - Others
- Similar high degree of registration activity with Category 1 GOs/GOPs

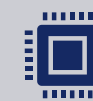
Top Priorities



Energy Analysis



Inverter-based Resource Integration



Large Load (Data Centers, Cryptocurrency, and AI) Integration



System Operations with DER (especially impacts on UFLS and UVLS)



Volatility of Energy Policy



Weather hardening of Generation and Transmission



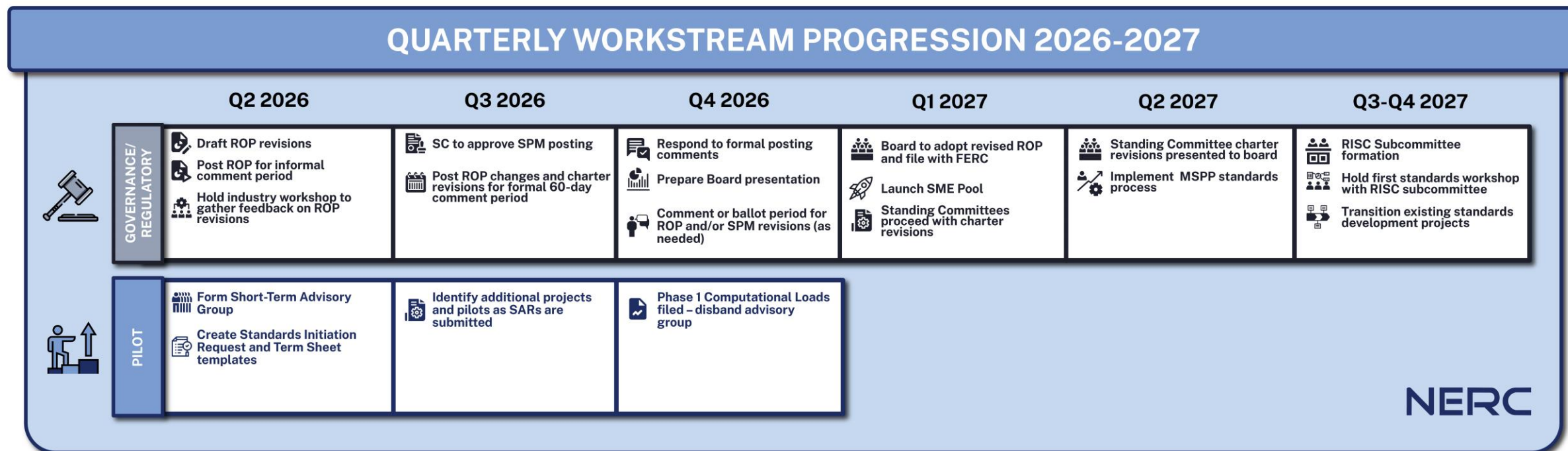
Gas-Electric Interdependency

MSPP Areas of Focus

Governance/ Regulatory	ROP	RSTC Charter Revisions	RISC Charter Revisions	RISC Subcommittee Scope Document	Standards Committee Transition
Tools	Comment and Ballot System	Enterprise Document Library	AI Tools	Website Enhancements	Standards Initiation Request and Term Sheet
Pilot	AI Tools • Comment summary • Standard draft	Short-Term Advisory Group • Computational Load	Solicit SARs Biannually	Increase Stakeholder Engagement	Standards Initiation Request and Term Sheet

Implementation Timeline

QUARTERLY WORKSTREAM PROGRESSION 2026-2027



A light blue map of the United States is shown in the background. A thin vertical line runs through the center of the map, passing between the text 'NERC' and 'Discussion'.

NERC

Discussion

ENFORCEMENT UPDATE

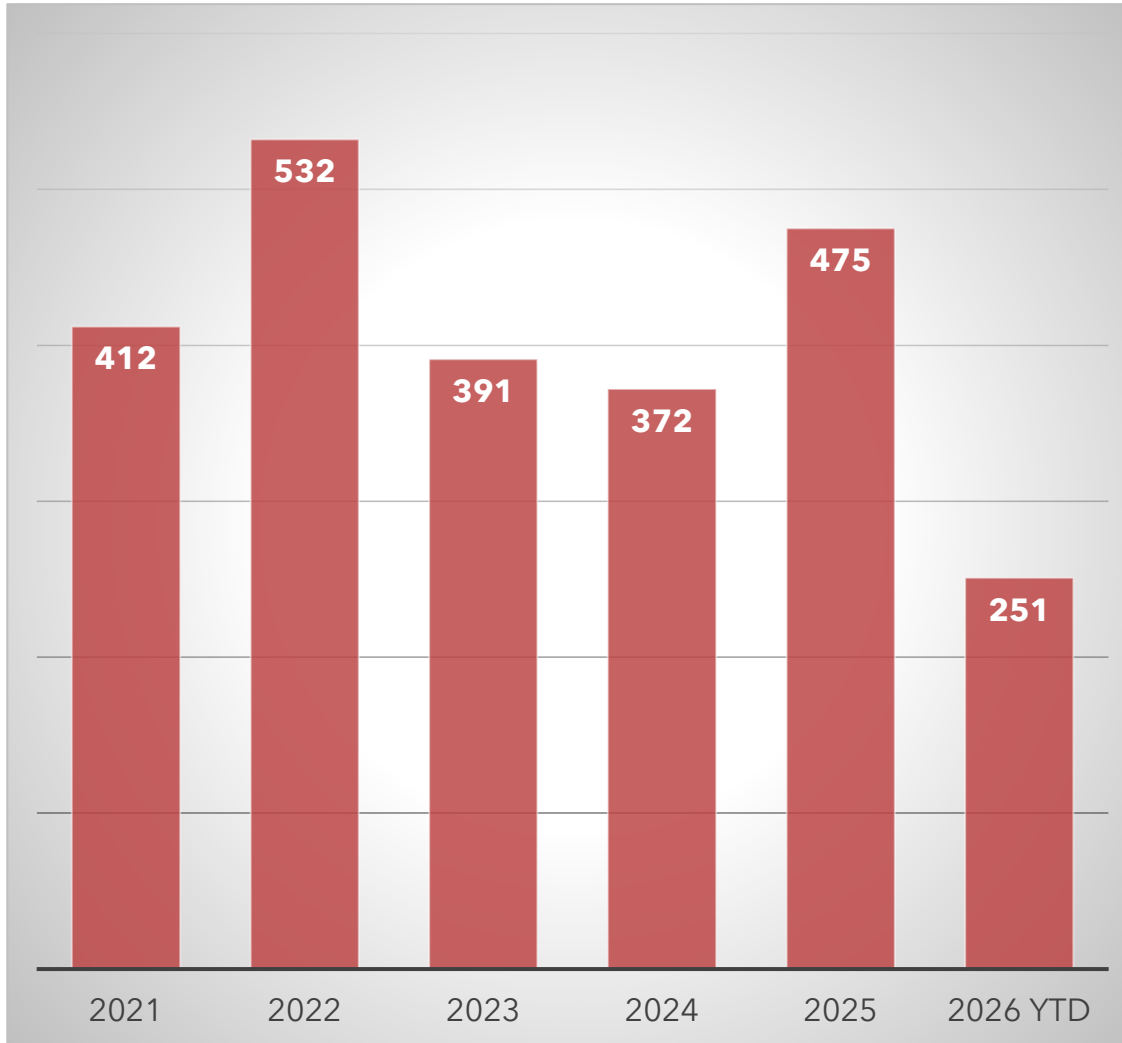
Tom Scanlon, Associate General Counsel and Director of Enforcement

August 26, 2026

Aurora, OH



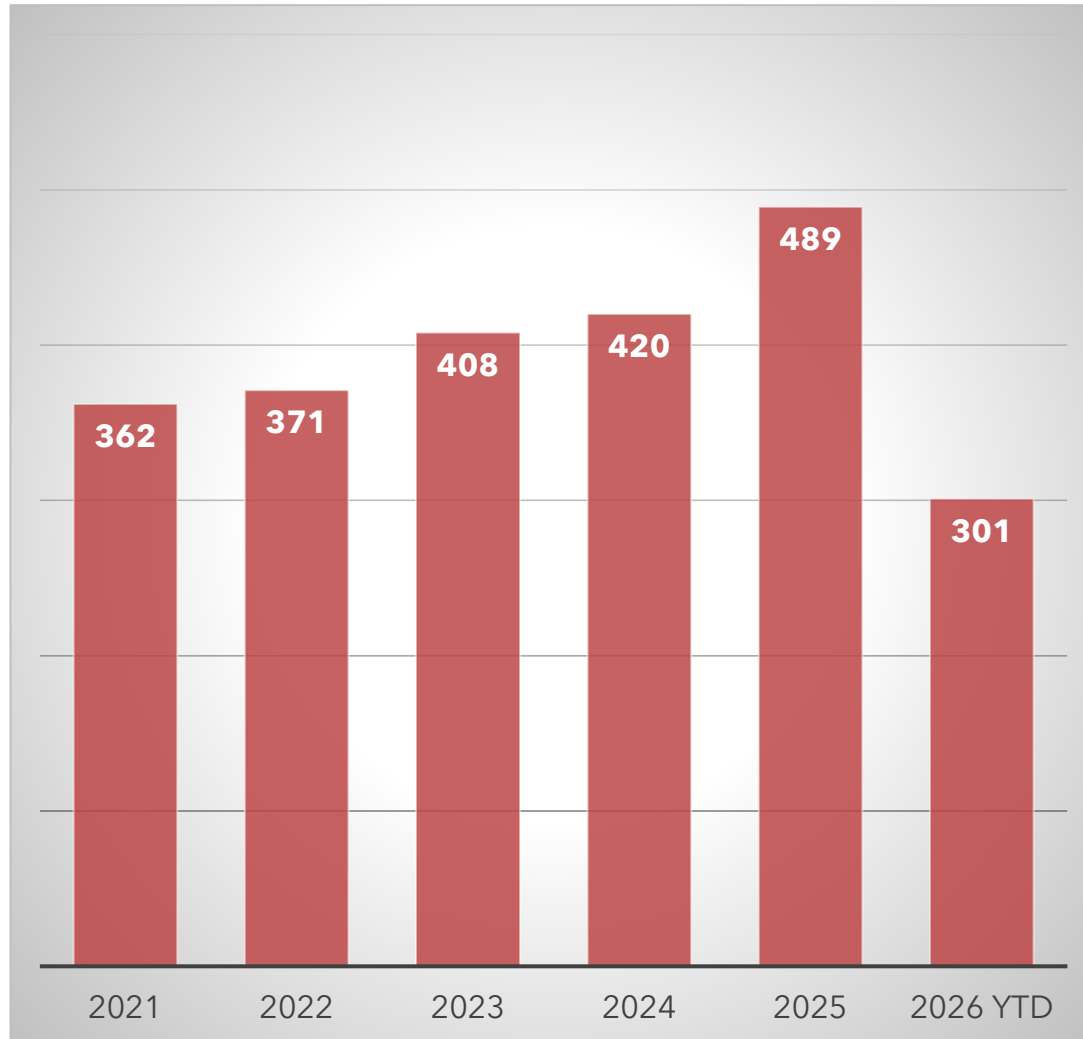
RF ANNUAL VIOLATION INTAKE



2026 Commentary:

- Year-to-date as of 7/23/2026; and
- Majority self-reported/self-logged

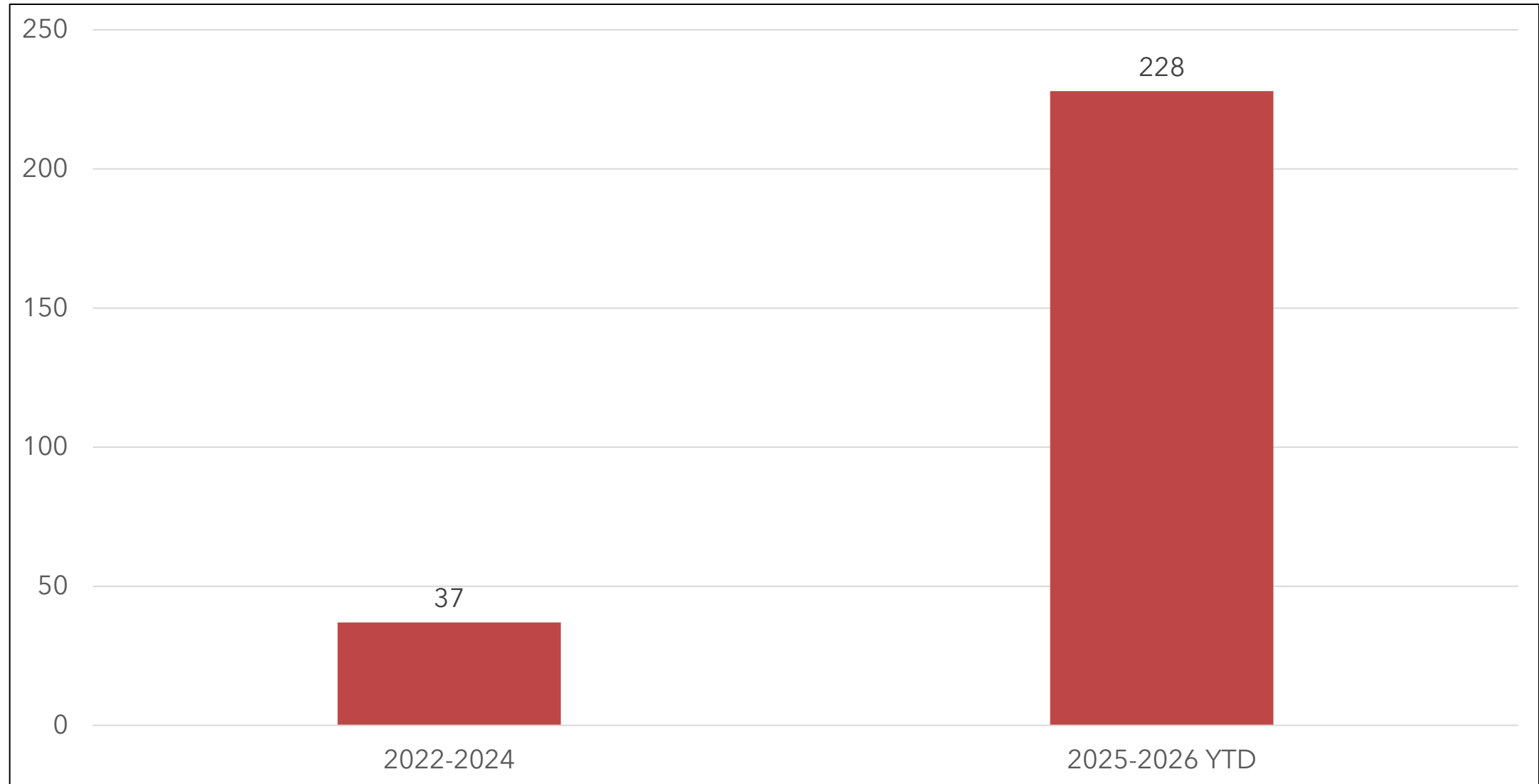
RF ANNUAL VIOLATIONS PROCESSED



2026 Commentary:

- Year-to-date as of 7/23/2026;
- ~78% were processed as Compliance Exceptions or Find, Fix, and Track Reports

TOTAL CASES CLOSED IN LESS THAN 180 DAYS



COMMENTARY: PRIORITIES & RISKS

Topic	Standard(s)	Commentary
Vegetation Management	FAC-003	Contacts, grow-ins, and program development and execution issues
Facility Ratings	FAC-008	Program-wide errors, communicating accurate ratings to third parties, and refining change controls
Protection & Control	PRC-005; PRC-019; PRC-024; PRC-025; PRC-026; PRC-027	Identification/classification, deficient validation, and deficient coordination
Information Protection	CIP-011; CIP-004	Access management, storage, protection, and handling
Asset Identification	CIP-002; CIP-010	Identification and categorization issues leading to deficient application of security controls

QUESTIONS & ANSWERS

Tom Scanlon

tom.scanlon@rfirst.org

