



RELIABILITY FIRST

## Minutes

### Board of Directors • Finance and Audit Committee

March 25, 2024 • 10:30 am – 12:00 pm (ET)

Teleconference

---

#### Closed Meeting

**Call to Order** – Chair Patrick Cass called to order a duly noticed open meeting of the Finance and Audit Committee (Committee) on March 25, 2024, at 10:30 am (ET). A quorum was present, consisting of the following members of the Committee: Chair Patrick Cass, Vice Chair Jennifer Sterling; Joanna Burkey; and Joseph Trentacosta. A list of others present during the Committee meeting is set forth in Attachment A.

**Appoint Secretary to Record Minutes** – Chair Cass designated Niki Schaefer as the secretary to record the meeting minutes.

**Antitrust Statement** – Chair Cass advised those present of the need to adhere to ReliabilityFirst's (RF) Antitrust Compliance Guidelines.

**2025 Budget Assumptions** – Ms. Dowdell began by going over the timeline of events related to the budget process and approvals. She then walked through how the RF strategic plan guided decision making in terms of the proposed budget assumptions. She referenced each pillar of the strategic plan (being an excellent regulator, cultivating a talented and engaged workforce, and harnessing knowledge to proactively address risks to the grid) and how the focus areas in those pillars drove the proposal.

She then discussed the internal RF SWOT analysis and the ways in which that was a budget assumption input and asked the committee if they had any feedback. For strengths, Ms. Dowdell highlighted the balance between industry and non-industry backgrounds for employees. For weaknesses, Ms. Dowdell discussed the aging workforce and the loss of institutional knowledge and the “just in time” hiring philosophy, meaning positions are only created after the need is already present. Ms. Burkey noted that a growing need at organizations is the ability to retrain employees on short notice which means developing a skill in identifying needs and then how to train existing employees to meet them. Ms. Dowdell responded that hiring people with intellectual curiosity as a personality trait will be helpful in that endeavor. She also talked about training grant programs for which RF is eligible because of its 501(c)(3) status that RF intends to take advantage of going forward. Ms. Burkey noted the need to spot and encourage intellectual curiosity in existing staff. Mr. Cass asked a question about what RF is doing to address the listed weaknesses and the committee and RF staff on the call had a discussion of specific action items that fall under each one. For opportunities, Ms. Dowdell mentioned the recent start, stop, continue exercise the RF executive team just underwent as well the efforts to increase stakeholder awareness through the states and other important stakeholders and some of the

**Finance and Audit Committee Minutes**  
**March 25, 2024**

challenges that presents. Next, Ms. Dowdell moved on to threats, highlighting technology constraints, particularly those caused by Align and the Secure Evidence Locker.

From there, Ms. Dowdell talked about the prior year's projections and the ways in which they differ from current budget assumptions. She also discussed the initiatives currently underway at RF, falling under the categories of cloud based technology, education/outreach/communications, as well as monitoring/analysis/reporting. A discussion ensued about the state table-top exercises and the future of those. The committee encouraged some work to better understand the landscape of existing tabletops (not performed by RF) and was comfortable with RF's plan to perform them once a year for now.

Ms. Dowdell then moved on to initiatives related to training and engagement, AI, and inverter based resources. There was discussion about AI and entity data and stakeholder directors on the committee expressed concerns about the use of entity data in generative AI tools. Ms. Dowdell also shared that the new IBR registrations and their impact on RF is unknown at this time but something RF intends to monitor.

Ms. Dowdell then talked about the budget itself, with 86% of it being made up of fixed costs. She then went into the budget drivers in more detail, including merit increases (4%), medical insurance increases (likely only 2.6% due to an 18 month plan cycle), travel/meeting increases, table top exercise support, and generative AI. She then noted some resource/process drivers such as new IBR registrations, FERC Order 881, new cloud requirements, and the Interregional Transfer Capability Studies.

Ms. Dowdell then discussed the FTE requests: 3 total—an energy policy analyst, an engineer in ESP, and a CMEP operations supervisor. For each position, Ms. Dowdell discussed how it tied to RF's strategy.

For the energy policy analyst, which is a position that combined RF outreach needs with the table top resource requirements, Ms. Dowdell also noted the potential outcomes if that position were filled and then if it were not filled. She described that the existing team is at capacity in terms of the state outreach work on RF's plate and the need for support on the information gathering and facilitation side.

Ms. Dowdell then proceeded to discuss the engineering position and the need for support on the outreach side to provide engineering analyses as well as the Interregional Transfer Capability Studies that are also occupying the team's time.

Finally, Ms. Dowdell walked through the CMEP operations supervisor role, which is primarily to address the administrative burden placed on RF CMEP staff by Align and the SEL, while also addressing some other workload and other process issues being experienced by the compliance monitoring team. Ms. Dowdell explained that this position was proposed instead of the enforcement attorney originally projected for 2025 because RF has realized that the burden of Align and SEL is much heavier on the administrative side than anything else and in order to continue processing enforcement actions without creating a backlog, there is an immediate need for this position to relieve the paralegal currently working through Align and SEL issues at the expense of processing enforcement actions, as it is currently occupying 50% of her time. Ms.

**Finance and Audit Committee Minutes**  
**March 25, 2024**

Burkey asked how much more time work is taking using Align and the SEL versus the prior tools RF used and Ms. Schaefer estimated that it is approximately 40% more time.

Mr. Cass then asked for a motion to approve the budget assumptions which was seconded and unanimously approved.

Finally, Ms. Dowdell noted the assessment strategy and then discussed the RF operating reserve.

Mr. Cass asked for a motion to continue with the \$1 million operating reserve which was seconded and unanimously approved.

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

As approved on this 1<sup>st</sup> day of May, 2024 by the  
Finance and Audit Committee,

A handwritten signature in blue ink, appearing to read 'Niki Schaefer', is centered below the approval text.

Niki Schaefer  
*Vice President General Counsel & Corporate  
Secretary*

## Attachment A

---

### Others Present During the Finance and Audit Committee Meeting

BethAnn Dowdell • ReliabilityFirst  
Diane Holder • ReliabilityFirst  
Tim Gallagher • ReliabilityFirst  
Christi Klein • ReliabilityFist  
Marcus Noel • ReliabilityFirst  
Niki Schaefer • ReliabilityFirst  
Jeff Craigo • ReliabilityFirst  
Jody Tortora • ReliabilityFirst