



**GENERAL SESSION MINUTES OF THE BOARD OF DIRECTORS  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
September 18, 2012 at 9:00 a.m.

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

Meeting Attendance:

Board Members:

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Bowling, Shannon	Cirro Group	Independent Retail Electric Provider Segment Alternate
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Dalton, Andrew	Valero Services, Inc.	Consumer / Industrial
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Fehrenbach, Nick	City of Dallas	Consumer / Commercial
Gent, Michehl	Unaffiliated	Unaffiliated Director
Givens, Sheri	Office of Public Utility Counsel	Consumer / Residential
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Nelson, Donna	Public Utility Commission of Texas	Chairman
Pfirschmann, Karl	Unaffiliated	Unaffiliated Director
Prochazka, Scott	CenterPoint Energy Houston Electric, LLC	Investor-Owned Utility
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer (Proxy for Barbara Clemenhagen, Independent Generator Segment Alternate)
Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director



Other Guests:

Anderson, Kenneth	Public Utility Commission of Texas – Commissioner ( <i>beginning with Agenda Tab 4</i> )
Bauld, Mandy	ERCOT Director of Commercial Market Operations
Billo, Jeff	ERCOT Manager Mid-Term Planning
Brown, Jeff	Shell Energy North America (US) LP (Independent Power Marketer Segment Alternate)
Bruce, Mark	Stratus Energy Group on behalf of Xtreme Power
Carpenter, Mark	Oncor Electric Delivery Company (Investor-Owned Utility Segment Alternate)
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Dumas, John	ERCOT Director Wholesale Market Operations
Garcia, Tony	Programmer of Potomac Economics, ERCOT Independent Market Monitor
Garza, Beth	Deputy Director of Potomac Economics, ERCOT Independent Market Monitor
Helton, Robert	Director of Market Design & Policy IPR GDF SUEZ Energy Marketing NA, Inc.
Hoffman, Patricia	U.S. Department of Energy – Assistant Secretary
Huynh, Thuy	Transmission Engineer of Potomac Economics, ERCOT Independent Market Monitor
Jones, Brad	Luminant Generation Company LLC
Jones, Dan	Director of Potomac Economics, ERCOT Independent Market Monitor
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Li, Young	Principal Engineer of Potomac Economics, ERCOT Independent Market Monitor
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer
Ogelman, Kenan	CPS Energy, Technical Advisory Committee (TAC) Chair
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Ragsdale, Kenneth	ERCOT Principal Market Design and Analysis
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning
Seely, Chad	ERCOT Assistant General Counsel
Wittmeyer, Bob	TAC Residential Consumer Representative, TAC Vice-Chair
Zang, Ph.D., Hailing	Economist of Potomac Economics, ERCOT Independent Market Monitor
Zhang, Ph.D., Bryan	Economist of Potomac Economics, ERCOT Independent Market Monitor



### **Call General Session to Order, Announce Proxies and Segment Alternates (Agenda Tab 1)**

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:03 a.m. Chairman Crowell noted the Antitrust and Security Admonitions and requested notice if there were any such concerns during the discussion in the meeting. Chairman Crowell announced that Shannon Bowling, Segment Alternate for the Independent Retail Electric Provider Segment, was acting in Eric Hendrick's absence and Jean Ryall held a proxy for Barbara Clemenhagen, Segment Alternate for the Independent Generator Segment. Chairman Crowell provided opening remarks and welcomed Patricia Hoffman, Assistant Secretary of the U.S. Department of Energy.

Chairman Crowell addressed the following Agenda Items in the order below.

### **Consent Agenda (Agenda Tab 2)**

Chairman Crowell entertained a motion for the approval of the Consent Agenda as follows:

- Unopposed Nodal Protocol Revision Requests (NPRRs), Recommended by Technical Advisory Committee (TAC) for Approval
  - NPRR464, SASM Procurement Reporting – URGENT;
  - NPRR470, Real-Time PTP Option Modeling Language Cleanup – URGENT;
  - NPRR472, Implementation Clarifications for Consideration of DC Tie Lines and Outages in CCTs – URGENT; and
  - NPRR477, Exception for Block Load Transfers at Presidio – URGENT.

**Jorge Bermudez moved to approve the Consent Agenda as presented. Scott Prochazka seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **July 17, 2012 General Session Meeting Minutes (Agenda Tab 3)**

Chairman Crowell entertained a motion to approve the July 17, 2012 General Session Meeting Minutes (Minutes).

**Karl Pfirrmann moved to approve the Minutes as presented. Mr. Bermudez seconded the motion. The motion passed by unanimous voice vote with one abstention (Sheri Givens).**

### **Chief Executive Officer (CEO) Update (Agenda Tab 4)**

Trip Doggett provided the CEO Update and responded to questions and comments from Board members.

Donna Nelson, Chairman of the Public Utility Commission of Texas (PUCT or Commission), called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for September 18, 2012.

### **Financial Summary and Operations Report (Agenda Tab 5)**

Mr. Doggett presented the Financial Summary and Operations Reports. Mr. Doggett, Mandy Bauld, John Dumas and Jerry Dreyer responded to questions and comments from Board members.



### **ERCOT West Texas Congestion Management (Agenda Tab 6)**

Mr. Dumas, Jeff Billo, and Dan Jones reviewed the ERCOT West Texas Congestion Management presentation. Mr. Dumas, Mr. Billo and Mr. D. Jones responded to questions and comments from Board members.

### **Break**

Chairman Crowell recessed the General Session for break at approximately 10:45 a.m. until approximately 11:02 a.m.

### **Independent Market Monitor (IMM) Report (Agenda Tab 7)**

Dan Jones and Beth Garza presented the IMM Report. Ms. Garza responded to questions and comments from Board members. Beth Garza introduced Potomac Economics staff: Tony Garcia, Thuy Huynh, Young Li, Hailing Zang, Ph.D., and Bryan Zhang, Ph.D.

### **TAC Update (Agenda Tab 8)**

Kenan Ogelman presented the TAC Update and responded to questions and comments from Board members.

### **Point-to-Point (PTP) Obligation Bid Reduction Factor, Annual Review as Required by Protocol Section 4.4.10, Credit Requirement for Day Ahead Market (DAM) Bids and Offers (Agenda Tab 8.1)**

Clifton Karnei moved to approve maintaining the current PTP Obligation Bid Reduction Factor described in Protocol Section 4.4.10 as recommended by the September 7, 2012 TAC. Michehl Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

### **2013 Competitive Constraints (Agenda Tab 8.2)**

Mr. Ogelman reviewed the September 7, 2012 TAC Action on the 2013 Competitive Constraints, which was the basis of the appeal by IPR GDF SUEZ Energy Marketing NA, Inc. Chairman Crowell reviewed the process for allowing interested parties to address the appeal on the 2013 Competitive Constraints.

### **Appeal and Position Statement of IPR GDF SUEZ Energy Marketing NA, Inc. (Agenda Tab 8.2.1)**

Robert Helton presented the Appeal and Position Statement of IPR GDF SUEZ Energy Marketing NA, Inc.

### **TAC Advocate Presentation of TAC Recommendation (Agenda Tab 8.2.2)**

Brad Jones provided the TAC Advocate Presentation of the TAC Recommendation on the 2013 Competitive Constraints. Mr. B. Jones responded to questions and comments from Board members.

### **Position Statements of Interested Parties (Agenda Tab 8.2.3)**

There were no other position statements from interested parties presented to the Board.



**Mark Dreyfus moved to: deny the appeal of IPR GDF SUEZ Energy Marketing NA, Inc.; modify the September 7, 2012 TAC Action so as to restore the zonal 2010 designated Commercially Significant Constraints (CSCs) and Closely Related Elements (CREs) as the 2013 Competitive Constraints; and direct TAC to study and develop alternatives to improve the Constraints Competitiveness Tests and to report back to the Board by the end of the first quarter of 2013 on that assessment. Jean Ryall seconded the motion. Mr. Dreyfus, Bill Magness and Mr. Helton responded to questions and comments from Board members. The motion passed by unanimous vote by show of hands with no abstentions.**

**Pilot Project on Fast Responding Regulation Service (FRRS) (Agenda Tab 9)**

Kenneth Ragsdale presented the Pilot Project on Fast Responding Regulation Service (FRRS). Mr. Ragsdale, Mr. Doggett and Mr. Magness responded to questions and comments from Board members. Mark Bruce of Stratus Energy Group stated interest on behalf of Xtreme Power in participating in the pilot.

**Lunch**

The meeting recessed for lunch at approximately 12:48 p.m. and reconvened at approximately 1:30 p.m.

**STEC KEC-MEC Load Addition Regional Planning Group (RPG) Project (Agenda Tab 10)**

Jeff Billo presented the STEC KEC-MEC Load Addition RPG Project and responded to questions and comments from Board members.

**Mr. Pfirrmann moved to approve the STEC KEC-MEC Load Addition RPG Project as presented. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**2013 Board Meeting Schedule (Agenda Tab 11)**

Chairman Crowell entertained discussion regarding the proposed 2013 Board Meeting Schedule.

**Mr. Karnei moved to approve the 2013 Board Meeting Schedule as presented. Vice Chair Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Adjunct Membership Approval of Smart Wire Grid, Inc. for Membership Year 2012 (Agenda Tab 12)**

Mr. Magness presented the requested Adjunct Membership approval of Smart Wire Grid, Inc. for Membership Year 2012.

**Mr. Gent moved to approve the Adjunct Membership approval of Smart Wire Grid, Inc. for Membership Year 2012 as requested. Andrew Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Other Business (Agenda Tab 13)**

No other business was discussed at this time.



**Executive Session**

Chairman Crowell recessed the General Session into Executive Session at approximately 1:40 p.m. He reconvened General Session at approximately 3:22 p.m.

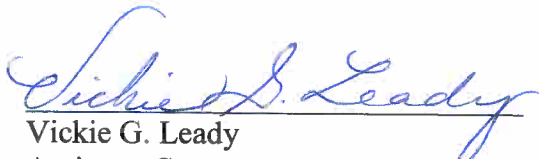
**Vote on Matters from Executive Session (Agenda Tab 14)**

Chairman Crowell announced there were no voting items to be considered from Executive Session at this time.

**Adjournment (Agenda Tab 15)**

Chairman Crowell adjourned the meeting at approximately 3:23 p.m.

Board materials and presentations from the meeting are available on ERCOT's website at <http://www.ercot.com/committees/board>.

  
Vickie G. Leady  
Assistant Corporate Secretary