



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

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
December 11, 2012

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>  |
|-------------------------------|---|---|
| Crowell, Craven<br>(Chairman) | Unaffiliated                              | Unaffiliated Director   |
| Dalton, Andrew                | Valero Services Inc.                      | Consumer / Industrial ( <i>Not present for Agenda Items 1 – 4</i> )                     |
| Doggett, H. B. "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<br>( <i>Proxy for Jorge Bermudez</i> )                            |
| Givens, Sheri                 | Office of Public Utility Counsel          | Consumer / Residential  |
| Gresham, Kevin                | E.ON Climate & Renewables North America   | Independent Generator   |
| Hendrick, Eric                | Stream Energy                             | Independent Retail Electric Provider  |
| Karnei, Clifton               | Brazos Electric Power Cooperative Inc.    | Cooperative   |
| Nelson, Donna                 | Public Utility Commission of Texas (PUCT) | Chairman ( <i>Not present for Agenda Items 1 – 4</i> )                                  |
| Pfirmann, Karl                | Unaffiliated                              | Unaffiliated Director ( <i>Proxy for Judy Walsh for Agenda Items 9, 10, 11 and 12</i> ) |
| Prochazka, Scott              | CenterPoint Energy Houston Electric LLC   | Investor Owned Utility  |
| Ryall, Jean                   | CCNG Power, LLC                           | Independent Power Marketer  |
| Walsh, Judy<br>(Vice Chair)   | Unaffiliated                              | Unaffiliated Director ( <i>Not present for Agenda Items 9, 10, 11 and 12</i> )          |



Other Guests:

|                      |  |
|----------------------|--|
| Bauld, Mandy         | ERCOT Director of Commercial Market Operations   |
| Botkin, Shelly       | ERCOT Government Relations Manager   |
| Brown, Jeff          | Shell Energy North America (US) LP (Independent Power Marketer Segment Alternate)                                |
| Bruce, Mark          | Stratus Energy Group   |
| Carpenter, Mark      | Oncor Electric Delivery Company (Investor Owned Utility Segment Alternate)                                       |
| Clemenhagen, Barbara | Topaz Power Holdings LLC (Independent Generator Segment Alternate) <i>(Not present for Agenda Items 1 – 4.2)</i> |
| Day, Betty           | ERCOT Vice President of Business Integration   |
| Dreyer, Jerry        | ERCOT Vice President and Chief Information Officer   |
| Dumas, John          | ERCOT Director of Wholesale Market Operations  |
| Encinias, Phyllis    | ERCOT Project Manager  |
| Gage, Theresa        | ERCOT Director of External Affairs   |
| Hobbs, Kristi        | ERCOT Manager of Market Rules and Stakeholder Support  |
| Holt, Wes            | ERCOT Manager of Facilities  |
| Jones, Dan           | Director of Potomac Economics, ERCOT Independent Market Monitor  |
| King, Charles        | ERCOT Facilities Assistant   |
| Leady, Vickie        | ERCOT Assistant General Counsel and Assistant Corporate Secretary  |
| Magness, Bill        | ERCOT Vice President, General Counsel and Corporate Secretary  |
| Ogelman, Kenan       | CPS Energy, Technical Advisory Committee (TAC) Chair   |
| Petterson, Michael   | ERCOT Vice President of Finance and Treasury   |
| Pysh, Danya          | ERCOT Media Communications Specialist  |
| Ruane, Mark          | ERCOT Vice President of Credit and Enterprise Risk Management  |
| Saathoff, Kent       | ERCOT Vice President of Grid Operations and System Planning  |
| Searcy, Robbie       | ERCOT Manager of Communications  |
| Seely, Chad          | ERCOT Assistant General Counsel  |
| Shellman, Carolyn    | CPS Energy (Municipal Segment Alternate)   |
| Waters, John         | ERCOT Supervisor of Facilities   |
| Wittmeyer, Bob       | Residential Consumer TAC Representative, TAC Vice Chair  |

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

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board meeting to order at approximately 8:30 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 noted that Jorge Bermudez, Unaffiliated Director, provided his proxy to Michehl Gent, Unaffiliated Director.

Chairman Crowell provided an opening statement. He also announced that he would recess the Board meeting for an extended lunch break at 10:30 a.m. to allow the Board members to attend the Forty-Second Annual Meeting of ERCOT Membership. Chairman Crowell recognized the ERCOT Facilities staff for their work on the updating the audio-visual equipment and other



items in the Board meeting room. He recognized and thanked Wes Holt, Charles King, John Waters and Phyllis Encinias for their contribution to this project.

**Consent Agenda (Agenda Items 2, 2.1, 2.2, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6, 2.2.7, 2.2.8, 2.2.9, 2.2.10, 2.2.11, 2.2.12, 2.2.13 and 2.2.14)**

Chairman Crowell entertained a motion to approve the Consent Agenda, which included the following matters:

- ERCOT Business Practice, Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch;
- Unopposed Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Request (PGRR) Recommended by Technical Advisory Committee (TAC) for Approval:
  - NPRR466, Asset Depreciation Schedule for Capital Contributions;
  - NPRR473, Process for Submission of Generation Resource Weatherization Information;
  - NPRR475, EPS Metering Exception for ERS Generation;
  - NPRR476, Market Submitted Energy Offer Curves Disclosures;
  - NPRR478, Extension of DAM QSE Offer and Bid Submission Deadline Due to ERCOT Systems Delays;
  - NPRR479, Daily Net Outage MW;
  - NPRR480, Removal of Language for Relaxing Transmission Constraints;
  - NPRR481, Report of Hourly Actual System Load by Weather Zone;
  - NPRR482, Removal of Duplicative Statement of Opportunity Requirements;
  - NPRR483, REC Program Renewable Resource Self-Reporting MWH Production Data and Metering Requirements;
  - NPRR488, Resource Entity and LSE QSE Designation or Change;
  - NPRR497, Corrections to NPRR400 – Urgent;
  - NPRR501, Correct ERS Self-Provision Settlement Calculation – Urgent; and
  - PGRR021, Synchronization with NPRR454, Removal of Unfunded Project List Language, and Modification of Administrative PGRR Definition.

**Michehl Gent moved to approve the Consent Agenda as presented. Karl Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**November 13, 2012 General Session Meeting Minutes (Agenda Item 3)**

Chairman Crowell entertained a motion to approve the November 13, 2012 General Session Meeting Minutes (Minutes).

**Mr. Gent moved to approve the Minutes as presented. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with three abstentions (Sheri Givens, Kevin Gresham and Scott Prochazka).**

**Chief Executive Officer (CEO) Presentations (Agenda Item 4)**

Chairman Crowell requested the CEO Presentations.



**CEO Update (Agenda Item 4.1)**

Trip Doggett provided the CEO Update. Mr. Doggett, Kent Saathoff and Warren Lasher responded to questions and comments from Board members.

**Financial Summary (Agenda Item 4.2)**

Mr. Doggett presented the Financial Summary and responded to questions and comments from Board members.

**Operations Reports (Agenda Item 4.3)**

Mr. Doggett presented the Operations Reports. Mr. Doggett, Theresa Gage, John Dumas, Mr. Saathoff and Kristi Hobbs responded to questions and comments from Board members.

**Independent Market Monitor (IMM) Report (Agenda Item 5)**

Dan Jones noted that he was available for questions on the IMM Report. There were no questions and comments from Board members.

**Confirmation of 2013 TAC Representatives (Agenda Item 6)**

Chairman Crowell entertained a motion to confirm the 2013 TAC Representatives.

**Jean Ryall moved to approve the 2013 TAC Representatives as presented. Mark Dreyfus seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**TAC Report; and Non-Unanimous NPRRs Recommended by TAC for Approval (Agenda Items 7 and 7.1)**

Kenan Ogelman presented the TAC Report and identified the non-unanimous NPRRs recommended by TAC for approval.

**NPRR385, Negative Price Floor (formerly "Security Violation Analysis and Reporting and Negative Price Floor") (Agenda Item 7.1.1)**

Mr. Ogelman and Mr. Doggett responded to questions and comments from Board members regarding NPRR385.

**Mr. Gresham moved to approve NPRR385 as recommended by TAC in the 11/29/2012 TAC Report. Mr. Karnei seconded the motion. The motion passed by a show-of-hands vote with eleven in favor, three opposed (Mr. Gent, on his behalf and as proxy for Jorge Bermudez, and Nick Fehrenbach) and one abstention (Eric Hendrick).**

**NPRR461, Energy Storage Settlements Consistent With PUCT Project 39917 -- URGENT (Agenda Item 7.1.2)**

Mr. Ogelman noted the 12/03/2012 ERCOT comments submitted with regard to NPRR461. Mark Bruce with Stratus Energy Group provided comments on behalf of Xtreme Power. Mr. Ogelman, Mr. Doggett, Mandy Bauld and Chad Seely responded to questions and comments from Board members.

**Andrew Dalton moved to approve NPRR461, as recommended by TAC and modified by the 12/03/2012 ERCOT comments, and to direct ERCOT staff to provide true-up**



information at the January 2013 Board meeting. Mark Dreyfus seconded the motion. Mr. Gresham made a friendly amendment to request TAC to provide a recommendation on whether to include a list of technologies in the Protocols or to give a rationale in the Protocols. Mr. Dalton did not accept Mr. Gresham's friendly amendment. The motion passed by unanimous voice vote with no abstentions.

Mr. Gresham moved to direct TAC to report at the March 2013 Board meeting whether to include the list of Wholesale Storage Load technologies in the Protocols or Guides and, to the extent there is a change, then to present an NPRR accordingly. After discussion by the Board members, Mr. Ogelman and Bill Magness, Ms. Ryall seconded the motion. The motion passed by a show-of-hands vote with eleven in favor, two opposed (Mr. Fehrenbach and Mr. Prochazka) and two abstentions (Michehl Gent, on his behalf and as proxy for Jorge Bermudez).

**30-Minute Emergency Response Service (ERS) Pilot Project Results Overview and Request for Third Contract Period (Agenda Item 8)**

Mr. Dumas presented the ERS Pilot Project Results Overview and responded to questions and comments from Board members.

Mr. Dalton moved to authorize two additional contract periods with the last contract period ending on September 30, 2013, and to authorize ERCOT staff to make changes in governing document accordingly. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

**Recess for Forty-Second Annual Meeting of ERCOT Membership**

Chairman Crowell recessed the General Session at approximately 10:32 a.m. for the Forty-Second Annual Meeting of ERCOT Membership (at Austin Marriott South, 4415 South IH-35).

Chairman Crowell determined a quorum was present and reconvened the General Session at approximately 1:19 p.m.

**Finance and Audit (F&A) Committee Report (Agenda Item 9)**

Clifton Karnei, F&A Committee Chairman, reported that the F&A Committee met during the prior day and highlighted the items discussed at the F&A Committee meeting.

**Human Resources and Governance (HR&G) Committee Report (Agenda Item 10)**

Andrew Dalton, HR&G Committee Chairman, reported that the HR&G Committee met during the prior day and highlighted the items discussed at the HR&G Committee meeting. He reported that there would be two items to be considered during Executive Session which would require a vote later during General Session.

**Other Business (Agenda Item 11)**

Chairman Crowell entertained discussion on Other Business. Chairman Crowell reminded the Board members to return their 2013 Committee Preference forms as soon as possible. Mr. Doggett recognized Theresa Gage and ERCOT External Affairs staff, Shelly Botkin, Robbie



Searcy and Danya Pysh, for the their work on the State of the Grid report. Chairman Nelson also commended the External Affairs team for their work on this report.

**Executive Session**

Chairman Crowell adjourned the meeting into Executive Session at approximately 1:26 p.m. and reconvened the General Session at approximately 2:49 p.m. He reported that Judy Walsh, Unaffiliated Director, had provided her proxy earlier to Karl Pfirrmann, Unaffiliated Director.

**Vote on Matters from Executive Session (Agenda Item 12)**

Chairman Crowell called for a motion to approve matters from Executive Session.

**Mr. Dalton moved to approve the Contract Matter as recommended by the HR&G Committee and as discussed during Executive Session. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Mr. Dalton moved to approve the Personnel Matter as recommended by the HR&G Committee and as discussed during Executive Session. Ms. Givens seconded the motion. The motion passed by unanimous voice vote with one abstention (Mr. Doggett).**

**Adjournment (Agenda Item 13)**

Chairman Crowell adjourned the meeting at approximately 2:51 p.m.

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

A handwritten signature in blue ink that reads "Vickie G. Leady". The signature is written in a cursive, flowing style.

Vickie G. Leady  
Assistant Corporate Secretary