



**DRAFT GENERAL SESSION MINUTES OF THE FINANCE & AUDIT COMMITTEE  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS INC.**

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
July 15, 2013

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

**Meeting Attendance:**

Committee Members:

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bermudez, Jorge (Chairman)	Unaffiliated	Unaffiliated Director
Bowling, Shannon	Cirro Group	Independent Retail Electric Provider (IREP)
Carpenter, Mark	Oncor Electric Delivery Company	Investor Owned Utility Segment Alternate
Fehrenbach, Nick	City of Dallas	Consumer - Commercial
Gent, Michehl	Unaffiliated	Unaffiliated Director <i>(Not Present for Agenda Items 1 and 2)</i>
Gresham, Kevin	E.On Climate & Renewables NA LLC	Independent Generator <i>(Not Present for Agenda Item #3)</i>
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative Inc.	Cooperative
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

<b>Director/ Segment Alternate</b>	<b>Affiliation</b>	<b>Segment</b>
Crowell, Craven	Unaffiliated	Unaffiliated Director <i>(Not Present for Agenda Items 4 – 9)</i>
Dalton, Andrew	Valero Services Inc.	Consumer – Industrial <i>(Not Present for Agenda Items 1 and 2)</i>
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal <i>(Not Present for Agenda Items 4 – 9)</i>
Givens, Sheri	Office of Public Utility Counsel	Consumer – Residential/Small Commercial <i>(Not Present for Agenda Items 1 and 2)</i>



Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director <i>(Not Present for Agenda Items 4 – 9)</i>
Porter, Jean Ryall	CCNG Power, LLC	Independent Power Marketer <i>(Not Present for Agenda Items 1 and 2)</i>

Other Guests:

Castillo, Simon	Credit Work Group (CWG) Chair <i>(Present for Agenda Item 4 only)</i>
Clausen, Deena	EY (formerly Ernst & Young)
Day, Betty	ERCOT Vice President of Business Integration <i>(Not Present for Agenda Item #3)</i>
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Garner, Lisa	EY(formerly Ernst & Young)
Gilmore, Gina	ERCOT Lead Financial Analyst
Gonzalez, Jesse	ERCOT Financial Analyst
Johnson, McCall	Public Utility Commission of Texas (PUCT) <i>(Not Present for Agenda Items 4 – 9)</i>
Jones, Brad	ERCOT Vice President Commercial Operations <i>(Not Present for Agenda Item 3)</i>
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary <i>(Not Present for Agenda Items 4 - 9)</i>
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary <i>(Not Present for Agenda Items 4 - 9)</i>
Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer <i>(Not Present for Agenda Items 4 - 9)</i>
Markham, Lori	ERCOT Corporate Governance Specialist
McIntyre, Ken	ERCOT Vice President Grid Planning and Operations
Opheim, Calvin	ERCOT Manager of Load Forecasting and Analysis <i>(Not Present for Agenda Items 4 – 9)</i>
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Rose, Erica	ERCOT Financial Analyst
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Schue, Jamie	ERCOT Associate Corporate Counsel
Taylor, Sean	ERCOT Controller



Westbrook, Susan	ERCOT Director of Human Resources
Wiley, Leslie	ERCOT Manager of Treasury
Wullenjohn, Bill	ERCOT Director Internal Audit

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

Jorge Bermudez, F&A Committee Chairman, determined that a quorum was present and called the F&A Committee meeting to order at approximately 12:08 p.m. Chairman Bermudez noted the Antitrust and Security Admonitions. Chairman Bermudez announced that he held the proxy for Michehl Gent and Mark Carpenter, Investor Owned Utility Segment Alternate, was attending in Scott Prochazka's absence. He addressed the following Agenda Items in the order below. Chairman Bermudez provided an opening statement.

**May 13, 2013 General Session Meeting Minutes (Agenda Item 2)**

Chairman Bermudez entertained a motion to approve the May 13, 2013 General Session Meeting Minutes (Minutes).

**Clifton Karnei moved to approve the Minutes as presented. Judy Walsh seconded the motion. The motion passed by unanimous voice vote with one abstention (Nick Fehrenbach).**

**Recommendation regarding 2014/2015 Biennial Budget (Agenda Item 3)**

Michael Petterson presented the recommendation regarding the 2014/2015 Biennial Budget. Mr. Petterson, Chuck Manning, Jerry Dreyer, Ken McIntyre, Betty Day, Calvin Opheim and Trip Doggett responded to questions and comments from Committee members.

**Executive Session**

Chairman Bermudez convened Executive Session at approximately 1:00 p.m. and reconvened General Session at approximately 2:13 p.m.

**Continuation of Agenda Item #3, Recommendation regarding 2014/2015 Biennial Budget**

Mr. Petterson continued discussion of 2014/2015 Biennial Budget. He recognized ERCOT Finance Department staff, Erica Rose, Gina Gilmore and Jesse Gonzalez for their outstanding work in preparing the 2014/2015 biennial budget.

**Mike Gent moved to accept the 2014/2015 Biennial Budget as presented. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Periodic Report on Credit Work Group (CWG) Activity (Agenda Item 4)**

Simon Castillo presented the Periodic Report on CWG Activity. There were no questions or comments from Committee members.



### **Recommendation regarding Credit Parameters (Agenda Item 5)**

Mark Ruane presented the recommendation regarding Credit Parameters. There were no questions or comments from Committee members.

**Ms. Walsh moved to accept the recommendation regarding Credit Parameters as presented. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Acceptance of ERCOT's 2012 A-133 Department of Energy Grant Audit Report (Agenda Item 6)**

Sean Taylor presented ERCOT's 2012 A-133 Department of Energy Grant Audit Report and introduced EY staff, Lisa Garner and Deena Clausen. Ms. Clausen provided the Audit results. Mr. Taylor, Ms. Garner and Ms. Clausen responded to questions and comments from Committee members.

**Mr. Gent moved to accept ERCOT's 2012-A-133 Department of Energy Grant Audit Report as presented. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Committee Briefs – Review 2013 Financial Summary, Periodic Report on Investments and Financial Institutions which are Market Participants (Agenda Items 7, 7.1, 7.2 and 7.3)**

Mr. Petterson presented the Committee Briefs, including the Review of 2013 Financial Summary and Periodic Report on Investments. Leslie Wiley presented the Financial Institutions which are Market Participants. Mr. Petterson and Ms. Wiley responded to questions and comments from Committee members.

### **Future Agenda Items (Agenda Item 8)**

Mr. Petterson reviewed the future meeting planner and reported that the next meeting is scheduled for September 16, 2013 at which time the annual committee self-evaluation, the service organization control audit (SSAE 16), and the 401(k) Savings Plan audit report will be discussed.

### **Other Business (Agenda Item 9)**

No other business was discussed at this time.

### **Executive Session**

Chairman Bermudez convened Executive Session at approximately 2:54 p.m. and reconvened General Session at approximately 2:58 p.m.

### **Vote on Matters from Executive Session (Agenda Item 10)**

There were no voting items from Executive Session.

### **Adjourn (Agenda Item 11)**

Chairman Bermudez adjourned the meeting at approximately 2:59 p.m.



Committee materials and presentations from the meeting are available on ERCOT's website at <http://www.ercot.com/calendar/2013/07/20130715-FA>

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Jamie Schue  
Associate Corporate Counsel