



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

Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive, Room 206
Austin, Texas 78744
November 19, 2013, at 9:00 a.m.

Pursuant to notice duly given, 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:

Director	Affiliation	Segment
Baer, Tonya	Office of Public Utility Counsel	Consumer – Residential
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Bowling, Shannon	Cirro Group	Independent Retail Electric Provider
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Dalton, Andrew	Valero Services, Inc.	Industrial - Consumer
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Fehrenbach, Nick	City of Dallas	Commercial - Consumer
Gent, Michehl	Unaffiliated	Unaffiliated Director
Gresham, Kevin	E.On Climate & Renewables NA, LLC	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Nelson, Donna	Chairman	Public Utility Commission of Texas
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Porter, Jean Ryall	CCNG Power, LLC	Independent Power Marketer
Prochazka, Scott	CenterPoint Energy, Inc.	Investor-Owned Utility
Walsh, Judy (Vice-Chair)	Unaffiliated	Unaffiliated Director



Guests:

Anderson, Kenneth	Public Utility Commission of Texas Commissioner
Ashley, Kristy	Exelon Corporation (Independent Generator Segment Alternate)
Brown, Jeff	Shell Energy North America (US), LP (Independent Power Marketer Segment Alternate)
Carpenter, Mark	Oncor Electric Delivery Company (Investor-Owned Utility Segment Alternate)
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
Feuerbacher, Paula	ERCOT Strategic Projects Senior Advisor
Gage, Theresa	ERCOT Director of External Affairs
Garza, Beth	Deputy Director of Potomac Economics, ERCOT Independent Market Monitor
Jones, Brad	ERCOT Vice President Commercial Operations
Jones, Dan	Director of Potomac Economics, ERCOT Independent Market Monitor
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer
Marty, Brandy	Public Utility Commission of Texas Commissioner
McIntyre, Ken	ERCOT Vice President Grid Planning and Operations
Ögelman, Kenan	CPS Energy, Technical Advisory Committee (TAC) Chair
Patterson, Mark	ERCOT Manager of Demand Integration
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Schue, Jamie	ERCOT Associate Corporate Counsel
Seely, Chad	ERCOT Assistant General Counsel
Shellman, Carolyn	CPS Energy (Municipal Segment Alternate)
Stephenson, Randa	Lone Star Transmission, TAC Vice-Chair

Call Open Session to Order and Announce Proxies (Agenda Item 1)

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:02 a.m. Donna Nelson, Chairman of the Public Utility Commission of Texas (PUCT, 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 November 19, 2013.

Chairman Crowell provided his Chairman’s opening statement and commended ERCOT staff on receipt of the State Board of Education’s 2013 Employers for Education Excellence Award. Chairman Crowell noted the Antitrust and Security Admonitions. Chairman Crowell addressed the following Agenda Items in the order below.



Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Request (PGRR) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1, 2.1.1 - 2.1.14, and 2.2)

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

- NPRR527, Required Combined Cycle Telemetry for Operational Awareness and PDCWG Analysis;
- NPRR536, ERS Time Obligation Certainty;
- NPRR543, Message for Confirmed E-Tags;
- NPRR545, Removal of Reference to Wave Traps;
- NPRR546, Removal of References to RUC Notifications;
- NPRR547, Governor Test Data;
- NPRR548, Remove NPRR153 Grey Boxes and Clarify Fixed Quantity Block Treatment in the DAM;
- NPRR549, Clarification for Posting Transmission Loss Factors;
- NPRR550, Modifications to Planning Reserve Margin Inputs – URGENT;
- NPRR553, Monthly BLT Payment and Charge for Presidio Exception;
- NPRR559, Revisions to MCE Calculation;
- NPRR568, Real-Time Reserve Price Adder Based on Operating Reserve Demand Curve – URGENT, and related Other Binding Document, Methodology for Implementing Operating Reserve Demand Curve;
- NPRR570, Reduce RTM Settlement Timeline to Operating Day Plus Five – URGENT;
- PGRR029, Deadline for Regional Transmission Plan; and
- Notrees Windpower, L.P. Permanent Exemption Request Pursuant to Protocol Section 10.14.1, Authority to Grant Exemptions.

Andrew Dalton moved to approve the Consent Agenda as presented. Jorge Bermudez seconded the motion. Michehl Gent noted the costs associated with the Revision Requests contained in the Consent Agenda. **The motion passed by unanimous voice vote with no abstentions.**

General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained motions to approve minutes.

September 16, 2013 Strategic Planning Event Minutes (Agenda Item 3.1)

Karl Pfirrmann moved to approve the September 16, 2013 Strategic Planning Event Minutes as presented. Mr. Bermudez seconded the motion. The motion passed by unanimous voice vote with no abstentions.

September 17, 2013 Meeting Minutes (Agenda Item 3.2)

Mr. Bermudez moved to approve the September 17, 2013 Meeting Minutes as presented. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with one abstention (Shannon Bowling).



Chief Executive Officer (CEO) Presentation; CEO Update (Agenda Items 4 and 4.1)

Trip Doggett provided Board members with the CEO Update and recognized the NPRR484 project team and the authors of the “Use of Synchronized Phasor Measurements for Model Validation in ERCOT” which was recently cited in the Advances in Engineering series. The NPRR484 project team members include: Suresh Pabbisetty, Matt Mereness, Vanessa Spells, Vicki Scott, Maruthi Gaddam, Ramya Nagarajan, Zaldy Zapanta, Ramesh Kaul, Cathy Toth, Raiff Kafeel, Anutosh Adhikary, Manas Trivedi, Susan Jinright, Yong Cheng, Janice Ayson and Mike Taylor. The Synchronized Phasor article authors include: Sarma Nuthalapati, Jian Chen, Prakash Shrestha, Shun-Hsien Huang, John Adams, Diran Obadina, Tim Mortensen and Bill Blevins. Mr. Doggett responded to questions and comments from Board members.

After discussion about the inputs to the Capacity Demand Reserve (CDR) Report, Mr. Doggett agreed to seek the Board’s direction on this matter at the December 10, 2013 Board meeting prior to publishing an updated CDR Report.

Financial Summary (Agenda Item 4.2)

Mr. Doggett presented the Financial Summary.

Operations Reports (Agenda Item 4.3)

Mr. Doggett presented the Operations Report and responded to questions and comments from Board members.

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

Beth Garza provided the IMM Report and responded to questions and comments from Board members. Clifton Karnei and Chairman Crowell thanked Ms. Garza for preparing slides responsive to Board members’ recent requests.

Final Report: 30-Minute Emergency Response Service (ERS) Pilot Project (Agenda Item 6)

John Dumas presented the Final Report on the 30-Minute ERS Pilot Project. Mr. Dumas and Mark Patterson responded to questions and comments from Board members.

Non-Unanimous NPRR Recommended by TAC for Approval; NPRR564, Thirty-Minute Emergency Response Service (ERS) and Other ERS Revisions – URGENT, and related Other Binding Document, Emergency Response Service Procurement Methodology (Agenda Items 7.1 and 7.1.1)

Kenan Ögelman reviewed NPRR564, Thirty-Minute Emergency Response Service (ERS) and Other ERS Revisions – URGENT, and related Other Binding Document, Emergency Response Service Procurement Methodology.

Mr. Dalton moved to approve NPRR564 and related Other Binding Document, Emergency Response Service Procurement Methodology, as recommended by TAC. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chairman Crowell recessed General Session for break from approximately 10:30 a.m. until approximately 10:45 a.m.



After the break, Mr. Ögelman sought clarification that the Board voted to approve TAC's recommendation for approval of NPRR564 with the related Other Binding Document, Emergency Response Service Procurement Methodology. Bill Magness confirmed that the question before the Board on approval of NPRR564 included the related Other Binding Document, both as recommended by TAC and as presented in the meeting materials, and therefore the Board's vote to approve included the related Other Binding Document. Vice Chair Judy Walsh requested that an update on aggregated residential participation be provided to the Board, to which Mr. Ögelman agreed.

TAC Report (Item 7)

Mr. Ögelman presented the TAC Report to the Board and responded to questions and comments from Board members.

Finance and Audit (F&A) Committee Report (Agenda Item 8)

Mr. Bermudez, F&A Committee Chairman, reported that the F&A Committee met during the prior day and highlighted items discussed at the F&A Committee meeting. Mr. Bermudez then addressed voting items considered by the F&A Committee and continued his report later in the meeting.

Acceptance of 2013 Service Organization Control (SSAE 16) Audit Report (Agenda Item 8.1)

Mr. Bermudez moved to accept the 2013 Service Organization Control (SSAE 16) Audit Report, as recommended by the F&A Committee. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Letter of Credit Concentration Limits (Agenda Item 8.2)

Mr. Bermudez moved to approve the Letter of Credit Concentration Limits, as recommended by the F&A Committee. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

DAM Credit Parameters: Point to Point Obligation Discount Factor (Agenda Item 8.3)

Mr. Bermudez moved to approve the DAM Credit Parameters: Point to Point Obligation Discount Factor, as recommended by the F&A Committee. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance & Audit (F&A) Committee Report (Agenda Item 8) -- Continued

Mr. Bermudez concluded his F&A Committee Report.

Human Resources & Governance (HR&G) Committee Report (Agenda Item 9)

Mr. Pfirrmann, HR&G Committee Chairman, reported that the HR&G Committee met during the prior day and highlighted items discussed at the HR&G Committee meeting. Mr. Pfirrmann then addressed voting items considered by the HR&G Committee and continued his report later in the meeting.

Modifications to Board Policies and Procedures (Agenda Item 9.1)

Mr. Pfirrmann moved to approve the Modifications to Board Policies and Procedures, as recommended by the HR&G Committee. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Chairman Crowell and Mr. Pfirrmann discussed the modification to the Board Policies and Procedures related to the Board Chair and Vice Chair terms, which allows continuation of Board leadership until successors are elected. After some discussion, Chairman Crowell noted the consensus of the Board that, with this change, there was no need to convene a Board meeting in January 2014 as originally scheduled.

2014 Key Performance Indicators (Agenda Item 9.3)

Mr. Pfirrmann moved to approve the 2014 Key Performance Indicators, as recommended by the HR&G Committee. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2014 ERCOT Strategic Plan (Agenda Item 9.2)

Mr. Pfirrmann led a discussion on the 2014 ERCOT Strategic Plan and responded to questions and comments. Chairman Crowell recognized Mr. Pfirrmann, Betty Day, and Paula Feuerbacher for their efforts in preparing the Strategic Plan.

Other Business (Agenda Item 10)

Chairman Crowell congratulated Scott Prochazka on his promotion to CEO of CenterPoint Energy, Inc., effective January 1, 2014. Chairman Crowell noted that Mr. Prochazka would not be returning to the 2014 Board and expressed his appreciation for Mr. Prochazka's service on the Board.

Executive Session

Chairman Crowell recessed General Session into Executive Session at approximately 11:14 a.m. and reconvened General Session at approximately 1:42 p.m.

Vote on Matters from Executive Session (Agenda Item 11)

Chairman Crowell entertained motions on matters discussed during Executive Session.

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

Vice Chair Walsh moved to approve three Contract Matters discussed during Executive Session as presented. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Bermudez moved to select the Service Organization Control (SSAE 16) auditor as discussed during Executive Session as recommended by the F&A Committee. Kevin Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjourn (Agenda Item 12)

Chairman Crowell adjourned the meeting at approximately 1:44 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