



**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
September 17, 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
Bermudez, Jorge	Unaffiliated	Unaffiliated Director (<i>Proxy for Shannon Bowling</i>)
Bivens, Danny	Office of Public Utility Counsel	Consumer – Residential (<i>Alternate Representative for Public Counsel Sheri Givens</i>)
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Dalton, Andrew	Valero Services, Inc.	Consumer - Industrial (<i>Not Present for Agenda Items 1-4.3</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
Gresham, Kevin	E.On Climate & Renewables NA LLC	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Nelson, Donna	Public Utility Commission of Texas (PUCT or Commission)	Chairman
Pfaffmann, 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:

Ashley, Kristy	Exelon Corporation (Independent Generator Segment Alternate)
Anderson, Kenneth	Public Utility Commission of Texas (PUCT) Commissioner (<i>Not Present for Agenda Items 1-3</i>)
Bauld, Mandy	ERCOT Director of Settlements and Retail Operations
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
Garza, Beth	Deputy Director of Potomac Economics, ERCOT Independent Market Monitor
Jones, Brad	ERCOT Vice President of Commercial Operations
Lasher, Warren	ERCOT Director of System Planning
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 (PUCT) Commissioner
Ögelman, Kenan	CPS Energy, Technical Advisory Committee (TAC) Chair
Opheim, Calvin	ERCOT Manager of Load Forecasting and Analysis
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Saathoff, Kent	ERCOT Executive Advisor
Seely, Chad	ERCOT Assistant General Counsel
Shellman, Carolyn	CPS Energy (Municipal Segment Alternate)
Stephenson, Randa	Lone Star Transmission, TAC Vice-Chair
Woodfin, Dan	ERCOT Director of System Operations

Call Open 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 9:02 a.m. Chairman Crowell welcomed newly appointed PUCT Commissioner Brandy Marty to the meeting. Donna Nelson, PUCT Chairman, 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 17, 2013.

Chairman Crowell provided his Chairman's opening statement. He noted the Antitrust and Security Admonitions. Chairman Crowell reported that the Independent Retail Electric Provider (REP) Segment Alternate position formerly held by Michael Matlock was currently vacant. He announced that Danny Bivens was attending as Alternate Representative for the Office of Public Utility Counsel in Public Counsel Sheri Givens' absence and that Shannon Bowling, Independent REP Director, provided her proxy to Jorge Bermudez, Unaffiliated Director. He addressed the following Agenda Items in the order below.



Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) Recommended by Technical Advisory Committee (TAC) For Approval (Agenda Items 2.1, 2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6, 2.1.7 and 2.1.8)

Chairman Crowell entertained a motion for the approval of the Consent Agenda as presented. He noted that comments were provided on NPRR555 by Johnson Controls and ERCOT staff.

- NPRR524, Resource Limits in Providing Ancillary Service - URGENT;
- NPRR532, Performance Measurement and Verification and Telemetry Requirements for Load Resources Providing Non-Spin - URGENT;
- NPRR538, Clarification of the Non-Spin Energy Offer Curve Requirements for QSGRs;
- NPRR551, Posting of Annual Planning Model - URGENT;
- NPRR552, Additional Counter-Party Criteria - URGENT;
- NPRR554, Clarification of Future Credit Exposure Calculation - URGENT;
- NPRR555, Load Resource Participation in Security-Constrained Economic Dispatch - URGENT; and
- NPRR557, Administrative Change for August 1, 2013 Nodal Protocols – URGENT.

Mark Dreyfus moved to approve the Consent Agenda as presented in their respective TAC Reports. Karl Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

In response to Kevin Gresham's inquiry, Trip Doggett confirmed the estimated time of completion for NPRR524.

July 16, 2013 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the July 16, 2013 General Session Meeting Minutes (Minutes).

Mr. Bermudez moved to approve the Minutes as presented. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with one abstention (Scott Prochazka).

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

Mr. Doggett, provided the CEO Update. Mr. Doggett and Calvin Opheim responded to questions and comments from Board members. Mr. Gresham commended ERCOT staff on a successful rollout of the ERCOT Energy Saver mobile device app.

Financial Summary; Operations Reports (Agenda Items 4.2 and 4.3)

Mr. Doggett presented the Financial Summary and Operations Reports. There were no questions or comments from Board members.

Congestion Revenue Rights (CRR) Review (Agenda Item 5)

John Dumas presented the CRR Review and responded to questions and comments from Board members.



Independent Market Monitor (IMM) Report (Agenda Item 6)

Beth Garza presented the IMM Report and responded to questions and comments from Board members. Mr. Doggett commented on ERCOT's Control Performance Standard (CPS) 1 scores.

TAC Report (Item 7)

Kenan Ögelman presented the TAC Report.

Non-Unanimous NPRRs Recommended by TAC for Approval (Agenda Item 7.1)

Kenan Ögelman presented the non-unanimous NPRRs recommended by TAC for approval.

NPRR519, Exemption of ERS-Only QSEs from Collateral and Capitalization Requirements (Agenda Item 7.1.1)

Mr. Ögelman responded to questions and comments from Board members regarding NPRR519.

Clifton Karnei moved to approve NPRR519 as recommended by TAC in the July 2, 2013 TAC Report. Mark Ruane, Bill Magness and Chad Seely responded to questions and comments from Board members. **Andrew Dalton seconded the motion.** Mr. Dalton additionally requested that if ERCOT encountered a situation in which an ERS-only QSE did have exposure to the market or there was a potential for uplift, ERCOT would report this to the Board for the purpose of understanding the scope and extent of the possible exposure. **The motion passed by unanimous voice vote with no abstentions.**

NPRR539, Amend Wholesale Storage Load Definition (Agenda Item 7.1.2)

As part of his review of NPRR539, Mr. Ögelman noted that NPRR539 would add thermal energy storage associated with turbine inlet chilling to the list of technologies eligible for wholesale storage load settlement treatment. Mr. Karnei disclosed that his employer, Brazos Electric Power Cooperative, Inc., owns some of these technologies and announced that he would abstain from discussion and voting on NPRR539. Mr. Ögelman and Brad Jones responded to questions and comments from Board members on NPRR539.

Vice-Chair Judy Walsh moved to approve NPRR539 as recommended by TAC in the July 2, 2013 TAC Report. Mr. Dreyfus seconded the motion. **The motion passed by voice vote with one opposed (Michehl Gent) and two abstentions (Mr. Fehrenbach and Mr. Karnei).**

TAC Report (Agenda Item 7) – Continued

Mr. Ögelman continued the TAC Report and provided an update on reducing the settlement timeline. The Board members, PUCT Commissioner Kenneth Anderson and Mandy Bauld discussed the settlement timeline.

Break

Chairman Crowell recessed General Session for break at approximately 11:00 a.m. and reconvened General Session at approximately 11:20 a.m.

Planning Reserve Margin Update (Agenda Item 7.2)

Warren Lasher presented the Planning Reserve Margin Update and responded to questions and comments from Board members.



Update on Pilot Project: Emergency Response Service for Weather-Sensitive Loads (Weather-Sensitive ERS) (Agenda Item 8)

Mr. Brad Jones provided an update on the Weather-Sensitive ERS Pilot Project and responded to questions and comments from Board members.

Acceptance of 2012 ERCOT 401(k) Savings Plan Audit (Agenda Item 9.1)

Mr. Bermudez moved to accept the 2012 ERCOT 401(k) Savings Plan Audit as recommended by the F&A Committee. Scott Prochazka seconded the motion. The motion passed by unanimous voice vote with no abstentions.

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

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 meeting.

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

Karl 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.

ERCOT Employee and Director/Segment Alternate Ethics Agreements (Agenda Item 10.1)

Mr. Pfirrmann moved to approve the ERCOT Employee and Director/Segment Alternate Ethics Agreements as recommended by the HR&G Committee. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2014 ERCOT Board Meeting and Annual Meeting Schedule (Agenda Item 11)

Chairman Crowell entertained discussion on the 2014 ERCOT Board meeting and Annual Membership meeting schedule. The Board members and Mr. Ögelman discussed two versions of the schedule – the original and an alternate one.

Mr. Karnei moved to approve the alternate version of the 2014 ERCOT Board Meeting and Annual Meeting Schedule as presented. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2013 Annual Meeting Planning (Agenda Item 12)

Mr. Magness presented an update on the 2013 Annual Membership Meeting Planning. Vickie Leady responded to Mr. Fehrenbach's questions regarding the record date and meeting schedule.

Update on August 8, 2013 Special Meeting of Corporate Members (Agenda Item 13)

Mr. Magness provided an update on the August 8, 2013 Special Meeting of Corporate Members.

Member-Affiliate Determination Conditioned Upon PUCT Approval of Bylaws (Agenda Item 14)

Mr. Magness provided an update on the Member-Affiliate determination conditioned upon PUCT approval of Bylaws.

Mr. Gresham moved to approve the Member-Affiliate determination conditioned upon PUCT approval of Bylaws as presented. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Ethical Responsibilities of ERCOT Board Service (Agenda Item 15)

Ms. Leady provided a presentation on the Ethical Responsibilities of ERCOT Board Service and responded to questions and comments from Board members.

Other Business (Agenda Item 16)

No other business was discussed at this time.

Executive Session

Chairman Crowell recessed General Session into Executive Session at approximately 12:38 p.m. and reconvened General Session at approximately 1:45 p.m.

Vote on Matters from Executive Session (Agenda Item 17)

Chairman Crowell announced that during Executive Session the sole voting item was the approval of the Executive Session Meeting Minutes so there were no voting items to be considered in General Session.

Adjournment (Agenda Item 18)

Chairman Crowell adjourned the meeting at approximately 1:48 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, reading "Vickie G. Leady", is written over a horizontal line.

Vickie G. Leady
Assistant Corporate Secretary