



**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
February 11, 2014, 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
Ashley, Kristy	Exelon Corporation	Independent Generator Segment Alternate
Baer, Tonya	Office of Public Utility Counsel	Consumer – Residential (<i>Not Present for Agenda Items 1 – 8</i>)
Bowling, Shannon	Cirro Group	Independent Retail Electric Provider
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility
Cox, Brad	Tenaska Power Services	Independent Power Marketer Segment Alternate
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Fehrenbach, Nick	City of Dallas	Consumer – Commercial(<i>Not Present for Agenda Items 1 – 7; Proxy for Andrew Dalton for Agenda Items 8.1 – 16</i>)
Gent, Michehl	Unaffiliated	Unaffiliated Director (<i>Proxy for Jorge Bermudez</i>)
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Marty, Brandy	Public Utility Commission of Texas (PUCT)	Commissioner – Alternate Representative for PUCT Chairman Donna Nelson (<i>Not Present for Agenda Items 1 – 3</i>)
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director



Walsh, Judy (Vice-Chair)	Unaffiliated	Unaffiliated Director
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Officers and Guests:

Billo, Jeff	ERCOT Manager of Transmission Planning
Brewster, Chris	City of Eastland, Technical Advisory Committee (TAC) Vice Chair
Day, Betty	ERCOT Vice President of Business Planning & Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Dumas, John	ERCOT Director of Wholesale Market Operations
Jones, Brad	ERCOT Vice President of 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
McIntyre, Kenneth	ERCOT Vice President Grid Planning and Operations
Opheim, Calvin	ERCOT Manager of Load Forecasting and Analysis
Pettersen, Michael	ERCOT Vice President of Finance and Treasury
Stephenson, Randa	Lone Star Transmission, TAC Chair

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

Trip Doggett, ERCOT President and CEO, determined that a quorum was present and called the Board meeting to order at approximately 9:01 a.m. Mr. Doggett noted the Antitrust and Security Admonitions.

Election of Board Chair; Election of Board Vice Chair (Agenda Items 2 and 3)

Mr. Doggett entertained a motion for the election of 2014 Board Chair.

Mark Dreyfus nominated Craven Crowell as the Board Chairman and Judy Walsh as the Board Vice Chair for 2014. Karl Pfirrmann seconded the nominations. Craven Crowell and Judy Walsh were elected as 2014 Board Chairman and Board Vice Chair, respectively, by unanimous voice vote with no abstentions.

Upon re-election as Board Chair, Chairman Crowell extended his appreciation to serve another term and congratulated Vice Chair Walsh on her re-election. Chairman Crowell recognized Mark Carpenter who was now serving as the Investor Owned Utility Director and introduced new Board members: Read Comstock, Independent Retail Electric Provider Segment Alternate; Brad Cox, Independent Power Marketer Segment Alternate, who Chairman Crowell noted was attending in Jean Ryall Porter's absence; and Wade Smith, Investor Owned Utility Segment Alternate. Chairman Crowell also recognized Jeff Brown's service to the Board. He recognized Kenan Ögelman for his dedication and service while serving as TAC Chair. Chairman Crowell announced that Unaffiliated Director Jorge Bermudez provided his proxy to Unaffiliated Director Michehl Gent, and that Kristy Ashley was acting on behalf of the Independent Generator Segment in Kevin Gresham's absence.

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



Committee Member Preferences and Assignments (Agenda Item 4)

Chairman Crowell noted the Committee Member Assignments for the Human Resources and Governance (HR&G), Finance and Audit (F&A) and Nominating Committees in the meeting materials. There were no requested changes to the Committee assignments.

Confirmation of Technical Advisory Committee (TAC) Chair and Vice Chair (Agenda Item 5)

Chairman Crowell reported that Randa Stephenson, Lone Star Transmission, and Chris Brewster, City of Eastland, were elected by the TAC Representatives as the 2014 TAC Chair and Vice Chair, respectively. He entertained a motion for the confirmation of the TAC Chair and Vice Chair.

Clifton Karnei moved to confirm Randa Stephenson of Lone Star Transmission as 2014 TAC Chair and Chris Brewster of City of Eastland as 2014 TAC Vice Chair. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs), Planning Guide Revision Requests (PGRRs) and System Change Requests (SCRs) Recommended by TAC for Approval (Agenda Items 6, 6.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.1.5, 6.1.6, 6.1.7, 6.1.8, 6.1.9, 6.1.10, 6.1.11, 6.1.12, 6.1.13, 6.1.14 and 6.1.15)

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

- NPRR503, Removal of Language Related to NPRR219;
- NPRR556, Resource Adequacy During Transmission Equipment Outage – URGENT;
- NPRR563, Credit Lock Standards;
- NPRR567, Stakeholder Review of Resource Registration Data Requirements;
- NPRR569, Retail Clarification and Cleanup;
- NPRR573, Alignment of PRC Calculation;
- NPRR577, As-Built Clarification for Portion of WGR Group GREDP Evaluation;
- NPRR580, Establishment of a Rolling CRR Balancing Account Fund;
- NPRR581, Add Fast Responding Regulation Service as a Subset of Regulation Service;
- NPRR591, As-Built Clarification and Corrections Related to NPRR568 and NPRR555 – URGENT;
- SCR774, Enhancement to Outage Scheduler and Reports;
- SCR777, Bilateral CRR Interface Enhancement;
- SCR778, Exposure Calculations for NOIE Options Linked to RTM PTP Obligations;
- PGRR032, Stakeholder Review of Resource Registration Data Requirements; and
- PGRR033, Dynamics Flat Start Cases Preparation.

Mr. Dreyfus moved to approve the Consent Agenda as presented. Vice Chair Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.

December 10, 2013 General Session Meeting Minutes (Agenda Item 7)

Chairman Crowell entertained a motion to approve the December 10, 2013 General Session Meeting Minutes (Minutes).



Mr. Karnei moved to approve the Minutes as presented. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with two abstentions (Vice Chair Walsh and Mr. Cox).

Chief Executive Officer (CEO) Presentation; CEO Update (Agenda Items 8 and 8.1)

Mr. Doggett provided the CEO Update. Mr. Doggett and Kenneth McIntyre responded to questions and comments from Board members.

Chairman Crowell recognized PUCT Commissioner Brandy Marty who was attending in PUCT Chairman Donna Nelson's absence. He also announced that Andrew Dalton, Industrial Consumer Director, had provided his proxy to Nick Fehrenbach, Commercial Consumer Director.

Financial Summary; Operations Reports (Agenda Items 8.2 and 8.3)

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

Congestion Revenue Rights (CRR) Modeling Update (Agenda Item 9)

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

Independent Market Monitor (IMM) Report (Agenda Item 10)

Dan Jones provided the IMM Report and responded to questions and comments from Board members.

TAC Update (Agenda Item 11)

Randa Stephenson introduced Chris Brewster and presented the TAC Update. Ms. Stephenson responded to questions and comments from Board members.

Non-Unanimous SCR and PGRR Recommended by TAC for Approval (Agenda Item 11.1)

Ms. Stephenson presented the non-unanimous SCR and PGRR recommended by TAC for Board approval as noted in Agenda Items 11.1.1 and 11.1.2.

SCR775, Posting Results of Real-Time Data in a Display Format (Agenda Item 11.1.1)

Ms. Stephenson responded to questions and comments from Board members regarding SCR775.

Mr. Karnei moved to approve SCR775 as recommended by TAC in the January 28, 2014 TAC Report. Mr. Dreyfus seconded the motion. The motion passed by unanimous voice vote with no abstentions.

PGRR031, Implement 95% Facility Rating Limit in the Planning Criteria (Agenda Item 11.1.2)

Ms. Stephenson presented and provided a review of TAC's recommendation on PGRR031.

Kristy Ashley moved to remand PGRR031 to TAC, and to direct TAC to provide additional data and examples to illustrate the need for the change and a comparison of the NERC standard and ERCOT standard that justifies this need. After comments by Vice Chair Walsh on PGRR031 and Ms. Ashley's motion, Chairman Crowell called for a second on Ms. Ashley's motion. Mr. Cox seconded the motion. Vice Chair Walsh proposed a friendly amendment to Ms. Ashley's motion to make it a motion to reject PGRR031 and to direct ERCOT's Planning staff to act as necessary



to make the change as conservative as needed. Ms. Ashley declined to accept Vice Chair Walsh's amendment to the motion. After extensive discussion by Board members, Ms. Stephenson and Jeff Billo, Chairman Crowell called for a vote by show of hands. The motion failed by a show of hands vote with six in favor (Ms. Ashley, Shannon Bowling, Mark Carpenter, Mr. Cox, Mark Dreyfus and Clifton Karnei).

Vice Chair Walsh moved to reject PGRR031 and to instruct ERCOT's Planning staff to work with stakeholders to develop rigorous planning criteria based on traditional planning guidelines to ensure that planning is conservative enough to allow the transmission system to be as robust as possible. Mr. Pfirrmann seconded the motion. After extensive discussion by Board members, Chairman Crowell called for a vote by a show of hands. The motion failed by a show of hands vote with nine in favor (Ms. Ashley, Ms. Bowling, Mr. Carpenter, Mr. Cox, Chairman Crowell, Mr. Doggett, Mr. Gent on his behalf and as proxy for Mr. Bermudez, Mr. Pfirrmann and Vice Chair Walsh), six opposed (Tonya Baer, Mr. Carpenter, Nick Fehrenbach on his behalf and as proxy on behalf of Andrew Dalton, Mark Dreyfus, and Mr. Karnei) and no abstentions.

Mr. Dreyfus moved to table PGRR031 until the April 2014 Board meeting, pending a report from ERCOT staff at that time. Mr. Doggett seconded the motion. Chairman Crowell called for a vote by show of hands. The motion passed by a show of hands vote with ten in favor (Ms. Ashley, Ms. Baer, Ms. Bowling, Mr. Carpenter, Mr. Cox, Chairman Crowell, Mr. Doggett, Mr. Dreyfus, Mr. Karnei, Vice Chair Walsh), five opposed (Mr. Gent on his behalf and as proxy for Mr. Bermudez, Mr. Fehrenbach on his behalf and as proxy on behalf of Mr. Dalton, and Mr. Pfirrmann) and no abstentions.

Break

Chairman Crowell recessed the General Session for break at approximately 11:05 a.m. and reconvened the General Session at approximately 11:17 a.m.

TAC Update (Agenda Item 11) - Continued

Ms. Stephenson concluded the TAC Report. There were no questions or comments from Board members.

Load Forecasting Review Update (Agenda Item 12)

Calvin Opheim presented the Load Forecasting Review Update. Mr. Opheim, Ms. Stephenson and Mr. Doggett responded to questions and comments from Board members.

Finance and Audit (F&A) Committee Report (Agenda Item 13)

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

F&A Committee Charter; Market Credit Risk Corporate Standard; Financial Corporate Standard; and Investment Corporate Standard (Agenda Items 13.1, 13.2, 13.3 and 13.4)

Mr. Karnei moved to approve the F&A Committee Charter, Market Credit Risk Corporate Standard, Financial Corporate Standard and Investment Corporate Standard, each as recommended by the F&A Committee. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Human Resources and Governance (HR&G) Committee Report (Agenda Item 14)

Mr. Pfirrmann, HR&G Committee Chairman, reported that the HR&G Committee met the prior day and highlighted items discussed at the HR&G Committee meeting.

HR&G Committee Charter (Agenda Item 14.1)

Mr. Pfirrmann moved to approve the HR&G Committee Charter as recommended by the HR&G Committee. Mr. Dreyfus seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Election of Chief Executive Officer (CEO) and Ratification of Officers (Agenda Item 14.2)

Mr. Pfirrmann moved to elect the CEO and ratify the Officers as recommended by the HR&G Committee. Mr. Dreyfus seconded the motion. The motion passed by unanimous voice vote with one abstention (Mr. Doggett).

2013 Internal Revenue Service Form 990 Questionnaire (Agenda Item 15)

Bill Magness provided an overview of ERCOT's 2013 Internal Revenue Service (IRS) Form 990 Questionnaire and schedule for filing ERCOT's 2013 IRS Form 990.

Other Business (Agenda Item 16)

No other business was discussed at this time.

Executive Session

Chairman Crowell recessed the General Session at approximately 12:00 p.m. and convened Executive Session at approximately 12:15 p.m. Chairman Crowell reconvened General Session at approximately 2:05 p.m.

Vote on Matters from Executive Session (Agenda Item 17)

Chairman Crowell announced that there was one voting item discussed during Executive Session.

Mr. Gent moved to approve the Contract Matter as discussed during Executive Session. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjourn (Agenda Item 18)

Chairman Crowell adjourned the meeting at approximately 2:06 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