



**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  
April 8, 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:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Baer, Tonya	Office of Public Utility Counsel	Consumer – Residential
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Carpenter, Mark	Oncor Electric Delivery Company	Investor–Owned Utility
Comstock, Read	Direct Energy	Independent Retail Electric Provider 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>Proxy for Andrew Dalton for Agenda Items 4.4 – 16</i> )
Gent, Michehl	Unaffiliated	Unaffiliated Director
Gresham, Kevin	E.ON North America LLC	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman ( <i>Not Present for Agenda Items 15 &amp; 16</i> )
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Porter, Jean Ryall	CCNG Power, LLC	Independent Power Marketer
Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director



Officers and Guests:

Ashley, Kristy	Exelon Corporation (Independent Generator Segment Alternate)
Billo, Jeff	ERCOT Manager of Transmission Planning
Brewster, Chris	City of Eastland, Technical Advisory Committee (TAC) Vice Chair
Briggs, Jim	Georgetown Utility Systems on behalf of Unsigned Customer Group
Cox, Brad	Tenaska Power Services (Independent Power Marketer Segment Alternate)
Day, Betty	ERCOT Vice President of Business Planning & Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Forfia, David	ERCOT Director of IT Architecture
Gage, Theresa	ERCOT Director of Corporate Communications
Garza, Beth	Acting Director of Potomac Economics, ERCOT Independent Market Monitor (IMM)
Jones, Brad	ERCOT Vice President of Commercial Operations
Jones, Randy	Calpine
Lasher, Warren	ERCOT Director of System Planning
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Corporate Counsel
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
McIntyre, Kenneth	ERCOT Vice President of Grid Planning and Operations
Morais, Matt	ERCOT Director of Federal Policy
Oldham, Phillip	Texas Industrial Energy Consumers (TIEC)
Patterson, Mark	ERCOT Manager of Demand Integration
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Pieniazek, Adrian	NRG
Schue, Jamie	ERCOT Associate Corporate Counsel
Shellman, Carolyn	CPS Energy (Municipal Segment Alternate)
Smith, Wade	American Electric Power Service Corporation (Investor-Owned Utility Segment Alternate)
Stephenson, Randa	Lone Star Transmission, Technical Advisory Committee (TAC) Chair
Woodard, Stacy	Lower Colorado River Authority (LCRA), on behalf of Rates and Resources Council (RRC)

**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 9:02 a.m. Chairman Crowell noted the Antitrust and Security Admonitions. Chairman Crowell announced that Segment Alternate Read Comstock was representing the Independent Retail Electric Provider Segment as Shannon Bowling could no longer serve as the Segment's Director due to the change in the membership status of her company, Cirro Group. He noted that, due to Michael Packard's retirement, there is currently a vacancy for the Segment Alternate position for the Cooperative Segment. Chairman Crowell recognized Vice Chair Judy Walsh as the 2014 recipient of the GCPA Pat Wood Power Star Award, which is presented annually in recognition of the honoree's significant contributions towards the advancement of competitive energy markets in Texas. Chairman Crowell provided his Chairman's opening statement and addressed the following Agenda Items in the order below.



**Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) and System Change Request (SCR) Recommended by Technical Advisory Committee (TAC) for Approval; Other Unopposed Items Recommended by 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, 2.1.8, 2.1.9, 2.2, 2.2.1 and 2.2.2)**

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

- NPRR584, Alignment with TAC Procedures to Shorten the Appeals Timeline;
- NPRR586, Align Credit Lock for CRR Auctions with Transaction Submission Deadline;
- NPRR589, Ancillary Service Offers in the Supplemental Ancillary Services Market;
- NPRR592, Clarification of Meter Repair Timelines for RTM Settlements;
- NPRR594, Clarifications to the ERCOT Fee Schedule and the Point-to-Point Option Award Fee;
- NPRR596, External Load Serving Entities – URGENT;
- NPRR598, Clarify Inputs to PRC and ORDC – URGENT;
- NPRR602, Exemption for Sharyland Brady Load Transition – URGENT;
- SCR779, Increase to the CRR Auction Transaction Limit;
- Other Binding Document - Setting the Shadow Price Caps and Power Balance Penalties in SCED; and
- Affirmation of May 1, 2014 Effective Date for Phase 2, Implementation of NPRR570, Reduce RTM Settlement Timeline to Operating Day Plus Five.

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

**February 11, 2014 General Session Meeting Minutes (Agenda Item 3)**

Chairman Crowell entertained a motion to approve the February 11, 2014 General Session Meeting Minutes (Minutes).

**Mark Dreyfus moved to approve the Minutes as presented. Mark Carpenter seconded the motion. The motion passed by unanimous voice vote with three abstentions (Jorge Bermudez, Kevin Gresham and Jean Ryall Porter).**

**Chief Executive Officer (CEO) Presentation; CEO Update; Status Update on PGRR031, Implement 95% Facility Rating Limit in the Planning Criteria (Agenda Items 4, 4.1 and 4.2)**

Trip Doggett provided the CEO Update, including a status update on PGRR031, Implement 95% Facility Rating Limit in the Planning Criteria. There were no questions or comments from Board members.

Mr. Doggett recognized Theresa Gage, Matt Morais, David Forfia and Warren Lasher, who represent ERCOT at the Independent System Operator (ISO)/Regional Transmission Organization (RTO) Council (IRC). He thanked them for their support and assistance to the ISO/RTO community on behalf of ERCOT.



**Financial Summary; Operations Reports (Agenda Items 4.3 and 4.4)**

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

Chairman Crowell announced that Andrew Dalton provided his proxy to Nick Fehrenbach.

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

Chairman Crowell expressed his appreciation, on behalf of the ERCOT Board, to Dan Jones, formerly of Potomac Economics. Beth Garza reported that she is the Acting IMM Director and provided her contact information to the Board. She presented the IMM Report and responded to questions and comments from Board members.

**TAC Report (Agenda Item 6)**

Randa Stephenson presented the TAC Report. Ms. Stephenson responded to questions and comments from Board members.

**Non-Unanimous NPRRs Recommended by TAC for Approval (Agenda Item 6.1)**

Ms. Stephenson presented the non-unanimous NPRRs recommended by TAC for Board approval as noted in Agenda Items 6.1.1 through 6.1.4.

**NPRR533, PCRR Eligibility Requirements (formerly “Clarification of PCRR Eligibility Requirements”) – URGENT (Agenda Item 6.1.1)**

Ms. Stephenson presented TAC’s recommendation on NPRR533 and responded to questions and comments from Board members.

**Vice Chair Walsh moved to approve NPRR533 as recommended by TAC in the February 27, 2014 TAC Report. Mr. Bermudez seconded the motion.**

Chairman Crowell invited comments on NPRR533 from any interested parties who wanted to address the Board prior to the Board vote. Stacy Woodard of LCRA provided comments on behalf of RRC. Ms. Woodard responded to questions and comments from Board members. Jim Briggs of Georgetown Utility Systems provided comments on behalf of the Unsigned Customer Group. Mr. Briggs responded to questions and comments from Board members.

Mr. Karnei disclosed that Brazos Electric Power Cooperative is a recipient of Pre-Assigned Congestion Revenue Rights (PCRRs), but that he intended to vote on the pending motion after discussing the matter earlier with Mr. Magness.

After further discussion, Chairman Crowell called for a show-of-hands vote. **The motion passed by a unanimous show-of-hands vote with no abstentions.**

**NPRR576, Changing Non-Spin Service to be Dispatched by ERCOT (formerly “Changing Non-Spin Service to an Off-Line Service”) – URGENT (Agenda Item 6.1.2)**

Ms. Stephenson presented TAC’s recommendation on NPRR576. Ms. Stephenson, Mr. Doggett and Brad Jones responded to questions and comments from Board members.



**Mr. Carpenter moved to approve NPRR576 as recommended by TAC in the March 27, 2014 TAC Report. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**NPRR590, Inclusion of WSL in the Default Uplift Invoice Allocation (Agenda Item 6.1.3)**

Ms. Stephenson presented TAC's recommendation on NPRR590. There were no questions or comments from Board members.

**Mr. Carpenter moved to approve NPRR590 as recommended by TAC in the March 27, 2014 TAC Report. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**NPRR603, ERS Settlement and Service Types – URGENT (Agenda Item 6.1.4)**

Ms. Stephenson presented TAC's recommendation on NPRR603. There were no questions or comments from Board members.

**Mr. Fehrenbach moved to approve NPRR603 as recommended by TAC in the March 27, 2014 TAC Report. Mr. Carpenter seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Other Binding Documents (Agenda Item 7)**

Ms. Stephenson provided a summary of the Other Binding Document – Setting the Shadow Price Caps and Power Balance Penalties in SCED, which was approved by the Board on the Consent Agenda as Agenda Item 2.2.1 (above). She also provided a brief summary of Other Binding Documents as noted in Agenda Items 7.1 and 7.2 and responded to questions and comments from Board members.

**Other Binding Document – Emergency Response Service Procurement Methodology (Agenda Item 7.1)**

Mark Patterson presented the Other Binding Document – Emergency Response Service Procurement Methodology.

**Mr. Fehrenbach moved to approve the Other Binding Document – Emergency Response Service Procurement Methodology as presented. Mr. Carpenter seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Other Binding Document, Methodology for Implementing an Operating Reserve Demand Curve (Agenda Item 7.2)**

Mr. Magness clarified that ERCOT withdrew its prior comments and that ERCOT supported TAC's recommendation of the Other Binding Document, Methodology for Implementing an Operating Reserve Demand Curve.

**Mr. Carpenter moved to approve the Other Binding Document, Methodology for Implementing an Operating Reserve Demand Curve as recommended by TAC in the March 28, 2014 TAC comments to NPRR598 – Attachment 1. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.**



*Break*

Chairman Crowell recessed the General Session for break at approximately 10:07 a.m. and reconvened the General Session at approximately 10:22 a.m.

**ERCOT Independent Review of the Houston Import Regional Planning Group Project (Agenda Item 8)**

Jeff Billo presented the ERCOT Independent Review of the Houston Import Regional Planning Group Project. Mr. Billo responded to questions and comments from Board members.

**Michehl Gent moved to endorse the need for the Houston Import Regional Planning Group Project to meet the reliability requirements of the ERCOT System and to deem the Limestone-Gibbons Creek-Zenith 345kV double circuit line critical to reliability of the ERCOT System pursuant to the Public Utility Commission of Texas Substantive Rule 25.101(b)(3)(D), as presented. Mr. Carpenter seconded the motion.**

Mr. Billo continued to respond to questions and comments from Board members.

Adrian Pieniasek of NRG, Randy Jones of Calpine, and Phillip Oldham representing TIEC provided comments on behalf of their respective organizations. Mr. Pieniasek, Mr. R. Jones and Mr. Oldham responded to questions and comments from Board members. Mr. Doggett and Kenneth McIntyre provided comments on behalf of ERCOT. Mr. Billo, Mr. McIntyre and Mr. Lasher responded to questions and comments from Board members.

After discussion, Chairman Crowell called for a show-of-hands vote on the pending motion. **The motion passed by a show-of-hands vote with thirteen in favor (Ms. Baer, Mr. Bermudez, Mr. Carpenter, Mr. Comstock, Chairman Crowell, Mr. Doggett, Mr. Dreyfus, Mr. Fehrenbach on his behalf and as proxy for Mr. Dalton, Mr. Gent, Mr. Karnei, Mr. Pfirrmann and Vice Chair Walsh), none opposed, and two abstentions (Ms. Ryall Porter and Mr. Gresham).**

**Non-Opt In Entity (NOIE) Load Zone Changes – Request of Sharyland Utilities, L.P. (Brady Load) (Agenda Item 9)**

No action was taken on this Agenda Item due to the Board's earlier approval of NPRR602 on the Consent Agenda (Agenda Item 2.1.8).

**Finance and Audit (F&A) Committee Report (Agenda Item 10)**

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

**Acceptance of Financial Statement Audit Report (Agenda Item 10.1)**

**Mr. Bermudez moved to accept the Financial Statement Audit Report, which included an unqualified opinion, as recommended by the F&A Committee. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**M2, Multiplier for URTA (Unbilled Real-Time Amount) (Agenda Item 10.2)**

**Mr. Bermudez moved to approve the M2, Multiplier for URTA, as recommended by the F&A Committee. Vice Chair Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.**



**Human Resources and Governance (HR&G) Committee Report (Agenda Item 11)**

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.

**Bylaws Amendment regarding Board Member Eligibility (Agenda Item 11.1)**

Mr. Pfirrmann moved to approve the Bylaws Amendment regarding Board member eligibility as recommended by the HR&G Committee. Mr. Carpenter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

**Proposed Revisions to CS5.18 Conflict of Interest Corporate Standard (Agenda Item 11.2)**

Mr. Pfirrmann moved to approve the proposed revisions to CS5.18 Conflict of Interest Corporate Standard as recommended by the HR&G Committee. Mr. Carpenter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

**Nominating Committee Report (Agenda Item 12)**

Chairman Crowell, Nominating Committee Chairman, reported that the Nominating Committee met the prior day and highlighted items discussed at the Nominating Committee meeting.

**Call for Special Meeting of ERCOT Corporate Members for Election of Unaffiliated Directors and Approval of Bylaws Amendment (Agenda Item 13)**

Mr. Karnei moved to approve the calling of a Special Meeting of ERCOT Corporate Members for election of Unaffiliated Directors and approval of Bylaws amendment as presented. Mr. Bermudez seconded the motion. The motion passed by unanimous voice vote with no abstentions.

**Other Business (Agenda Item 14)**

Bill Magness clarified for the record that no action was taken on Agenda Item 9 [Non-Opt In Entity (NOIE) Load Zone Changes – Request of Sharyland Utilities, L.P. (Brady Load)] as it was considered moot given the Board's prior approval of NPRR602 on the Consent Agenda (Agenda Item 2.1.8).

**Executive Session**

Chairman Crowell recessed the General Session at approximately 11:31 a.m. and convened Executive Session at approximately 11:53 a.m. Chairman Crowell reconvened General Session at approximately 1:56 p.m.

**Vote on Matters from Executive Session (Agenda Item 15)**

Chairman Crowell announced that there were two voting items discussed during Executive Session.

Mr. Bermudez moved to select the independent financial auditor as recommended by the F&A Committee and as discussed during the Contract Matters agenda item during Executive Session. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Bermudez moved to select the ERCOT 401(k) Savings Plan Auditor as recommended by the F&A Committee and as discussed during the Contract Matters agenda item during Executive Session. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.



**Adjourn (Agenda Item 16)**

Chairman Crowell adjourned the meeting at approximately 1:57 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".

Vickie G. Leady  
Assistant Corporate Secretary