



**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
June 10, 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
Baer, Tonya	Office of Public Utility Counsel	Consumer – Residential <i>(Not Present for Agenda Item 1)</i>
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility
Comstock, Read	Direct Energy	Independent Retail Electric Provider
Cox, Brad	Tenaska Power Services	Independent Power Marketer Segment Alternate
Crowell, Craven (Board 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
Gent, Michehl	Unaffiliated	Unaffiliated Director
Gresham, Kevin	E.ON North America LLC	Independent Generator <i>(Not Present for Agenda Items 9 – 11)</i>
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Nelson, Donna	Chairman	Public Utility Commission of Texas (PUCT) <i>(Not Present for Agenda Items 1-2)</i>
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Walsh, Judy (Board Vice Chair)	Unaffiliated	Unaffiliated Director



Officers and Guests:

Billo, Jeff	ERCOT Manager of Transmission Planning
Blackmer, Kelly	ERCOT Manager of Operations Readiness
Bowles, Jim	ERCOT Supervisor, Training Operator Training Simulator (OTS)
Brewster, Chris	City of Eastland, Technical Advisory Committee (TAC) Vice Chair
Coleman, Chris	ERCOT Meteorologist
Day, Betty	ERCOT Vice President of Business Planning and Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Garza, Beth	Acting Director of Potomac Economics, ERCOT Independent Market Monitor (IMM)
Goodman, Dale	ERCOT Director of Training and Professional Development
Jones, Brad	ERCOT Vice President of Commercial Operations
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
Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer (<i>Not Present for Agenda Item 9</i>)
Marty, Brandy	PUCT Commissioner (<i>Not Present for Agenda Items 1 – 3</i>)
Opheim, Calvin	ERCOT Manager of Load Forecasting and Analysis
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Smith, Wade	American Electric Power Service Corporation (Investor-Owned Utility Segment Alternate)
Stephenson, Randa	Lone Star Transmission, TAC Chair
Tschetter, Matt	ERCOT Instructional Systems Developer
Werner, John	Source Power & Gas LLC (Independent Retail Electric Provider Segment Alternate)
Woodfin, Dan	ERCOT Director of System Operations

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 9:01 a.m. Chairman Crowell noted the Antitrust and Security Admonitions. Chairman Crowell announced that there were no proxies. He announced that Read Comstock, Direct Energy, was recently elected as the new Independent Retail Electric Provider (IREP) Market Segment Director and John Werner, Source Power & Gas LLC, as the IREP Segment Alternate. He welcomed them both to their new positions on the ERCOT Board. Chairman Crowell 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 and 2.1.1 – 2.1.10)

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

- NPRR588, Clarifications for PV Generation Resources;
- NPRR597, Utilize Initial Estimated Liability (IEL) Only During Initial Market Activity;
- NPRR599, Removal of FGR-Specific Settlement Language;
- NPRR600, Removal of Outdated Language to Scheduling and Operations of BLT Section;



- NPRR601, Inclusion of Incremental Exposure in Mass Transitions to Counter-Parties that are Registered as QSEs and LSEs and Provide POLR Service;
- NPRR606, Removal of Risk Management Verification Fee;
- NPRR607, Short-Term System Adequacy Report Posting Modification;
- NPRR609, ERCOT System Administration Fee and User Fees;
- NPRR610, Eliminate Late Fees and Late Fee Invoices; and
- NPRR613, Clarification of Fuel Adder into the Mitigated Offer Cap.

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

April 8, 2014 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the April 8, 2014 General Session Meeting Minutes (Minutes).

Jorge Bermudez moved to approve the Minutes as presented. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Donna Nelson, PUCT Chairman, called an Open Meeting of the PUCT to order to consider matters which had been duly posted with the Texas Secretary of State for June 10, 2014.

Chief Executive Officer (CEO) Presentation; CEO Update; Financial Summary; Operations Report (Agenda Items 4, 4.1, 4.2 and 4.3)

Trip Doggett presented the CEO Update. Mr. Doggett and Calvin Opheim responded to questions and comments on the CEO Update from Board members. Mr. Doggett invited Chris Coleman to provide a summer weather update. Mr. Coleman responded to questions and comments from Board members. Mr. Doggett recognized Kelly Blackmer, Jim Bowles, Dale Goodman, Brian Barcalow, James Stone and Matthew Tschetter for their effort in the ERCOT Fundamentals Certification Process. Mr. Blackmer responded to questions and comments from Board members.

Mr. Doggett presented the Financial Summary. There were no questions from Board members at this time.

Mr. Doggett highlighted items from the Operations Report. Mr. Doggett, Dan Woodfin, Brad Jones and Jerry Dreyer 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.

Confirmation of TAC Chair for the Remainder of 2014 (Agenda Item 6)

Chairman Crowell noted that TAC Chair Randa Stephenson's recent change in employment resulted in her representing a different Market Segment, and thus required her to be re-elected in order to continue serving as TAC Chair. Chairman Crowell entertained a motion for the confirmation of TAC's election of Ms. Stephenson as the TAC Chair for the remainder of 2014. Chairman Crowell congratulated Ms. Stephenson for her recent election, and thanked TAC for its prompt actions to ensure continuity in its leadership.



Clifton Karnei moved to confirm TAC's election of Ms. Stephenson as the TAC Chair for the remainder of 2014. Mark Dreyfus seconded the motion. The motion passed by unanimous voice vote with no abstentions.

TAC Report (Agenda Item 7)

Ms. Stephenson presented the TAC Report and noted that all TAC-recommended voting items were approved as part of the Consent Agenda (Agenda Item 2). Chairman Nelson acknowledged the stakeholders for their efforts regarding the examination of price reversal and the impacts to the Operating Reserve Demand Curve (ORDC) arising from Emergency Response Service (ERS) deployments, Load Resource Responsive Reserve Service (RRS) deployments, and zero-to-Low Sustained Limit (LSL) energy obtained through Reliability Unit Commitment (RUC).

Break

Chairman Crowell recessed the General Session for break at approximately 10:34 a.m. and reconvened the General Session at approximately 10:48 a.m.

Planning Guide Revision Request (PGRR) 031, Implement 95% Facility Rating Limit in the Planning Criteria (Agenda Item 8)

Jeff Billo presented PGRR031, Implement 95% Facility Rating Limit in the Planning Criteria, and responded to questions and comments from Board members.

Nick Fehrenbach moved to table PGRR031 until the October 14, 2014 meeting to provide stakeholders a chance to bring PGRR038, Require ERCOT to Report Circuits Loaded Above 95% of Their Facility Rating, to the Board in August or October 2014 so the Board can make an informed decision as to which PGRR is a better solution, and to direct staff to defer working on PGRR031 in the interim.

Chairman Crowell informed the Board that PGRR031 is currently tabled and that the only a motion to reconsider PGRR031 would be in order.

After discussion by Board members, Mr. Magness and Mr. Billo, Chairman Crowell entertained a motion to remove PGRR031 from its current tabled status. No motion was made and PGRR031 remained tabled.

Leander-Round Rock Regional Planning Group (RPG) Project (Agenda Item 9)

Mr. Billo presented the Leander-Round Rock RPG Project. There were no questions or comments from Board members. Chairman Crowell entertained a motion to approve the Leander-Round Rock RPG Project.

Mr. Fehrenbach moved to approve the Leander-Round Rock RPG Project as presented. Mark Carpenter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Non-Opt In Entity (NOIE) Load Zone Changes (Agenda Item 10)

Bill Magness presented the NOIE Load Zone Changes. There were no questions or comments from Board members. Chairman Crowell entertained a motion to approve the NOIE Load Zone Changes.



Mr. Dreyfus moved to approve the NOIE Load Zone Changes as presented. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance & Audit (F&A) Committee Report (Agenda Item 11)

Jorge 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.

DAM Credit Parameters (Agenda Item 11.1)

Mr. Bermudez moved to approve the DAM Credit Parameters as recommended by TAC and the F&A Committee. Vice Chair Judy Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources and Governance (HR&G) Committee Report (Agenda Item 12)

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.

Proposed Changes to the Benefits Committee Membership and Charter (Agenda Item 12.1)

Mr. Pfirrmann moved to approve the proposed changes to the Benefits Committee membership and Charter as recommended by the HR&G Committee. Mr. Dreyfus seconded the motion.

After Mr. Magness responded to a Board member's question regarding the proposed changes, the motion passed by unanimous voice vote with no abstentions.

Nominating Committee Report (Agenda Item 13)

Craven Crowell, Nominating Committee Chairman, presented the Nominating Committee Report. He announced that the Nominating Committee would meet with representatives from Russell Reynolds Associates later that day to address the search for Unaffiliated Director candidates in relation to the upcoming expiration of Michehl Gent's final term. There were no questions or comments from Board members.

Update on Special Meeting of Corporate Members (Agenda Item 14)

Mr. Magness presented the Update on the recent Special Meeting of Corporate Members. There were no questions or comments from Board members.

2014 Annual Membership Meeting Planning (Agenda Item 15)

Mr. Magness presented the plan for the 2014 Annual Membership Meeting. There were no questions or comments from Board members.

2015 Board Meeting and Annual Meeting Schedule (Agenda Item 16)

Chairman Crowell presented the 2015 Board Meeting and Annual Meeting Schedule and entertained discussion. In response to Chairman Crowell's inquiry if the schedule presented any issues for ERCOT staff, Mr. Doggett replied there were none.



Other Business (Agenda Item 17)

No other business was discussed at this time.

Executive Session

Chairman Crowell recessed the General Session at approximately 11:30 a.m. and convened Executive Session at approximately 11:45 a.m. Chairman Crowell reconvened General Session at approximately 12:47 p.m.

Vote on Matters from Executive Session (Agenda Item 18)

Chairman Crowell announced that there were no voting items to be considered in General Session at this time.

Adjournment (Agenda Item 19)

Chairman Crowell adjourned the meeting at approximately 12:50 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