



**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
August 12, 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
Bermudez, Jorge	Unaffiliated	Unaffiliated Director (<i>Proxy for Michehl Gent and Clifton Karnei, both for Agenda Items 15 – 16</i>)
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility
Comstock, Read	Direct Energy	Independent Retail Electric Provider (<i>Not Present for Agenda Items 1 – 2</i>)
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal (<i>Not Present for Agenda Items 10 – 10.1</i>)
Fehrenbach, Nick	City of Dallas	Consumer – Commercial (<i>Not Present for Agenda Items 1 – 4 and 7</i>)
Gent, Michehl	Unaffiliated	Unaffiliated Director (<i>Not Present for Agenda Items 15 – 16</i>)
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative (<i>Not Present for Agenda Items 10 – 10.1 and 15 – 16</i>)
Nelson, Donna	Chairman	Public Utility Commission of Texas (PUCT) (<i>Not Present for Agenda Items 1 – 2, 10 – 11.1 and 15 – 16</i>)
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Walsh, Judy (Board Vice Chair)	Unaffiliated	Unaffiliated Director (<i>Proxy for Craven Crowell and Jean Ryall Porter</i>)



Segment Alternates, Officers and Guests:

Brewster, Chris	City of Eastland, Technical Advisory Committee (TAC) Vice Chair
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Garza, Beth	Potomac Economics, ERCOT Independent Market Monitor (IMM), Acting Director
Jones, Brad	ERCOT Vice President of Commercial Operations (<i>Not Present for Agenda Items 15 – 16</i>)
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Marty, Brandy	PUCT Commissioner (<i>Not Present for Agenda Items 1 – 2</i>)
McIntyre, Kenneth	ERCOT Vice President of Grid Planning and Operations
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Shellman, Carolyn	CPS Energy (Municipal Segment Alternate)
Smith, Wade	American Electric Power Service Corporation (Investor-Owned Utility Segment Alternate) (<i>Not Present for Agenda Items 15 – 16</i>)
Stephenson, Randa	Lower Colorado River Authority, TAC Chair
Wattles, Paul	ERCOT Sr. Market Design Analyst

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

Judy Walsh, Board Vice Chair, determined that a quorum was present and called the Board meeting to order at approximately 9:00 a.m. Vice Chair Walsh noted the Antitrust and Security Admonitions. Vice Chair Walsh announced that she held proxies for Craven Crowell, Board Chairman, who was unable to attend due to a family illness, and for Jean Ryall Porter, Director for the Independent Power Marketer Segment, since Brad Cox, Independent Power Marketer Segment Alternate, was unable to attend. She also announced that Kristy Ashley, Independent Generator Segment Alternate, was attending in Kevin Gresham's absence. Vice Chair Walsh addressed the following Agenda Items in the order below.

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Requests (PGRRs) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1 and 2.1.1 – 2.1.19)

With regard to the Consent Agenda, Vice Chair Walsh noted that the list for consideration included the July 31, 2014 TAC comments to NPRR621 (Agenda Item 2.1.10) endorsing the July 23, 2014 ERCOT comments and TAC's recommendation that NPRR629 (Agenda Item 2.1.15) become effective upon implementation of Nodal Operating Guide Revision Request (NOGRR) 134. Vice Chair Walsh then entertained a motion for the approval of the Consent Agenda as follows:

- NPRR593, Clarification of Generic Transmission Limit Posting Requirements;
- NPRR604, Modification to Submission Timeline for Changes to Emergency Operations and Weatherization Plans;
- NPRR608, Alignment of Transaction Timing to the PUCT Performance Measures;
- NPRR614, Clarification of Telemetered Value of HSL for Combined Cycle Generation Resources providing RRS;
- NPRR615, PVGR Forecasting;
- NPRR616, Clarification of Notification for Undeliverable Ancillary Services;
- NPRR618, Market Notices for Resettlement Statements and True-up Settlement Timeline Changes;



- NPPRR619, Minimum Quantity for DAM PTP Obligation Bids;
- NPPRR620, Collateral Requirements for Counter-Parties with No Load or Generation;
- NPPRR621, Counter-Party Specific Calculations for M1 Variable (including July 31, 2014 TAC comments);
- NPPRR622, Replace Planning and Operations Information Website References with MIS;
- NPPRR624, Generation Resource Operational Designation Transparency;
- NPPRR626, Reliability Deployment Price Adder (formerly “ORDC Price Reversal Mitigation Enhancements”) – URGENT;
- NPPRR628, Notification of Financial Impact of Settlement Disputes;
- NPPRR629, Removal of Black Start Plan Posting Requirement;
- NPPRR630, As-Built Clarifications to Settlements of ORDC;
- NPPRR631, Corrections to Definition of Credible Single Contingency – URGENT;
- PGRR036, Planning Market Data Transparency; and
- PGRR038, Require ERCOT to Report Circuits Loaded Above 95% of Their Facility Rating.

Jorge Bermudez moved to approve the Consent Agenda as presented. Ms. Ashley 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 7)

With the approval of PGRR038 (Agenda Item 2.1.19) on the Consent Agenda (Agenda Item 2), Vice Chair Walsh reported that PGRR038 was inconsistent with PGRR031, Implement 95% Facility Rating Limit in the Planning Criteria, which was tabled at the June 10, 2014 Board meeting. Vice Chair Walsh thereby entertained a motion to reject PGRR031.

Ms. Ashley moved to reject PGRR031. Karl Pfirrmann seconded the motion.

During discussion of PGRR031 by Board members, Donna Nelson, PUCT Chairman, called an Open Meeting of the Commission to order to consider matters that had been duly posted with the Texas Secretary of State for August 12, 2014. Trip Doggett and Kenneth McIntyre responded to questions and comments from Board members.

After a call for vote by Vice Chair Walsh, the motion passed by unanimous voice vote with no abstentions.

June 10, 2014 General Session Meeting Minutes (Agenda Item 3)

Vice Chair Walsh entertained a motion to approve the June 10, 2014 General Session Meeting Minutes (Minutes).

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

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

Mr. Doggett presented the CEO Update and responded to questions and comments from Board members. Mr. Doggett invited the ERCOT summer interns to come forward to be recognized. He reported that ERCOT has grown from six (6) interns in 2011 to thirty (30) interns in 2014 and noted that



there were several schools outside of Texas that were represented. He acknowledged their efforts and thanked them for their contributions to ERCOT.

Mr. Doggett presented the Financial Summary. He then presented the Operations Report and responded to questions and comments from Board members.

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

Beth Garza presented the IMM Report and responded to questions and comments from Board members.

TAC Report (Agenda Item 6)

Randa Stephenson presented the TAC Report. There were no questions or comments from Board members.

Update on Future Ancillary Services Team (FAST) Activity (Agenda Item 8)

Mr. McIntyre presented the Update on FAST Activity and responded to questions and comments from Board members.

Demand Response Update (Agenda Item 9)

Brad Jones provided an introduction to the Demand Response Update. Paul Wattles presented the Demand Response Update. Mr. Wattles and Mr. Jones responded to questions and comments from Board members.

Break

Vice Chair Walsh recessed the General Session for break at approximately 10:31 a.m. and reconvened the General Session at approximately 10:46 a.m.

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

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

Acceptance of 2013 ERCOT 401(k) Savings Plan Audit Report (Agenda Item 10.1)

Mr. Bermudez moved to accept the 2013 ERCOT 401(k) Savings Plan Audit Report as recommended by the F&A Committee. Michehl Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources & 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. Vice Chair Walsh commended the HR&G Committee and ERCOT management on their work on ERCOT's Strategic Plan.

Proposed Revisions to Board Policies and Procedures (Agenda Item 11.1)

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



Nominating Committee Report (Agenda Item 12)

Vice Chair Walsh, who also serves as Nominating Committee Vice Chair, reported that the Nominating Committee met the prior day and highlighted items discussed at the Nominating Committee meeting. There were no questions or comments from Board members.

2015 ERCOT Board Meeting and Annual Meeting Schedule (Agenda Item 13)

Vice Chair Walsh entertained a motion to approve the 2015 ERCOT Board Meeting and Annual Meeting Schedule.

Mark Dreyfus moved to approve the 2015 ERCOT Board Meeting and Annual Meeting Schedule as presented. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Other Business (Agenda Item 14)

No other business was discussed at this time.

Executive Session

Vice Chair Walsh recessed the General Session at approximately 10:54 a.m. and convened Executive Session at approximately 11:01 a.m. Vice Chair Walsh reconvened General Session at approximately 2:29 p.m.

Vote on Matters from Executive Session (Agenda Item 15)

Vice Chair Walsh called for a motion to approve a matter discussed during Executive Session.

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

Adjournment (Agenda Item 16)

Vice Chair Walsh adjourned the meeting at approximately 2:29 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