



**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
December 9, 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
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility
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
Gent, Michehl	Unaffiliated	Unaffiliated Director
Gresham, Kevin	E.ON North America, LLC	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Marquez, Brandy Marty	Public Utility Commission of Texas (PUCT)	Commissioner – Alternative Representative for PUCT Chairman Donna Nelson (<i>Not Present for Agenda Items 1 – 4</i>)
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director (<i>Proxy for Vice Chair Judy Walsh</i>) (<i>Not Present for Agenda Items 6 – 7</i>)
Porter, Jean Ryall	CCNG Power, LLC	Independent Power Marketer
Werner, John	Source Power & Gas LLC	Independent Retail Electric Provider Segment Alternate



Segment Alternates, Officers and Guests:

Ashley, Kristy	Exelon Corporation (Independent Generator Segment Alternate)
Atherton, Allison	ERCOT Business Process Controls and Risk Manager
Brewster, Chris	City of Eastland, Technical Advisory Committee (TAC) Vice-Chair
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
Jones, Brad	ERCOT Vice President of Commercial Operations
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Corporate Counsel
Macakiage, Oscar	ERCOT Business Process Risk and Control Analyst
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Manning, Chuck	ERCOT Vice President and Chief Compliance Officer
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Shellman, Carolyn	CPS Energy (Municipal Segment Alternate)
Stephenson, Randa	Lower Colorado River Authority, TAC Chair
Williams, Diane	ERCOT Vice President of Human Resources
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 John Werner, Independent Retail Electric Provider Segment Alternate, was attending in Read Comstock’s absence, and that Board Vice Chair and Unaffiliated Director Judy Walsh provided her proxy to Unaffiliated Director Karl Pfirrmann.

Chairman Crowell announced that he would recess the meeting at approximately 10:15 a.m. due to the off-site Forty-Fourth Annual Meeting of ERCOT Membership. He addressed the following Agenda Items in the order below.

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs), Planning Guide Revision Request (PGRR) and System Change Request (SCR) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1 – 2.1.8, and 2.1.10 – 2.1.12)

With regard to the Consent Agenda, Chairman Crowell noted that NPRR664 (Agenda Item 2.1.9) would be removed from the Consent Agenda and discussed in the TAC Report as part of Agenda Item 5. He then entertained a motion for the approval of the Consent Agenda as follows:

- NPRR560, Caps and Floors for Energy Storage Resources;
- NPRR595, RRS Load Resource Treatment In ORDC;
- NPRR612, Reduction of Cure Period Subsequent to Event of Default;
- NPRR639, Correction to Minimum Current Exposure;
- NPRR640, As-Built Clarification of Load Resource Participation in SCED and Non-Spin Qualification;



- NPRR651, Clarify DC Tie Data Request Timeline and Content;
- NPRR652, Posting of Information Under NERC Reliability Standards to the MIS;
- NPRR653, Removal of Reasonable Contribution Language For Market Participant Data Requests;
- NPRR666, Clarification for the CRR Balancing Account – URGENT;
- PGRR039, Generation Data for Resource Adequacy and Reliability Reporting; and
- SCR781, MP Online Data Entry – Market Requirements.

Clifton Karnei moved to approve the Consent Agenda as presented. Jean Ryall Porter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

October 13-14, 2014 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the October 13-14, 2014 General Session Meeting Minutes (Minutes).

Michehl Gent moved to approve the Minutes as presented. Kevin Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

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

Trip Doggett presented the CEO Update and responded to questions and comments from Board members. He noted that revised CEO Updates had been posted to the ERCOT website to correct scrivener's errors on Slide 3.

During the presentation of the CEO Update, Chairman Crowell acknowledged PUCT Commissioner Brandy Marty Marquez was attending in PUCT Chairman Donna Nelson's absence.

Mr. Doggett recognized Allison Atherton and Oscar Macakiage for their work on the 2014 Service Organization Control (SSAE 16) Audit. He noted that ERCOT received an unqualified auditor's opinion from BrightLine CPAs & Associates, Inc., and complimented staff on the favorable results.

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

TAC Report (Agenda Item 5)

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

Non-Unanimous NPRR Recommended by TAC for Approval; NPRR647, CRR Auction Shadow Price Transparency (Agenda Items 5.1 and 5.1.1)

Ms. Stephenson presented NPRR647, CRR Auction Shadow Price Transparency. There were no questions or comments from Board members.

Mark Carpenter moved to approve NPRR647 as recommended by TAC in the 10/23/14 TAC Report. Jorge Bermudez seconded the motion. The motion passed by unanimous voice vote with no abstentions.



NPRR664, Fuel Index Price for Resource Definition and Real-Time Make-Whole Payments for Exceptional Fuel Cost Events – URGENT (Agenda Item 2.1.9)

Ms. Stephenson presented NPRR664, Fuel Index Price for Resource Definition and Real-Time Make-Whole Payments for Exceptional Fuel Cost Events – URGENT, which was previously removed from the Consent Agenda. Ms. Stephenson provided a brief synopsis of the NPRR, including summaries the 11/24/14 ERCOT comments and 12/2/14 GDF Suez comments on the 11/20/14 TAC Report, and responded to questions and comments from Board members.

Kevin Gresham moved to approve NPRR664 as recommended by TAC in the 11/20/14 TAC Report and as amended by the 11/24/14 ERCOT and 12/2/14 GDF Suez comments. John Werner seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Later during the TAC Report, Chairman Crowell requested clarification from Mr. Gresham on whether his motion to approve NPRR664 included the 11/24/14 ERCOT comments and 12/2/14 GDF Suez comments. Mr. Gresham responded affirmatively. There were no comments from any Board members.

Ms. Stephenson acknowledged the 2014 TAC members and thanked them for their contributions. Chairman Crowell also recognized the contributions made by TAC leadership.

2015 Methodology for Determining Minimum Ancillary Service Requirements (Agenda Item 6)

Dan Woodfin presented the 2015 Methodology for Determining Minimum Ancillary Service Requirements. There were no questions or comments from Board members.

Mr. Karnei moved to approve the 2015 Methodology for Determining Minimum Ancillary Service Requirements as presented. Mr. Carpenter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Confirmation of 2015 TAC Representatives (Agenda Item 7)

Chairman Crowell entertained a motion to confirm the 2015 TAC Representatives.

Mark Dreyfus moved to confirm the 2015 TAC Representatives as presented. Ms. Porter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Price Corrections for Some Settlement Points in Real-Time Market (RTM) Affected by a System Error for Operating Days October 6-17, 2014 (Agenda Item 8)

Brad Jones presented the Price Corrections for Some Settlement Points in RTM Affected by a System Error for Operating Days October 6-17, 2014, and responded to questions and comments from Board members.

Mr. Carpenter moved to approve the Price Corrections for Some Settlement Points in RTM Affected by a System Error for Operating Days October 6-17, 2014, as presented. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Karnei disclosed that his employer, Brazos Electric Cooperative (Brazos), is a Qualified Scheduling Entity (QSE) in the ERCOT market, but did not know if Brazos was impacted by this Price Correction.



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

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, including the F&A Committee's approval of the 2015 Internal Audit Plan. There were no questions or comments from Board members.

Acceptance of 2014 Service Organization Control (SSAE 16) Audit Report (Agenda Item 9.1)

Mr. Bermudez moved to accept the 2014 Service Organization Control (SSAE 16) Audit Report as recommended by the F&A Committee. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

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

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. There were no questions or comments from Board members.

Proposed 2015 Key Performance Indicators (Agenda Item 10.1)

Mr. Pfirrmann moved to approve the 2015 Key Performance Indicators as recommended by the HR&G Committee. Tonya Baer seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Nominating Committee Report (Agenda Item 11)

Chairman Crowell, who also serves as Nominating Committee Chairman, 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.

Other Business (Agenda Item 12)

Chairman Crowell entertained discussion on other business. Mr. Magness requested that 2015 Board members complete and return their 2015 Committee Preference forms and Ethics Agreements as soon as possible.

Recess General Session and Convene Executive Session

Chairman Crowell recessed General Session at approximately 9:51 a.m. and convened Executive Session at approximately 10:03 a.m.

Chairman Crowell recessed Executive Session at approximately 10:19 a.m. for the Forty-Fourth Annual Membership Meeting at Austin Marriott South and announced that the Board would continue in Executive Session upon return from the Membership meeting at approximately 1:00 p.m.

Reconvene General Session

Chairman Crowell concluded Executive Session and reconvened General Session at approximately 2:29 p.m.

Vote on Matters from Executive Session (Agenda Item 13)

Chairman Crowell entertained a motion to approve a matter discussed during Executive Session.



Mr. Bermudez moved to approve the contract matter discussed in Executive Session. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with one abstention (Mr. Carpenter).

Adjournment (Agenda Item 14)

Chairman Crowell adjourned the meeting at approximately 2:30 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