



**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 9, 2015 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
Barker, Laurie	Office of Public Utility Counsel	Consumer – Residential (<i>Alternate Representative for Public Counsel Tonya Baer</i>)
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility
Comstock, Read	Direct Energy	Independent Retail Electric Provider
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO)
Durland, Jack	Valero Services, Inc.	Consumer – Industrial
Emery, Keith	Tenaska Power Services	Independent Power Marketer
Fehrenbach, Nick	City of Dallas	Consumer – Commercial (<i>Proxy for Clifton Karnei</i>)
Gresham, Kevin	E.ON North America, LLC	Independent Generator
Marquez, Brandy Marty	Public Utility Commission of Texas (PUCT)	Commissioner (<i>Alternate Representative for PUCT Chairman Donna Nelson</i>)
Pfirschmann, Karl	Unaffiliated	Unaffiliated Director
Shellman, Carolyn	CPS Energy	Municipal
Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director (<i>Not Present for Agenda Items 1 – 3</i>)



Segment Alternates, Officers and Guests:

Ashley, Kristy	Exelon Corporation (Independent Generator Segment Alternate)
Brandt, Adrienne	Austin Energy, Technical Advisory Committee (TAC) Vice Chair
Coleman, Chris	ERCOT Meteorologist
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance
Dreyer, Jerry	ERCOT Sr. Vice President and Chief Information Officer
Gage, Theresa	ERCOT Vice President of External Affairs and Corporate Communications
Hobbs, Kristi	ERCOT Director of Enterprise Risk Management and Strategic Analysis
Jones, Brad	ERCOT Senior Vice President and Chief Operating Officer
Lady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Corporate Counsel
Magness, Bill	ERCOT General Counsel, Senior Vice President – Governance, Risk and Compliance & Corporate Secretary
Mereness, Matt	ERCOT Director of Standards and Protocols Compliance
Petterson, Michael	ERCOT Vice President and Chief Financial Officer
Porter, Jean Ryall	CCNG Power, LLC (Independent Power Marketer Segment Alternate)
Reedy, Steve	Potomac Economics, ERCOT Independent Market Monitor (IMM), Deputy Director
Seely, Chad	ERCOT Assistant General Counsel
Smith, Wade	American Electric Power Service Corporation (Investor-Owned Utility Segment Alternate)
Stephenson, Randa	Lower Colorado River Authority (LCRA), TAC Chair
Tamby, Jeyant	ERCOT Chief of Staff
Werner, John	Source Power & Gas LLC (Independent Retail Electric Provider Segment Alternate)
Woodfin, Dan	ERCOT Director of System Operations
Wozny, Stacy	ERCOT Training Coordinator

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

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:00 a.m. Chairman Crowell noted the Antitrust and Security Admonitions. Chairman Crowell announced that Cooperative Segment Director Clifton Karnei provided his proxy to Commercial Consumer Director, Nick Fehrenbach, and Laurie Barker from the Office of Public Utility Counsel was attending on behalf of Public Counsel Tonya Baer. He addressed the following Agenda Items in the order below.

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Request (PGRR) Recommended by Technical Advisory Committee (TAC) for Approval; Application for Permanent Site-Specific Exemption from Compliance with Paragraphs (2)(b) and (5) of Protocol Section 10.3.2.3, Generating Netting for ERCOT-Polled Settlement Meters (Agenda Items 2, 2.1, 2.1.1 – 2.1.13 and 2.2)

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

- NPRR668, Updates to Texas SET Implementation Guide Process;
- NPRR674, Clarification of Water Supply Rights Documentation;



- NPPRR679, ONOPTOUT for RUC Given After the Adjustment Period;
- NPPRR680, Allow QSEs to Self-Arrange AS Quantities Greater Than Their AS Obligation – URGENT;
- NPPRR681, Clarifications to Dynamic Ratings;
- NPPRR682, Changes to Notification Method when ERCOT Intends to Procure Additional Ancillary Services;
- NPPRR683, Revision to Available Credit Limit Calculation;
- NPPRR686, Changing the IRR Forecast from Next 48 Hours to Next 168 Hours;
- NPPRR687, Required Telemetry for Operational Awareness and PDCWG Analysis;
- NPPRR688, Black Start Services Testing Clarifications;
- NPPRR690, Incorporation of Creditworthiness Standards into Protocols;
- NPPRR698, Clarifications to NPPRR595, RRS Load Resource Treatment In ORDC – URGENT;
- PGRR040, Clarification of Water Supply Rights Attestation Obligation; and
- Application for Permanent Site-Specific Exemption from Compliance with Paragraphs (2)(b) and (5) of Protocol Section 10.3.2.3, Generating Netting for ERCOT-Polled Settlement Meters.

With regard to the approval of NPPRR690, Mr. Bermudez, as Finance and Audit (F&A) Committee Chairman, requested that ERCOT staff present letter of credit concentration limits for review by the F&A Committee twice per year, and Trip Doggett agreed.

Jorge Bermudez moved to approve the Consent Agenda as presented. Mark Carpenter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

April 14, 2015 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the April 14, 2015 General Session Meeting Minutes (Minutes).

Mr. Carpenter moved to approve the Minutes as presented. Kevin Gresham seconded the motion. The motion passed by unanimous voice vote with one abstention (Jorge Bermudez).

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 recognized ERCOT staff members Stacy Wozny, Carmela Martinez and Kelly Blackmer for their work on the Operator Training seminar held in March and April 2015. Mr. Doggett also recognized the transmission and distribution community for their work in restoring the 345-kV towers that were damaged in the recent tornadoes. He reported that five towers were destroyed and one was damaged on April 27, 2015, and that by May 6, 2015, temporary structures were in place to restore the associated line. He added that following the tornadoes, the area experienced heavy flooding, again requiring recovery efforts. Mr. Doggett expressed gratitude to the people involved in the restoration efforts and requested that Mr. Carpenter convey the appreciation to other members of the Investor-Owned Utility Market Segment.



Chairman Crowell reported that ERCOT was recently named one of the Top 10 Best Places to Work in Central Texas by the Austin Business Journal. Mr. Doggett reported that approximately seventy-five percent of employees participated in the survey and that final results would be announced within the next two weeks. Chairman Crowell praised Mr. Doggett and the executive team for the recognition and honor.

Mr. Doggett presented the Financial Summary and Operations Report. There were no questions or comments from Board members regarding these matters.

2015 Summer Overview (Agenda Item 5)

Chairman Crowell invited Chris Coleman, Dan Woodfin and Theresa Gage to present the 2015 Summer Overview.

2015 Summer Weather Outlook – Temperatures, Precipitation, Drought and Hurricanes (Agenda Item 5.1)

Mr. Coleman presented the 2015 Summer Weather Outlook and responded to questions and comments from Board members.

2015 Summer Operations and Communications (Agenda Item 5.2)

Mr. Woodfin and Ms. Gage presented the 2015 Summer Operations and Communications update. Ms. Gage responded to questions and comments from Board members.

Briefing on Major Compliance Activities in 2015 (Agenda Item 6)

Bill Magness introduced Matt Mereness, who presented the Briefing on Major Compliance Activities in 2015. There were no questions or comments from Board members.

Independent Market Monitor (IMM) Report (Agenda Item 7)

Steve Reedy presented the IMM Report. There were no questions or comments from Board members.

Break

Chairman Crowell recessed the General Session for break at approximately 10:37 a.m. and reconvened the General Session at approximately 10:54 a.m.

TAC Report; Non-Unanimous NPRR Recommended by TAC for Approval; NPRR662, Proxy Energy Offer Curves (Agenda Items 8, 8.1, 8.1.1)

Randa Stephenson presented NPRR662, Proxy Energy Offer Curves. In response to requests from Board members, Steve Reedy expressed the IMM's support for NPRR662. Ms. Stephenson, Mr. Reedy, Mr. Doggett and Brad Jones responded to questions and comments from Board members. Chairman Crowell entertained a motion for the approval of NPRR662.

Nick Fehrenbach moved to approve NPRR662 as recommended by TAC in the May 28, 2015 TAC Report. Jack Durland seconded the motion. The motion passed by a show-of-hands vote with one opposed (Keith Emery) and one abstention (Mark Carpenter).

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



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

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.

2016-2017 Budget and Fee (Agenda Item 9.1)

Mr. Bermudez reported that at the prior day's meeting, after extensive discussion, the F&A Committee voted to recommend Board approval of the 2016-2017 Budget and Fee as presented with one abstention by Read Comstock. **Mr. Bermudez moved to approve the 2016-2017 Budget and Fee, and associated request for a change in the ERCOT System Administration Fee, as recommended by the F&A Committee. Karl Pfirrmann seconded the motion.** Regarding the requested increase to the System Administration Fee, Mr. Doggett assured Board members that ERCOT staff worked hard to control costs and implement efficiencies and will provide examples of those efficiencies in future financial summaries. He remarked that ERCOT is committed to hold the fee flat for two biennia. Mr. Doggett also noted that ERCOT staff is working to improve the process for communicating information about future budget and fee requests.

Mr. Comstock provided an explanation for abstaining in the vote at the F&A Committee meeting. He explained that he was not opposed to the spending request, but that he was concerned about the fee structure and he believed the Board, prior to making its decision, should consider an additional scenario under which ERCOT would use additional debt financing to lower the increase to the System Administration Fee.

At the request of Chairman Crowell, Mr. Magness explained that the motion on the table, if it passed, would approve the 2016-2017 Biennial Budget and the requested increase to the System Administration Fee and authorize ERCOT to file the 2016-2017 Biennial Budget for approval by the PUCT as required by the PUCT rules.

Chairman Crowell called for a vote on the motion. The motion passed by unanimous voice vote with one abstention (Mr. Comstock).

Human Resources and Governance (HR&G) Committee Report; Board of Directors and Committee Meeting Scheduling (Agenda Items 10 and 10.1)

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. Mr. Pfirrmann reported that the HR&G Committee discussed possible changes to the schedules for Board and Committee meetings, and that HR&G Committee members were in agreement to defer consideration of any schedule changes. He and Chairman Crowell each noted that they had received no comments or recommendations on meeting scheduling. There were no questions or comments from Board members.

Update on Results of Special Meeting of ERCOT Corporate Members (Agenda Item 11)

Mr. Magness provided an update on the results of the Special Meeting of ERCOT Corporate Members. There were no questions or comments from Board members.

Other Business (Agenda Item 12)

Chairman Crowell announced that Mr. Doggett, ERCOT President and CEO, notified Board members at the previous day's F&A and HR&G Committee meetings of his plans to retire in 2016. Chairman Crowell expressed appreciation for Mr. Doggett's leadership and operational excellence and his



commitment to work with the Board during the transition. Mr. Doggett highlighted ERCOT's achievements during his tenure and provided a brief statement with regard to his retirement. There were no questions or comments from Board members.

Executive Session

Chairman Crowell recessed General Session at approximately 11:39 a.m. and convened Executive Session at approximately 11:57 a.m. Chairman Crowell reconvened General Session at approximately 12:49 p.m.

Vote on Matters from Executive Session (Agenda Item 13)

Chairman Crowell entertained motions to approve two matters discussed during Executive Session.

Mr. Bermudez moved to select the Independent Financial Auditor as recommended by the F&A Committee and as discussed during Executive Session. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Keith Emery moved to approve the contract matter as discussed during the Contract Matters agenda item during Executive Session. Mr. Carpenter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 14)

Chairman Crowell adjourned the meeting at approximately 12:51 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