



**DRAFT GENERAL SESSION MINUTES OF THE FINANCE & AUDIT COMMITTEE  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
August 10, 2015

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Finance & Audit (F&A) Committee of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

**Meeting Attendance:**

**Committee Members:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bermudez, Jorge (Chairman)	Unaffiliated	Unaffiliated Director
Gresham, Kevin	E.ON North America LLC	Independent Generator ( <i>Not Present for Agenda Items 1 – 2</i> )
Karnei, Clifton (Vice Chair)	Brazos Electric Power Cooperative, Inc.	Cooperative ( <i>Proxy for Nick Fehrenbach</i> )
Walsh, Judy	Unaffiliated	Unaffiliated Director
Werner, John	Source Power & Gas LLC	Independent Retail Electric Provider Segment Alternate

**Guest Board Members and Segment Alternates:**

<b>Director/ Segment Alternate</b>	<b>Affiliation</b>	<b>Segment</b>
Ashley, Kristy	Exelon Corporation	Independent Generator Segment Alternate ( <i>Not Present for Agenda Items 3 – 9</i> )
Crowell, Craven	Unaffiliated	Unaffiliated ( <i>Present for Agenda Item 3 Only</i> )
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO) ( <i>Not Present for Agenda Items 4 – 9</i> )
Durland, Jack	Valero Services, Inc.	( <i>Not Present for Agenda Items 4 – 9</i> )
Emery, Keith	Tenaska Power Services Co.	( <i>Not Present for Agenda Items 4 – 9</i> )
Kezar, Mike	South Texas Electric Cooperative, Inc.	( <i>Not present for Agenda Items 4 – 5</i> )
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director ( <i>Not Present for Agenda Items 4 – 9</i> )



Officers and Guests:

Barnes, Bill	Reliant Energy Power Supply LLC, Director, Regulatory Affairs
Cramton, Peter	ERCOT Guest (ERCOT Unaffiliated Director Designate)
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Glassman, James E.	JP Morgan Chase & Co., Managing Director and Head Economist for Commercial Banking
Jones, Brad	ERCOT Senior Vice President and Chief Operating Officer
Levine, Jonathan	ERCOT Corporate Counsel
Magness, Bill	ERCOT General Counsel, Senior Vice President – Governance, Risk and Compliance & Corporate Secretary
Meek, Donald	Austin Energy, Credit Work Group (CWG) Chair
Mil, Diana	Maxwell, Locke & Ritter, LLP
Petterson, Michael	ERCOT Vice President and Chief Financial Officer
Ruane, Mark	ERCOT Director of Market Credit
Taylor, Sean	ERCOT Controller
Wiley, Leslie	ERCOT Treasurer
Wullenjohn, Bill	ERCOT Director of Internal Audit
Zimmerhanzel, A.J.	Maxwell, Locke & Ritter, LLP

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

Jorge Bermudez, F&A Committee Chairman, determined that a quorum was present and called the F&A Committee meeting to order at approximately 12:06 p.m. Chairman Bermudez noted the Antitrust and Security Admonitions. Chairman Bermudez announced that Commercial Consumer Segment Director Nick Fehrenbach provided his proxy to Cooperative Segment Director Clifton Karnei and that John Werner, Independent Retail Electric Provider Segment Alternate, was attending in Read Comstock's absence. Chairman Bermudez addressed the following Agenda Items in the order below.

**June 8, 2015 General Session Meeting Minutes (Agenda Item 2)**

Chairman Bermudez entertained a motion to approve the June 8, 2015 General Session Meeting Minutes (Minutes).

**Judy Walsh moved to approve the Minutes as presented. John Werner seconded the motion. The motion passed by unanimous voice vote with one abstention (Clifton Karnei).**

**Committee Education on Economic Conditions (Agenda Item 3)**

Leslie Wiley introduced James E. Glassman, Managing Director and Head Economist for Commercial Banking for JP Morgan Chase & Co. Mr. Glassman presented the Committee Education on Economic Conditions and responded to questions and comments from Committee members.

**Recommendation regarding Acceptance of ERCOT's 401(k) Savings Plan Audit Report (Agenda Item 4)**

Michael Petterson introduced A.J. Zimmerhanzel and Diana Mil of Maxwell, Locke & Ritter LLP. Mr. Zimmerhanzel and Ms. Mil presented ERCOT's 401(k) Savings Plan Audit Report and responded to questions and comments from Committee members. Chairman Bermudez entertained a motion for the recommendation regarding acceptance of ERCOT's 401(k) Savings Plan Audit Report.



**Mr. Karnei moved to recommend that the Board accept ERCOT's 401(k) Savings Plan Audit Report as presented. Kevin Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Periodic Report on Credit Work Group Activity (Agenda Item 5)**

Donald Meek, CWG Chair, presented the Periodic Report on Credit Work Group Activity and responded to questions and comments from Committee members.

**Debt Strategy Discussion (Agenda Item 6)**

Ms. Wiley led a discussion on debt strategy and responded to questions and comments from Committee members and guests.

**Committee Briefs (Agenda Item 7)**

Mr. Petterson invited Sean Taylor and Ms. Wiley to present the Committee Briefs.

**Review 2015 Financial Summary (Agenda Item 7.1)**

Mr. Taylor presented the 2015 Financial Summary and responded to questions and comments from Committee members.

**Periodic Report on Investments (Agenda Item 7.2)**

Ms. Wiley presented the Periodic Report on Investments. There were no questions or comments from Committee members.

**Financial Institutions Which Are Market Participants (Agenda Item 7.3)**

Ms. Wiley presented the Financial Institutions Which Are Market Participants and responded to questions and comments from Committee members.

**Future Agenda Items (Agenda Item 8)**

Mr. Petterson presented the Future Agenda Items and responded to questions and comments from Committee members. In response to Chairman Bermudez's request for a timeline for a final management-approved debt strategy, Mr. Petterson responded that it would be no later than the February 2016 Committee meeting.

**Other Business (Agenda Item 9)**

Mr. Petterson provided a status update on the 2016-2017 Biennial Budget. He reported that the budget request was filed with the Public Utility Commission of Texas (PUCT), and that the PUCT subsequently scheduled an August 19, 2015 hearing to address the budget request. He explained that ERCOT management will report back to the Committee in February 2016 on the adequacy of the system administration fee and any expectation for changes in the fee in the upcoming year. There were no questions or comments from Committee members.

**Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 10 and 11)**

Chairman Bermudez announced that no voting items from Executive Session were expected; accordingly, he would adjourn the meeting immediately upon conclusion of Executive Session. Chairman Bermudez



recessed the General Session at approximately 2:19 p.m. to convene Executive Session at approximately 2:32 p.m.

There were no voting items from Executive Session.

Chairman Bermudez adjourned the meeting upon the conclusion of Executive Session at approximately 3:41 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at [http://www.ercot.com/committees/board/finance\\_audit/](http://www.ercot.com/committees/board/finance_audit/)

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Jonathan Levine  
Corporate Counsel