



**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
October 12, 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:

Director	Affiliation	Segment
Bermudez, Jorge (Chairman)	Unaffiliated	Unaffiliated Director (<i>Proxy for Kevin Gresham for Agenda Items 10 – 11</i>)
Comstock, Read	Direct Energy	Independent Retail Electric Provider
Cramton, Peter	Unaffiliated	Unaffiliated Director
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	E.ON North America LLC	Independent Generator (<i>Not Present for Agenda Items 10 – 11</i>)
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

Director/ Segment Alternate	Affiliation	Segment
Ashley, Kristy	Exelon Corporation	Independent Generator Segment Alternate (<i>Not Present for Agenda Items 6 – 11</i>)
Carpenter, Mark	Oncor Electric Delivery Company	Investor Owned Utility (<i>Present Only for Agenda Item 6</i>)
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO)
Durland, Jack	Valero Services, Inc.	Consumer – Industrial (<i>Not Present for Agenda Items 1 – 4</i>)
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer (<i>Not Present for Agenda Items 1 – 4</i>)
Shellman, Carolyn	CPS Energy	Municipal (<i>Not Present for Agenda Items 1 – 4</i>)



Williams, Phil	Denton Municipal Electric	Municipal Segment Alternate (<i>Not Present for Agenda Items 1 – 4</i>)
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Officers and Guests:

Barnes, Bill	Reliant Energy, Market Credit Working Group (MCWG) Chair
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Hissom, Russ	Baker Tilly Virchow Krause, LLP (Baker Tilly), Partner
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
Pettersen, Michael	ERCOT Vice President and Chief Financial Officer
Ruane, Mark	ERCOT Director of Settlements, Retail and Credit
Taylor, Sean	ERCOT Controller
Williams, Diane	ERCOT Vice President of Human Resources
Wullenjohn, Bill	ERCOT Director of Internal Audit

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 1:00 p.m. Chairman Bermudez noted the Antitrust and Security Admonitions, announced there were no proxies and addressed the following Agenda Items in the order below.

August 10, 2015 General Session Meeting Minutes (Agenda Item 2)

Chairman Bermudez entertained a motion to approve the August 10, 2015 General Session Meeting Minutes (Minutes).

Clifton Karnei moved to approve the Minutes as presented. Kevin Gresham seconded the motion. The motion passed by unanimous voice vote with one abstention (Nick Fehrenbach).

Committee Education on Board Governance Issues (Agenda Item 3)

Sean Taylor introduced Russ Hissom of Baker Tilly, who presented the Committee Education on Board Governance Issues. Mr. Hissom responded to questions and comments from Committee members.

Periodic Report on Credit Work Group Activity (Agenda Item 4)

Donald Meek, CWG Chair, presented the Periodic Report on Credit Work Group Activity. Mr. Meek and Mark Ruane responded to questions and comments from Committee members. Bill Barnes of Reliant Energy, MCWG Chair, provided comments on the efforts of CWG and MCWG to develop a better understanding of market risk appetite.

Letter of Credit Issuer Limits (Agenda Item 5)

Mr. Ruane presented the Letter of Credit Issuer Limits and responded to questions and comments from Committee members.



Annual Committee Self-Evaluation (Agenda Item 6)

Michael Petterson presented the Annual Committee Self-Evaluation form. In response to Mr. Petterson's request for feedback from the Committee, Chairman Bermudez indicated there were no proposed changes. Chairman Bermudez stressed the importance of this self-evaluation and encouraged participation by all members.

Committee Briefs (Agenda Item 7)

Chairman Bermudez invited Mr. Taylor to provide the Committee Briefs.

Review 2015 Financial Summary (Agenda Item 7.1)

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

Periodic Report on Investments (Agenda Item 7.2)

Mr. Taylor presented the Periodic Report on Investments. Mr. Taylor and Mr. Petterson responded to questions and comments from Committee members.

Future Agenda Items (Agenda Item 8)

Mr. Petterson presented the Future Agenda Items and highlighted three areas of focus scheduled for discussion at December's F&A Committee meeting: the Service Organization Control (SSAE 16) audit, the Annual Committee Self-Evaluation survey results, and the 2016 Internal Audit Plan.

Other Business (Agenda Item 9)

No other business was discussed at this time.

Executive Session

Chairman Bermudez recessed the General Session and convened Executive Session at approximately 3:09 p.m. Chairman Bermudez reconvened General Session at approximately 5:24 p.m. Upon reconvening, Chairman Bermudez, an Unaffiliated Director, announced that he held a proxy for Independent Generator Segment Director Kevin Gresham, who departed during Executive Session.

Vote on Matters from Executive Session (Agenda Item 10)

Chairman Bermudez announced that there were two voting items discussed during Executive Session.

Mr. Karnei moved to recommend for Board approval the contract matter discussed during Executive Session under Agenda Item ES 3.2. Ms. Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Peter Cramton moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 3.6 as the ERCOT 401(k) Savings Plan Auditor for the calendar years ending December 31, 2015, December 31, 2016 and December 31, 2017. Ms. Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 11)

Chairman Bermudez adjourned the meeting at approximately 5:25 p.m.



Committee materials and presentations from the meeting are available on ERCOT's website at http://www.ercot.com/committees/board/finance_audit/

Jonathan Levine
Corporate Counsel