



**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  
December 7, 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 ( <i>Proxy for Judy Walsh</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
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative

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
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO)
Kezar, Mike	South Texas Electric Cooperative, Inc.	Cooperative Segment Alternate
Werner, John	Source Power & Gas LLC	Independent Retail Electric Provider Segment Alternate

Officers and Guests:

Atherton, Allison	ERCOT Business Process Controls and Risk Manager and Interim Director of Internal Audit
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer



Edmonds, Lauren	BrightLine CPAs & Associates, Inc., Senior Manager
Levine, Jonathan	ERCOT Corporate Counsel
Meek, Donald	Austin Energy, Credit Work Group (CWG) Chair
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
Petterson, Michael	ERCOT Vice President and Chief Financial Officer
Ruane, Mark	ERCOT Director of Settlements, Retail and Credit
Seely, Chad	ERCOT Assistant General Counsel
Taylor, Grayson	BrightLine CPAs & Associates, Inc., Manager
Taylor, Sean	ERCOT Controller
Wiley, Leslie	ERCOT Treasurer

**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 1:03 p.m. Chairman Bermudez noted the Antitrust and Security Admonitions and announced that Unaffiliated Director Judy Walsh provided her proxy to him, an Unaffiliated Director. Chairman Bermudez addressed the following Agenda Items in the order below.

**October 12, 2015 General Session Meeting Minutes (Agenda Item 2)**

Chairman Bermudez entertained a motion to approve the October 12, 2015 General Session Meeting Minutes (Minutes).

**Peter Cramton moved to approve the Minutes as presented. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Results of Examination and Independence Report from the Service Organization Control (SSAE 16) Auditor (Agenda Item 3)**

Chairman Bermudez invited Lauren Edmonds and Grayson Taylor of BrightLine CPAs & Associates Inc., to present the results of ERCOT’s SSAE 16 Audit. They reported that the result of the audit was an unqualified opinion. Ms. Edmonds and Mr. G. Taylor responded to questions and comments from Committee members.

**Recommendation regarding Acceptance of 2015 Service Organization Control (SSAE 16) Audit Report (Agenda Item 4)**

Chairman Bermudez entertained a motion to accept the 2015 SSAE 16 Audit Report.

**Mr. Karnei moved to recommend that the Board accept the 2015 Service Organization Control (SSAE 16) 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.

**Credit and Collateral – Summer 2015 (Agenda Item 6)**

Mark Ruane presented the Credit and Collateral – Summer 2015 and responded to questions and comments from Committee members.



### **Annual Committee Self-Evaluation Survey Results (Agenda Item 7)**

Chairman Bermudez thanked Committee members for their participation in the Annual Committee Self-Evaluation Survey and led a discussion on the results.

### **Committee Briefs (Agenda Item 8)**

Chairman Bermudez invited Sean Taylor and Leslie Wiley to provide the Committee briefs.

### **Review 2015 Financial Summary (Agenda Item 8.1)**

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

### **Periodic Report on Investments (Agenda Item 8.2)**

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

### **Future Agenda Items (Agenda Item 9)**

Mr. Petterson presented the Future Agenda Items and responded to questions and comments from Committee members. Chairman Bermudez encouraged Committee members to provide feedback on risk, education or other topics of interest.

### **Other Business (Agenda Item 10)**

No other business was discussed at this time.

### **Executive Session**

Chairman Bermudez recessed General Session at approximately 1:47 p.m. and convened Executive Session at approximately 1:55 p.m. Chairman Bermudez reconvened General Session at approximately 3:38 p.m.

### **Vote on Matters from Executive Session (Agenda Item 11)**

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

**Mr. Karnei moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 3.2 as the Independent Service Organization Control (SSAE 16) Auditor for 2016. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Mr. Karnei moved to approve the Internal Audit Matter discussed during Executive Session under Agenda Item ES 4.2. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Adjournment (Agenda Item 12)**

Chairman Bermudez adjourned the meeting at approximately 3:40 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