



**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
April 19, 2016 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
Comstock, Read	Direct Energy	Independent Retail Electric Provider
Cramton, Peter	Unaffiliated	Unaffiliated Director
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Durland, Jack	Valero Services, Inc.	Consumer – Industrial
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	E.ON North American LLC	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative (<i>Not Present for Agenda Items 12 and 14 – 15</i>)
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Shellman, Carolyn	CPS Energy	Municipal
Smith, Wade	American Electric Power Service Corporation	Investor-Owned Utility
Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director



Segment Alternates, Officers and Guests:

Anderson, Kenneth	PUCT Commissioner
Brandt, Adrienne	CPS Energy, Technical Advisory Committee (TAC) Vice Chair
Cochran, Seth	DC Energy Texas, LLC (Independent Power Marketer Segment Alternate)
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Douglas, Jerry	ERCOT System Operator 2
Draper, Jackie	ERCOT Senior System Operator
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Drummond-Bunner, Tamara	ERCOT Senior System Operator
Dusenberry, Brad	ERCOT System Operations Supervisor
Gage, Theresa	ERCOT Vice President of External Affairs and Corporate Communications
Hartmann, Jimmy	ERCOT Senior Manager of System Operations
Kezar, Mike	South Texas Electric Cooperative, Inc. (Cooperative Segment Alternate)
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Corporate Counsel
McSherry, Ryan	ERCOT Operations Engineer 3
Mele, Cheryl	ERCOT Senior Vice President and Chief Operating Officer
Montoya, Rick	ERCOT System Operator 2
Petterson, Michael	ERCOT Vice President and Chief Financial Officer
Reedy, Steve	Potomac Economics, ERCOT Independent Market Monitor (IMM), Deputy Director
Rickerson, Woody	ERCOT Vice President of Grid Planning and Operations
Seely, Chad	ERCOT Vice President, General Counsel and Corporate Secretary
Soutter, Mark	Invenegy Energy Management, LLC (Independent Generator Segment Alternate)
Stephenson, Randa	Lower Colorado River Authority, TAC Chair
Tamby, Jeyant	ERCOT Chief of Staff
Vogel, Terry	ERCOT Senior System Operator
Williams, Diane	ERCOT Vice President of Human Resources
Williams, Phil	Denton Municipal Electric (Municipal Segment Alternate)
Yanchak, June	ERCOT System Operator 2

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 General Session of the Board meeting to order at approximately 9:14 a.m. Chairman Crowell announced for those viewing the webcast that there was a short delay at the start of the



meeting due to a technical difficulty with the webcasting. He noted the Antitrust and Security Admonitions and announced that there were no proxies.

Chairman Crowell recognized Donna Nelson, Chairman of the PUCT. PUCT Chairman Nelson called an Open Meeting of the Commission in order to consider matters which had been duly posted with the Texas Secretary of State for April 19, 2016.

Chairman Crowell addressed the following Agenda Items in the order below

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) and System Change Request (SCR) Recommended by Technical Advisory Committee (TAC) for Approval; Application for Permanent Site-Specific Exemption from Compliance with Paragraph (6) of Protocol Section 10.3.2.3, Generating Netting for ERCOT-Polled Settlement Meters (Agenda Items 2, 2.1, 2.1.1 - 2.1.7 and 2.2)

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

- NPRR741, Clarifications to TPE and EAL Credit Exposure Calculations;
- NPRR744, RUC Trigger for the Reliability Deployment Price Adder and Alignment with RUC Settlement;
- NPRR746, Adjustments Due to Negative Load;
- NPRR748, Revisions associated with COM-002-4 and Other Clarifications Associated with Dispatch Instructions;
- NPRR749, Option Cost for Outstanding CRRs;
- NPRR750, Clarify Resource Status when Providing Fast Responding Regulation Service;
- SCR787, Maintain NDCRC Data For Generator Transfer Between Resource Entities; and
- Application for Permanent Site-Specific Exemption from Compliance with Paragraph (6) of Protocol Section 10.3.2.3, Generating Netting for ERCOT-Polled Settlement Meters.

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

February 9, 2016 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the February 9, 2016 General Session Meeting Minutes (Minutes).

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

Chief Executive Officer (CEO) Presentation; CEO Update; Financial Summary; Operations Report (Agenda Items 4 and 4.1 - 4.3)

Bill Magness presented the CEO Update. As part of the update, Mr. Magness recognized ERCOT system operations staff, including system operations team members Brad Dusenberry, Ryan McSherry, Jackie Draper, Jimmy Hartmann, Tamara Drummond-Bunner,



Jerry Douglas, Rick Montoya, Terry Vogel and June Yanchak, for their outstanding efforts in keeping the grid operating reliably and efficiently at all times.

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

A Control Room View of the ERCOT Grid (Agenda Item 5)

Woody Rickerson presented A Control Room View of the ERCOT Grid and responded to questions and comments from Board members.

Independent Market Monitor (IMM) Report (Agenda Item 6)

Steve Reedy presented the IMM Report and responded to questions and comments from Board members.

Confirmation of TAC Vice Chair for 2016 (Agenda Item 7)

Chairman Crowell reported that Adrienne Brandt, CPS Energy, was elected by the TAC Representatives as the TAC Vice Chair for 2016. He entertained a motion for the confirmation of TAC Vice Chair.

Kevin Gresham moved to confirm Adrienne Brandt of CPS Energy as 2016 TAC Vice Chair. Carolyn Shellman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Break

Chairman Crowell recessed General Session for break at approximately 10:24 a.m. and reconvened General Session at approximately 10:41 a.m.

TAC Report; Non-Unanimous NPRRs Recommended by TAC for Approval; NPRR649, Addressing Issues Surrounding High Dispatch Limit (HDL) Overrides; NPRR745, Change ERS Availability from an Hourly to 15-minute Interval Evaluation plus Other Minor Changes (Agenda Items 8, 8.1 and 8.1.1 - 8.1.2)

Randa Stephenson presented the TAC Report and the items referenced below as recommended by TAC for Board approval.

- NPRR649, Addressing Issues Surrounding High Dispatch Limit (HDL) Overrides; and
- NPRR745, Change ERS Availability from an Hourly to 15-minute Interval Evaluation plus Other Minor Changes.

Chad Seely noted that ERCOT filed comments on NPRR649 on April 7, 2016, subsequent to TAC's vote to recommend approval.

Karl Pfirrmann moved to approve NPRR649 as recommended by TAC in the 3/31/16 TAC Report and as amended by the April 7, 2016 ERCOT comments. Ms. Stephenson responded to questions and comments from Board members and Commissioners. After discussion, Judy Walsh seconded the motion. The motion passed by voice vote with two opposed (Tonya Baer and Nick Fehrenbach) and no abstentions.



Mr. Karnei moved to approve NPRR745 as recommended by TAC in the March 31, 2016 TAC Report. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Stephenson provided highlights from the February and March TAC meetings. There were no questions or comments from Board members.

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.

Acceptance of Financial Statement Audit Report (Agenda Item 9.1)

Mr. Bermudez moved to accept the Financial Statement Audit Report as recommended by the F&A Committee. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Financial Corporate Standard (Agenda Item 9.2)

Mr. Bermudez moved to approve the Financial Corporate Standard as recommended by the F&A Committee. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

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

Karl 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.

Benefits Committee Charter (Agenda Item 10.1)

Mr. Pfirrmann moved to approve the Benefits Committee Charter as recommended by the HR&G Committee. Ms. Baer seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Update on Results of Special Meeting of ERCOT Corporate Members for Election of Unaffiliated Director (Agenda Item 11)

Mr. Seely presented the update on the results of Special Meeting of ERCOT Corporate Members for election of Unaffiliated Director Jorge Bermudez. There were no questions or comments from Board members.

Other Business (Agenda Item 13)

No other business was discussed at this time.

Executive Session

Chairman Crowell recessed the General Session at approximately 10:56 a.m. and convened Executive Session at approximately 11:19 a.m. Chairman Crowell reconvened General Session at approximately 1:25 p.m.

Ratification of Principal Office Designation (Agenda Item 12)

Chairman Crowell moved to ratify the designation of ERCOT's executive and administrative center located at 7620 Metro Center Drive, Austin, Travis County, Texas



78744 as ERCOT's principal office, effective as of March 26, 2001. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Vote on Matters from Executive Session (Agenda Item 14)

Chairman Crowell entertained a motion for one matter 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. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 15)

Chairman Crowell adjourned the meeting at approximately 1:26 p.m.

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

A handwritten signature in blue ink that reads "Vickie G. Leady". The signature is written in a cursive style and is positioned above a horizontal line.

Vickie G. Leady
Assistant Corporate Secretary