



**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
June 13, 2016

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
Comstock, Read	Direct Energy	Independent Retail Electric Provider
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
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

Director/ Segment Alternate	Affiliation	Segment
Cramton, Peter	Unaffiliated	Unaffiliated Director <i>(Not Present for Agenda Items 4 – 7)</i>
Crowell, Craven	Unaffiliated	Unaffiliated Director <i>(Not Present for Agenda Items 4 – 9)</i>
Durland, Jack	Valero Services, Inc.	Consumer – Industrial <i>(Not Present for Agenda Items 4 – 9)</i>
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer <i>(Not Present for Agenda Items 4 – 7)</i>
Jones, Randy	Calpine Corporation	Independent Generator Segment Alternate
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO) <i>(Not Present for Agenda Items 5.2 – 7)</i>



Mercado, Kenneth	CenterPoint Energy Inc.	Investor-Owned Utility Segment Alternate <i>(Not Present for Agenda Items 4 – 9)</i>
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director <i>(Not Present for Agenda Items 4 – 9)</i>
Shellman, Carolyn	CPS Energy	Municipal <i>(Not Present for Agenda Items 5.1 – 9)</i>
Werner, John	Source Power & Gas LLC	Independent Retail Electric Provider Segment Alternate

Officers and Guests:

Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Levine, Jonathan	ERCOT Corporate Counsel
Meek, Donald	Austin Energy, Credit Work Group (CWG) Chair
Mele, Cheryl	ERCOT Senior Vice President and Chief Operating Officer
Petterson, Michael	ERCOT Vice President and Chief Financial Officer
Rickerson, Woody	ERCOT Vice President of Grid Planning and Operations
Rychetsky, Penny	ERCOT Director of Internal Audit
Seely, Chad	ERCOT Vice President, General Counsel and Corporate Secretary
Spells, Vanessa	ERCOT Credit 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 General Session of the F&A Committee meeting to order at approximately 1:03 p.m. Chairman Bermudez noted the Antitrust and Security Admonitions. He announced that there were no proxies. Chairman Bermudez welcomed new Independent Generator Segment Alternate Randy Jones, who replaced Mark Soutter. Chairman Bermudez addressed the following Agenda Items in the order below.

April 18, 2016 General Session Meeting Minutes (Agenda Item 2)

Chairman Bermudez entertained a motion to approve the April 18, 2016 General Session Meeting Minutes (Minutes).

Vice Chairman Clifton Karnei moved to approve the Minutes as presented. Kevin Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Committee Education on Directors and Officers Insurance and Cyber Insurance (Agenda Item 3)

Leslie Wiley presented the Committee Education on Directors and Officers Insurance and Cyber Insurance. Ms. Wiley and Chad Seely responded to questions and comments from Committee members.

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

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

Committee Briefs (Agenda Item 5)

Chairman Bermudez invited Sean Taylor and Ms. Wiley to present the Committee Briefs.

Review 2016 Financial Summary (Agenda Item 5.1)

Mr. Taylor presented the 2016 Financial Summary. Mr. Taylor and Ms. Wiley responded to questions and comments from Committee members.

Periodic Report on Investments (Agenda Item 5.2)

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

Future Agenda Items (Agenda Item 6)

Michael Petterson presented the Future Agenda Items. There were no questions or comments from Committee members.

Other Business (Agenda Item 7)

No other business was discussed at this time.

Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 8 and 9)

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 General Session at approximately 2:07 p.m. to convene Executive Session at approximately 2:18 p.m.

There were no voting items from Executive Session.

Chairman Bermudez adjourned the meeting upon the conclusion of Executive Session at approximately 4:00 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