



**DRAFT 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
August 9, 2016 at 1:00 p.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
Jones, Randy	Calpine Corporation	Independent Generator Segment Alternate
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman
Pfirmedann, 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
Badri, Sreenivas	ERCOT Supervisor of EMMS Operations
Barnes, Bill	NRG Texas LLC
Brandt, Adrienne	CPS Energy, Technical Advisory Committee (TAC) Vice Chair
Clark, Angel	ERCOT 2016 Summer Intern
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
Daniels, Steve	ERCOT Vice President of Application Services and IT Operations
Dickenson, David	ERCOT Supervisor of EMMS Operations
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Fu, Weihui	ERCOT Senior EMMS Applications Architect
Gage, Theresa	ERCOT Vice President of External Affairs and Corporate Communications
Garza, Beth	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Helton, Bob	GDF Suez Energy Marketing North America Inc.
Kanduri, Venkata	ERCOT Lead EMMS Application Developer
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
Lowe, Cagle	ERCOT Director of Strategic Initiatives
Marquez, Brandy Marty	PUCT Commissioner
Mele, Cheryl	ERCOT Senior Vice President and Chief Operating Officer
Mercado, Kenneth	CenterPoint Energy, Inc. (Investor-Owned Utility Segment Alternate)
Mulcahy, David	ERCOT 2016 Summer Intern
Obadina, Diran	ERCOT Principal, Systems Development
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
Oldham, Phillip	Air Liquide
Petterson, Michael	ERCOT Vice President and Chief Financial Officer
Qi, Peter	ERCOT Senior Systems Architect
Rickerson, Woody	ERCOT Vice President of Grid Planning and Operations
Seely, Chad	ERCOT Vice President, General Counsel and Corporate Secretary
Stephenson, Randa	Lower Colorado River Authority, TAC Chair
Stone, James	ERCOT Senior Training Specialist
Williams, Diane M.	ERCOT Vice President of Human Resources



Call General Session to Order and Announce Proxies (Agenda Item 1)

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:00 a.m.

Chairman Crowell recognized Donna Nelson, PUCT Chairman. 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 August 9, 2016.

Chairman Crowell noted the Antitrust and Security Admonitions. He announced that Randy Jones, Independent Generator Segment Alternate, was attending in Kevin Gresham's absence. He addressed the following Agenda Items in the order below.

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs), Planning Guide Revision Request (PGRR), Resource Registration Glossary Revision Request (RRGRR) and System Change Request (SCR) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1, and 2.1.1 - 2.1.8)

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

- NPRR747, Revision of Voltage Control Requirements;
- NPRR767, Commitment by RUC for Long Lead Time Resource;
- NPRR770, Addition of Outaged Resource Capacity to Short-Term System Adequacy Report;
- NPRR771, Clarifications to New ESI ID Creation Process;
- NPRR774, Remove Duplicate Language to Calculate Seasonal Transmission Loss Factors;
- PGRR046, Addition of Geomagnetically Induced Current (GIC) Model Building Requirements;
- RRGRR009, Adding Voltage Limit Sets, Relay Loadability, MLSE, and GMD Data; and
- SCR789, Update NMMS Topology Processor to PSSE 34 Capability.

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

June 14, 2016 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the June 14, 2016 General Session Meeting Minutes (Minutes).

Peter Cramton moved to approve the Minutes as presented. Nick Fehrenbach 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 invited ERCOT 2016 Summer Interns David Mulcahy and Angel Clark to provide a brief summary of their work.



Mr. Mulcahy and Ms. Clark presented an overview of the projects they worked on during their internships.

Mr. Magness recognized members of the Energy Management System (EMS) Upgrade Team, including Cagle Lowe, James Stone, David Dickenson, Peter Qi, Sreenivas Badri, Diran Obadina, Weihui Fu and Venkata Kanduri. He highlighted the team's achievements and expressed his appreciation on a successful EMS upgrade.

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

Independent Market Monitor (IMM) Report (Agenda Item 5)

Beth Garza presented the IMM Report and responded to questions and comments from Board members.

TAC Report; Non-Unanimous NPRRs Recommended by TAC for Approval (Agenda Items 6, 6.2 and 6.2.1 - 6.2.2)

Adrienne Brandt presented the TAC Report and the items referenced below as recommended by TAC for Board approval, and responded to questions and comments from Board members:

- NPRR696, Price Correction Process Following a SCED Failure; and
- NPRR738, ERS Performance Calculations During TDSP Outages.

Karl Pfirrmann moved to approve NPRR696 as recommended by TAC in the July 28, 2016 TAC Report. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with one abstention (Jack Durland).

Mr. Fehrenbach moved to approve NPRR738 as recommended by TAC in the July 28, 2016 TAC Report. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Appeal of TAC Action on NPRR784, Mitigated Offer Caps for RMR Units – Urgent; Background Information; Appeal and Position Statement of NRG Texas LLC and Reliant Energy Retail Services LLC; TAC Advocate Presentation of TAC Action; Position Statements of Interested Parties; Closing Statement of NRG Texas LLC and Reliant Energy Retail Services LLC (Agenda Items 6.1 and 6.1.1 - 6.1.5)

Ms. Brandt presented the appeal of TAC Action on NPRR784. Chairman Crowell announced that each party would be given equal time to speak, and invited Chad Seely to introduce the parties. Mr. Seely provided an overview of the process to be used and introduced Bill Barnes, representing NRG Texas LLC (NRG) and Reliant Energy Retail Services LLC (Reliant), the appellants, and Phillip Oldham, representing Air Liquide, the TAC Advocate. Mr. Barnes presented the appeal and position statement of NRG and Reliant. Mr. Oldham presented the TAC Advocate presentation of the TAC action on NPRR784. Following Mr. Barnes' and Mr. Oldham's statements, Mr. Seely invited any other parties who wished to address the Board to come forward and be acknowledged. Bob Helton, representing GDF Suez Energy Marketing North America Inc., presented comments on the appeal. Mr. Seely also reported that one



written position statement, filed jointly by Luminant, Rayburn, STEC and TIEC, was included in the Board materials packet, but that none of these parties had chosen to speak.

Mr. Barnes and Mr. Oldham each presented a closing statement. Mr. Barnes, Mr. Oldham, Ms. Garza, Mr. Magness, Woody Rickerson and TAC Chair Randa Stephenson responded to questions and comments from Board members. After lengthy discussion, Chairman Crowell entertained a motion.

Mr. Pfirrmann moved to deny the appeal of NRG and Reliant of TAC's rejection of NPRR784. Mr. Fehrenbach seconded the motion. The motion passed by a show-of-hands vote with three opposed (Read Comstock, Keith Emery and Randy Jones) and one abstention (Wade Smith).

Break

Chairman Crowell recessed General Session for break at approximately 10:38 a.m. and reconvened General Session at approximately 10:55 a.m.

An Update on Potential Changes to the Reliability Must-Run (RMR) Protocols (Agenda Item 7)

Ms. Stephenson presented an update on potential changes to the RMR Protocols. Mr. Magness expressed his gratitude to Ms. Stephenson for the presentation and for working actively with stakeholders on this matter. There were no questions or comments from Board members.

Greens Bayou Unit 5 Reliability Must-Run Exit Strategy Discussion (Agenda Item 8)

Cheryl Mele presented the Greens Bayou Unit 5 RMR Exit Strategy. There were no questions or comments from Board members.

Finance & 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 meeting.

Acceptance of ERCOT's 401(k) Savings Plan Audit Report (Agenda Item 9.1)

Mr. Bermudez moved to accept the 2015 ERCOT 401(k) Savings Plan Audit Report as recommended by the F&A Committee. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

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

Mr. 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.

2017 Board Meeting and Annual Meeting Schedule (Agenda Item 10.1)

Mr. Pfirrmann moved to approve the 2017 Board Meeting and Annual Meeting Schedule as recommended by the HR&G Committee. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Other Business (Agenda Item 11)

No other business was discussed at this time.

Executive Session

Chairman Crowell recessed General Session at approximately 11:11 a.m. and convened Executive Session at approximately 11:29 a.m. Chairman Crowell reconvened General Session at approximately 12:45 p.m.

Vote on Matters from Executive Session (Agenda Item 12)

Chairman Crowell entertained a motion for one matter discussed during Executive Session.

Mr. Bermudez moved to select ERCOT's 401(k) Savings Plan Auditor as recommended by the F&A Committee and as discussed during Executive Session. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 13)

Chairman Crowell adjourned the meeting at approximately 12:46 p.m.

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

Vickie G. Leady