



**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
October 11, 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
Cramton, Peter	Unaffiliated	Unaffiliated Director
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director (<i>Proxy for Bill Magness</i>)
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 Climate and Renewables NA	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman (<i>Not Present for Agenda Item 1</i>)
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
Werner, John	Source Power & Gas LLC	Independent Retail Electric Provider Segment Alternate

Segment Alternates, Officers and Guests:

Billo, Jeff	ERCOT Senior Manager of Transmission Planning
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Brandt, Adrienne	CPS Energy, Technical Advisory Committee (TAC) Chair
Cochran, Seth	DC Energy Texas LLC (Independent Power Marketer Segment Alternate)
Coleman, Chris	ERCOT Senior Meteorologist
Daniels, Steve	ERCOT Vice President of Application Services and IT Operations
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Gage, Theresa	ERCOT Vice President of External Affairs and Corporate Communications
Garza, Beth	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Gnanam, Prabhu	ERCOT Manager of System Development
Helton, Robert	GDF Suez Energy North America, Inc., TAC Vice Chair
Jones, Randy	Calpine Corporation (Independent Generator Segment Alternate)
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
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)
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
Petterson, Michael	ERCOT Vice President and Chief Financial Officer
Rickerson, Woody	ERCOT Vice President of Grid Planning and Operations
Seely, Chad	ERCOT Vice President, General Counsel and Corporate Secretary
Surendran, Resmi	ERCOT Senior Manager of Wholesale Market Operations
Williams, Diane M.	ERCOT Vice President of Human Resources
Woodfin, Dan	ERCOT Director of System Operations

Call General Session to Order and Announce Proxies (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 9:00 a.m. He noted the Antitrust and Security Admonitions, and announced that *ex officio* Director Bill Magness provided his proxy to Chairman Crowell and that John Werner, Independent Retail Electric Provider Segment Alternate, was attending in Read Comstock’s absence.

Chairman Crowell announced Jorge Bermudez’ resignation from the Board, conveyed appreciation for his years of service to ERCOT as an Unaffiliated Director, and reported that Mr. Bermudez plans to attend December’s Board meeting.

Chairman Crowell addressed the following Agenda Items in the order below.



Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs), Planning Guide Revision Requests (PGRRs) and Retail Market Guide Revision Request (RMGRR) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1 and 2.1.1 - 2.1.18)

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

- NPRR753, Allow AMS Data Submittal Process for TDSP-Read Non-Modeled Generators;
- NPRR755, Data Agent-Only QSE Registration;
- NPRR769, Alignment with VCMRR013, Clarifications to Verifiable Cost Appeals Process;
- NPRR775, Enhanced Implementation of Limits for Fast Responding Regulation Service;
- NPRR778, Modifications to Date Change and Cancellation Evaluation Window;
- NPRR779, Clarifies References to Texas Reliability Entity and Independent Market Monitor;
- NPRR781, Updates to Nodal Protocol Section 18, Load Profiling, to Align with Current Market Processes;
- NPRR782, Settlement of Infeasible Ancillary Services Due to Transmission Constraints;
- NPRR785, Synchronizing WGR and PVGR COPs with Short Term Wind and PhotoVoltaic Forecasts;
- NPRR786, Consumption Data Adjustments for Negative Load;
- NPRR787, Removal of Recipient Name Requirement for VDI Confirmations;
- NPRR789, Publish All Mid-Term Load Forecast Results;
- NPRR793, Clarifications to RMR RUC Commitment and Other RMR Cleanups – URGENT;
- NPRR795, Provisions for Refunds of Capital Contributions Made in Connection with an RMR Agreement – URGENT;
- PGRR047, FIS Department of Defense Declaration;
- PGRR048, Alignment with NPRR779, Clarifies References to Texas Reliability Entity and Independent Market Monitor;
- PGRR049, GINR Application and Fee Submittal; and
- RMGRR134, Allow AMS Data Submittal Process for TDSP-Read Non-Modeled Generators.

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

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 October 11, 2016.

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

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



Peter Cramton moved to approve the Minutes as presented. Tonya Baer seconded the motion. The motion passed by unanimous voice vote with two abstentions (Kevin Gresham and John Werner).

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

Chairman Crowell invited Cheryl Mele to present the CEO Presentation, and Ms. Mele introduced several members of the Executive Team to join her. Ms. Mele, Michael Petterson, Woody Rickerson, Jerry Dreyer, Betty Day and Diane M. Williams presented the CEO Update and responded to questions and comments from Board members.

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

2016 Fall/Winter Weather Outlook (Agenda Item 5)

Chris Coleman presented the 2016 Fall/Winter Weather Outlook and responded to questions and comments from Board members.

Summer 2016 Operational and Market Review (Agenda Item 6)

Dan Woodfin and Resmi Surendran presented the Summer 2016 Operational and Market Review, and they and Ms. Mele responded to questions and comments from Board members.

Independent Market Monitor (IMM) Report (Agenda Item 7)

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

Break

Chairman Crowell recessed General Session for break at approximately 10:55 a.m. and reconvened General Session at approximately 11:15 a.m.

Confirmation of TAC Chair and Vice Chair for the Remainder of 2016 (Agenda Item 8)

Chairman Crowell reported that Randa Stephenson recently resigned as TAC Chair, and that subsequently Adrienne Brandt, CPS Energy, and Robert Helton, GDF Suez Energy North America, Inc., were elected by the TAC Representatives as TAC Chair and Vice Chair, respectively, for the remainder of 2016. Chairman Crowell entertained a motion for confirmation of TAC Chair and Vice Chair for the remainder of 2016.

Mr. Karnei moved to confirm Adrienne Brandt as TAC Chair and Robert Helton as TAC Vice Chair for the remainder of 2016. Ms. Baer seconded the motion. The motion passed by unanimous voice vote with no abstentions.

TAC Report; Non-Unanimous NPRRs Recommended by TAC for Approval (Agenda Items 9, 9.1 and 9.1.1 - 9.1.2)

Ms. Brandt presented the TAC Report and the items referenced below as recommended by TAC for Board approval, and she, Chad Seely and Jeff Billo responded to questions and comments from Board members:



- NPPRR760, Calculation of Exposure Variables For Days With No Activity; and
- NPPRR788, RMR Study Modifications – URGENT.

Mr. Karnei moved to approve NPPRR760 as recommended by TAC in the August 25, 2016 TAC Report. After discussion, Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

After discussion, Keith Emery moved to approve NPPRR788 as recommended by TAC in the September 29, 2016 TAC Report. Jack Durland seconded the motion. The motion passed by unanimous voice vote with no abstentions.

TNMP Line 69H Rebuild and Conversion Regional Planning Group (RPG) Project; AEPSC and Oncor Barilla Junction Area Improvement RPG Project (Agenda Items 10 and 11)

Chairman Crowell invited Prabhu Gnanam to present the TNMP Line 69H Rebuild and Conversion and AEPSC and Oncor Barilla Junction Area Improvement RPG Projects. He announced that Wade Smith, on account of his employment with AEPSC, would abstain from any votes on the AEPSC and Oncor Barilla Junction Area Improvement RPG Project.

Mr. Gnanam presented the TNMP Line 69H Rebuild and Conversion RPG Project, which ERCOT staff independently reviewed and recommended improvements known as Option 1, and which TAC has voted to endorse, based on North American Electric Reliability Corporation (NERC) and ERCOT planning reliability criteria, and responded to questions and comments from Board members. Chairman Crowell entertained a motion to endorse the need for the TNMP Line 69H Rebuild and Conversion RPG Project.

Mr. Smith moved to endorse the need for the TNMP Line 69H Rebuild and Conversion RPG Project, which ERCOT staff has independently reviewed and recommended improvements known as Option 1, and which TAC has voted to endorse, based on NERC and ERCOT planning reliability criteria. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Gnanam presented the AEPSC and Oncor Barilla Junction Area Improvement RPG Project, which ERCOT staff independently reviewed and recommended improvements known as Option B, and which TAC has voted to endorse, based on NERC and ERCOT planning reliability criteria. There were no questions or comments from Board members.

Mr. Karnei moved to endorse the need for the AEPSC and Oncor Barilla Junction Area Improvement RPG Project, which ERCOT staff has independently reviewed and recommended improvements known as Option B, and which TAC has voted to endorse, based on NERC and ERCOT planning reliability criteria. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with one abstention (Mr. Smith).



Member-Affiliate Determination related to New EFH Restructuring Entity (Agenda Item 12)

Mr. Seely presented the Member-Affiliate Determination related to New EFH Restructuring Entity and invited Vickie Leady to present additional details. Ms. Leady reported that a factual error was discovered in the Background/History section of the Board decision template for this matter. Ms. Leady explained that the reference to “GDF Suez Energy Marketing North America, Inc.” should instead be to “GDF Suez Energy North America, Inc.” She explained further that this error did not affect the analysis and that the Resolution attached to the Board Decision Template was accurate. Ms. Leady also commented that ERCOT staff would post a redlined, corrected Board decision template. Mr. Seely and Ms. Leady responded to questions and comments from Board members.

Mr. Smith moved to approve the Member-Affiliate Determination related to New EFH Restructuring Entity as presented and as further clarified by Ms. Leady. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance and Audit (F&A) Committee Report (Agenda Item 13)

Mr. Karnei, F&A Committee Vice Chairman, reported that the F&A Committee met the prior day and highlighted items discussed at the F&A Committee meeting. There were no questions or comments from Board members.

Human Resources and Governance (HR&G) Committee Report (Agenda Item 14)

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. There were no questions or comments from Board members.

Other Business (Agenda Item 15)

Chairman Crowell entertained discussion of Other Business, and invited Mr. Seely to present the Bermudez Motions from the August 9, 2016 Board Meeting (Agenda Item 15.1).

Bermudez Motions from August 9, 2016 Board Meeting (Agenda Item 15.1)

Mr. Seely presented the Bermudez Motions from the August 9, 2016 Board Meeting as necessitated by Mr. Bermudez’ recent resignation. There were no questions or comments from Board members.

Mr. Fehrenbach moved to: (i) approve the August 9, 2016 Consent Agenda as presented; (ii) accept the 2015 ERCOT 401(k) Savings Plan Audit Report as recommended by the F&A Committee; and (iii) select ERCOT’s 401(k) Savings Plan Auditor as recommended by the F&A Committee and as discussed during Executive Session at the August 9, 2016 Board meeting. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 16 and 17)

Chairman Crowell announced that no voting items from Executive Session were expected; accordingly, he would adjourn the meeting immediately upon conclusion of Executive Session.



Chairman Crowell recessed General Session at approximately 11:37 a.m. to convene Executive Session at approximately 11:50 a.m.

There were no voting items from Executive Session.

Chairman Crowell adjourned the meeting upon the conclusion of Executive Session at approximately 1:51 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
Assistant Corporate Secretary