



**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  
February 14, 2017 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:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Baer, Tonya	Office of Public Utility Counsel	Consumer – Residential ( <i>Not Present for Agenda Items 1 – 10</i> )
Coleman, Diana	Office of Public Utility Counsel	Consumer – Residential ( <i>Alternate Representative for Public Counsel Tonya Baer</i> ) ( <i>Present Only for Agenda Items 1 – 10</i> )
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
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Marquez, Brandy Marty	Public Utility Commission of Texas (PUCT)	Commissioner ( <i>Alternate Representative for PUCT Chairman Donna Nelson</i> ) ( <i>Not Present for Agenda Items 1 – 10</i> )
Pfirmann, 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 Alternates, Officers and Guests:**

Bluntzer, Rick	Just Energy Texas, LP (Independent Retail Electric Provider Segment Alternate)
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
Gresham, Kevin	E.ON North America, LLC (Independent Generator Segment Alternate)
Hailu, Ted	ERCOT Director of Client Services
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
Mele, Cheryl	ERCOT Senior Vice President and Chief Operating Officer
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
Taylor, Sean	ERCOT Controller
Williams, Diane M.	ERCOT Vice President of Human Resources
Williams, Phil	Denton Municipal Electric (Municipal Segment Alternate)

**Call General Session to Order; Announce Proxies and Segment Alternates (Agenda Items 1 and 3)**

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:03 a.m. He noted the Antitrust Admonition and announced that Diana Coleman, Office of Public Utility Counsel, was attending in Public Counsel Tonya Baer's absence. Chairman Crowell continued the announcements of



new Directors and Segment Alternates later in the meeting (Agenda Item 3). Chairman Crowell invited Bill Magness, ERCOT President and CEO, to call for nominations for Board Chair and Vice Chair.

**Election of Board Chair and Board Vice Chair (Agenda Item 2)**

Mr. Magness entertained nominations for Board Chair and Board Vice Chair.

**Peter Cramton nominated Craven Crowell as Board Chair and Judy Walsh as Board Vice Chair. Carolyn Shellman seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Mr. Magness turned the meeting over to Chairman Crowell, who extended appreciation to the Board for the re-elections on his and Vice Chair Walsh's behalf. Chairman Crowell addressed the following Agenda Items in the order below.

**Announce Proxies and Segment Alternates (Agenda Item 3) -- continued**

Chairman Crowell announced that there were no proxies. Chairman Crowell recognized Randy Jones, who was now serving as Independent Generator Segment Director; John Werner, who was now serving as Independent Retail Electric Provider Segment Director; and Kevin Gresham, who was now serving as Independent Generator Segment Alternate; and introduced and welcomed new Independent Retail Electric Provider Segment Alternate Rick Bluntzer.

**Committee Member Preferences and Assignments (Agenda Item 4)**

Chairman Crowell noted the Committee Member Preferences and Assignments for the Finance and Audit (F&A), Human Resources and Governance (HR&G), and Nominating Committees in the meeting materials. He reported that although there was a larger variance than in recent years in the number of members on the F&A and HR&G Committees—five and eight members, respectively—each Committee was compliant with its respective Board-approved charter and membership was sufficient for the handling of each Committee's business. There were no requested changes to the Committee assignments.

**Confirmation of Technical Advisory Committee (TAC) Chair and Vice Chair for 2017 (Agenda Item 5)**

Chairman Crowell reported that Adrienne Brandt, CPS Energy, and Bob Helton, Dynegy, Inc., were elected by the TAC Representatives as the 2017 TAC Chair and Vice Chair, respectively. He entertained a motion for the confirmation of the TAC Chair and Vice Chair.

**Mr. Jones moved to confirm Adrienne Brandt of CPS Energy as 2017 TAC Chair and Bob Helton of Dynegy, Inc. as 2017 TAC Vice Chair. Karl Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Request (PGRR) Recommended by Technical Advisory Committee (TAC) for Approval; Other Binding Document, Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch (Agenda Items 6, 6.1, 6.1.1 - 6.1.4 and 6.2)**



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

- NPRR794, Relocation of Unregistered DG Reporting Requirements;
- NPRR805, Clarification for Multi-Month CRR Auction Offers;
- NPRR806, Clarification for Designation of Capacity or Refund PCRRs;
- PGRR053, Addition of Proposed Generation Resources to the Planning Models; and
- Other Binding Document, Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch.

**Keith Emery moved to approve the Consent Agenda as presented. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

#### **December 13, 2016 General Session Meeting Minutes (Agenda Item 7)**

Chairman Crowell entertained a motion to approve the December 13, 2016 General Session Meeting Minutes (Minutes).

**Mr. Pfirrmann moved to approve the Minutes as presented. Jack Durland seconded the motion. The motion passed by unanimous voice vote with one abstention (Wade Smith).**

#### **Chief Executive Officer (CEO) Presentation; CEO Update; Operations Report (Agenda Items 8 and 8.1 - 8.2)**

Mr. Magness highlighted the 2016 State of the Grid Report, which was released that day, and copies of which were provided to Board members at the meeting. He recognized Corporate Communications team members Robbie Searcy, Leslie Sopko and Danya Pysh for their contributions on the Report and conveyed his appreciation.

Mr. Magness presented the CEO Update. He recognized Ted Hailu, Brian Brandaw and the Application Program Interface (API) team for their dedicated work on the creation of a quick-start guide, which replaces the current, complex 500-page guide. He noted that this was a collaborative effort between ERCOT and Market Participants and conveyed his appreciation to Market Data Working Group Chair Julie Thomas of Vistra Energy.

Mr. Magness reported that the Financial Summary would no longer be included in the CEO Presentation, as it is presented at the F&A Committee meeting and included with the corresponding meeting materials. Mr. Magness presented the Operations Report. There were no questions or comments from Board members.

#### **2017 Winter Weather Review and Looking Ahead (Agenda Item 9)**

Chris Coleman reviewed the 2017 Winter Weather Review and Looking Ahead presentation and responded to questions and comments from Board members.

#### **Data Center Refresh Update (Agenda Item 10)**

Jerry Dreyer presented the Data Center Refresh Update. There were no questions or comments from Board members.



**Independent Market Monitor (IMM) Report (Agenda Item 11)**

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

**TAC Report; Non-Unanimous NPRR Recommended by TAC for Approval; NPRR800, Revisions to Credit Exposure Calculations to Use Electricity Futures Market Prices - URGENT (Agenda Items 12, 12.1 and 12.1.1)**

Ms. Brandt presented NPRR800, Revisions to Credit Exposure Calculations to Use Electricity Futures Market Prices – URGENT, as recommended by TAC for Board approval. There were no questions or comments from Board members.

**Mr. Jones moved to approve NPRR800 as recommended by TAC in the January 26, 2017 TAC Report. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Ms. Brandt presented the TAC Report. There were no questions or comments from Board members.

Chairman Crowell welcomed Public Counsel Tonya Baer and PUCT Commissioner Brandy Marty Marquez to the meeting and noted Ms. Baer's participation in voting on NPRR800.

**Break**

Chairman Crowell recessed General Session for break at approximately 10:46 a.m. and reconvened General Session at approximately 11:05 a.m.

**Finance & Audit (F&A) Committee Report; F&A Committee Charter; Market Credit Risk Corporate Standard; Financial Corporate Standard; Investment Corporate Standard (Agenda Items 13 and 13.1 - 13.4)**

Vice Chair Walsh, who also serves as F&A Committee Chair, reported that the F&A Committee met the prior day and highlighted items discussed at the F&A meeting. Ms. Walsh reported that she was elected as F&A Committee Chair, Mr. Karnei was re-elected as F&A Committee Vice Chair, and Chad Seely or his designee was designated as Committee Secretary. There were no questions or comments from Board members.

**Ms. Walsh moved to approve the F&A Committee Charter, Market Credit Risk Corporate Standard, Financial Corporate Standard and Investment Corporate Standard, each as recommended by the F&A Committee. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Human Resources & Governance (HR&G) Committee Report; HR&G Committee Charter; Election of Chief Executive Officer and Ratification of Officers (Agenda Items 14 and 14.1 - 14.2)**

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. Mr. Pfirrmann reported that he was re-elected as HR&G Committee Chairman, Tonya Baer was re-elected as HR&G



Committee Vice Chair, and Chad Seely or his designee was designated as Committee Secretary. There were no questions or comments from Board members.

**Mr. Pfirrmann moved to approve the HR&G Committee Charter and to elect the CEO and ratify officers, each as recommended by the HR&G Committee. Ms. Baer seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Nominating Committee Report; Call for Special Meeting of ERCOT Corporate Members for Election of Unaffiliated Directors (Agenda Items 15 - 16)**

Chairman Crowell, who also serves as Nominating Committee Chairman, reported that the Nominating Committee met the prior day and highlighted items discussed at the Nominating Committee meeting, including selection of an executive search firm for Unaffiliated Director candidates for the vacancy created by the resignation of Unaffiliated Director Jorge Bermudez in October 2016, and the selection of Unaffiliated Directors Chairman Crowell, Vice Chair Walsh and Mr. Pfirrmann for their respective re-elections for their third and final terms. There were no questions or comments from Board members. Chairman Crowell entertained a motion for the calling of a Special Meeting of ERCOT Corporate Members for the re-election of Unaffiliated Directors Chairman Crowell, Vice Chair Walsh and Mr. Pfirrmann.

**Mr. Karnei moved to approve the calling of a Special Meeting of ERCOT Corporate Members for the election of Unaffiliated Directors as presented. Mr. Smith seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**2016 Internal Revenue Service Form 990 Questionnaire (Agenda Item 17)**

Sean Taylor presented an overview of ERCOT's 2016 Internal Revenue Service (IRS) Form 990 Questionnaire and schedule for filing ERCOT's 2016 IRS Form 990. He noted the requested completion deadline of April 12, 2017. There were no questions or comments from Board members.

**Other Business (Agenda Item 18)**

Mr. Pfirrmann reported that he, Mr. Cramton and Mr. Karnei met the prior day with Mr. Dreyer, Betty Day and Kristi Hobbs to initiate discussions regarding the agenda for the biennial ERCOT Deep Dive, which will occur in March 2018. He reported that at the conclusion of the Deep Dive, a full report will be presented to the Board.

**Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 19 - 20)**

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 11:15 a.m. to convene Executive Session at approximately 11:30 a.m.

There were no voting items from Executive Session.



Chairman Crowell adjourned the meeting upon the conclusion of Executive Session at approximately 1:10 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".

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Vickie G. Leady  
Assistant Corporate Secretary