



**GENERAL SESSION MINUTES OF THE FINANCE & AUDIT COMMITTEE  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
October 10, 2016 12:00 p.m.

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:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Crowell, Craven	Unaffiliated	Unaffiliated Director
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	E.ON Climate and Renewables NA	Independent Generator
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative
Walsh, Judy	Unaffiliated	Unaffiliated Director
Werner, John	Source Power & Gas LLC	Independent Retail Electric Provider Segment Alternate

**Guest Board Members and Segment Alternates:**

<b>Director/ Segment Alternate</b>	<b>Affiliation</b>	<b>Segment</b>
Cramton, Peter	Unaffiliated	Unaffiliated Director
Durland, Jack	Valero Services, Inc.	Consumer – Industrial
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer
Jones, Randy	Calpine Corporation	Independent Generator Segment Alternate
Kezar, Mike	South Texas Electric Cooperative, Inc.	Cooperative Segment Alternate
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Mercado, Kenneth	CenterPoint Energy, Inc.	Investor-Owned Utility Segment Alternate



Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Shellman, Carolyn	CPS Energy	Municipal

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
Hobbs, Kristi	ERCOT Director of Enterprise Risk Management and Strategic Analysis
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Corporate Counsel
Meek, Donald	Austin Energy, Credit Work Group (CWG) Chair
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
Rychetsky, Penny	ERCOT Director of Internal Audit
Seely, Chad	ERCOT Vice President, General Counsel and Corporate Secretary
Spells, Vanessa	ERCOT Credit Manager
Tagle, Raina Rose	Baker Tilly Virchow Krause, LLP (Baker Tilly), Partner
Taylor, Sean	ERCOT Controller
Wiley, Leslie	ERCOT Treasurer

**Call General Session to Order, Announce Proxies and Segment Alternates (Agenda Item 1)**

Clifton Karnei, F&A Committee Vice Chairman, determined that a quorum was present and called the General Session of the F&A Committee meeting to order at approximately 12:00 p.m. Vice Chairman Karnei noted the Antitrust and Security Admonitions and addressed the following Agenda Items in the order below.

**August 8, 2016 General Session Meeting Minutes (Agenda Item 2)**

Vice Chairman Karnei entertained a motion to approve the August 8, 2016 General Session Meeting Minutes (Minutes).

**Nick Fehrenbach moved to approve the Minutes as presented. Judy Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Vice Chairman Karnei announced that due to the resignation of Unaffiliated Director Jorge Bermudez and the F&A Committee Charter requirement that a minimum of two Unaffiliated Directors serve on the F&A Committee, Craven Crowell had moved from the Human Resources and Governance (HR&G) Committee to the F&A Committee. He also announced that John Werner, Independent Retail Electric Provider Segment Alternate, was attending in Read Comstock's absence.



### **Committee Education on Sustainable Governance and Enterprise Risk Management (Agenda Item 3)**

Sean Taylor introduced Raina Rose Tagle of Baker Tilly. Ms. Tagle presented the Committee Education on Sustainable Governance and Enterprise Risk Management and responded to questions and comments from Committee members.

### **Break**

Vice Chairman Karnei recessed General Session for break at approximately 1:02 p.m. and reconvened General Session at approximately 1:10 p.m.

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

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

### **Letter of Credit Issuer Limits (Agenda Item 5)**

Ms. Spells presented the Letter of Credit Issuer Limits and responded to questions and comments from Committee members.

### **Annual Committee Self-Evaluation (Agenda Item 6)**

Vice Chairman Karnei presented the Annual Committee Self-Evaluation. He reported that there were no proposed changes requested by Committee members to the self-evaluation questionnaire form. He explained that the questionnaire will be available via Diligent Board Books and results will be discussed at the December 12, 2016 F&A Committee meeting. Michael Petterson announced that an email message would be sent to Committee members informing them when the questionnaire is available and providing a deadline.

### **Committee Briefs (Agenda Item 7)**

Vice Chairman Karnei invited Mr. Taylor and Leslie Wiley to present the Committee Briefs.

### **Review 2016 Financial Summary (Agenda Item 7.1)**

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

### **Periodic Report on Investments (Agenda Item 7.2)**

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

### **Future Agenda Items (Agenda Item 8)**

Mr. Petterson presented the Future Agenda Items and responded to questions and comments from Committee members.

### **Other Business (Agenda Item 9)**

No other business was discussed at this time.



**Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 10 and 11)**

Vice Chairman Karnei announced that no voting items from Executive Session were expected; accordingly, he would adjourn the meeting immediately upon conclusion of Executive Session. Vice Chairman Karnei recessed General Session at approximately 1:56 p.m. to convene Executive Session at approximately 2:00 p.m.

There were no voting items from Executive Session.

Vice Chairman Karnei adjourned the meeting upon conclusion of Executive Session at approximately 2:53 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at [http://www.ercot.com/committees/board/finance\\_audit/](http://www.ercot.com/committees/board/finance_audit/)

  
Jonathan Levine  
Corporate Counsel