



**DRAFT GENERAL SESSION MINUTES OF THE
HUMAN RESOURCES & GOVERNANCE COMMITTEE
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS INC.**

7620 Metro Center Drive, Room 168
Austin, Texas 78744
August 7, 2017, 11:00 a.m.

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Human Resources and Governance (HR&G) 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 |
|--------------------------------|---|------------------------|
| Baer, Tonya (Vice Chair) | Office of Public Utility Counsel | Consumer - Residential |
| Crowell, Craven | Unaffiliated | Unaffiliated Director |
| Durland, Jack | Valero Services, Inc. | Consumer - Industrial |
| Pfirmsmann, Karl (Chairman) | Unaffiliated | Unaffiliated Director |
| Smith, Wade | American Electric Power Service Corporation | Investor-Owned Utility |

Other Board Members:

| Director/ Segment Alternate | Affiliation | Segment |
|--|-------------------------------|---|
| Harper, Sam | Chaparral Steel Midlothian LP | Consumer Industrial Segment Alternate |
| Mercado, Kenny | CenterPoint Energy, Inc. | Investor-Owned Utility Segment Alternate |

Officers and Guests:

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| Day, Betty | ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer <i>(Not Present for Agenda Items 5 – 13)</i> |
| Deller, Art | ERCOT Manager of Market Training |
| Gage, Theresa | ERCOT Vice President of External Affairs & Corporate Communications <i>(Not Present for Agenda Items 9 – 13)</i> |
| Hailu, Ted | ERCOT Director of Client Services |
| Leady, Vickie | ERCOT Assistant General Counsel and Assistant Corporate Secretary |



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| Williams, Diane M. | ERCOT Vice President of Human Resources |
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Call General Session to Order, Announce Proxies and Segment Alternates (Agenda Item 1)

Karl Pfirrmann, HR&G Committee Chairman, determined that a quorum was present and called the HR&G Committee General Session meeting to order at approximately 11:00 a.m. Chairman Pfirrmann announced that there were no proxies and addressed the following Agenda Items in the order below.

June 12, 2017 General Session Meeting Minutes (Agenda Item 2)

Chairman Pfirrmann entertained a motion to approve the June 12, 2017 General Session Meeting Minutes (Minutes).

Vice Chair Baer moved to approve the Minutes as presented. Craven Crowell seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources (HR) Operations Report (Agenda Item 3)

Diane M. Williams presented the HR Operations Report and responded to questions and comments from Committee members.

Key Performance Indicators (KPIs) and Strategic Planning Sessions, Review of Q2 2017 Key Performance Indicators (KPIs) and Board Strategic Planning Discussion (Agenda Items 4 - 4.2)

Betty Day presented the KPIs and Strategic Planning Sessions, Review of Q2 2017 KPIs and Board Strategic Planning Discussion and responded to questions and comments from Committee members.

Recommendation regarding Proposed Changes to Ethics Agreements Forms for ERCOT Employees, Directors and Segment Alternates (Agenda Item 5)

Chairman Pfirrmann presented the recommendation regarding Proposed Changes to Ethics Agreements Forms for ERCOT Employees, Directors and Segment Alternates. Vickie Leady highlighted the proposed changes to the ERCOT Employee Ethics Agreement.

Mr. Crowell moved to approve the Ethics Agreements Forms for ERCOT Employees, Directors and Segment Alternates as presented. Vice Chair Baer seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Review of 401(k) Savings Plan Audit Report (Agenda Item 6)

Chairman Pfirrmann invited Ms. Leady to present the Review of 401(k) Savings Plan Audit Report. Ms. Leady reported that the Finance and Audit (F&A) Committee had just voted to recommend acceptance of the audit report at their concurrent meeting. She explained that the HR&G Committee reviews this audit report pursuant to its charter. There were no questions or comments from Committee members.



Market Participant Training Update (Agenda Item 7)

Chairman Pfirrmann commended Ted Hailu for his work on the F&A Committee education on Day-Ahead and Real-Time Market Operation. Mr. Hailu introduced Art Deller, ERCOT Manager of Market Training. Mr. Hailu presented the Market Participant Training Update and responded to questions and comments from Committee members.

Recommendation regarding 2018 Board Meeting and Annual Meeting Schedule (Agenda Item 8)

Chairman Pfirrmann entertained a motion for the recommendation regarding 2018 Board Meeting and Annual Meeting Schedule.

Vice Chair Baer moved to approve the 2018 Board Meeting and Annual Meeting Schedule as presented. Jack Durland seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Unaffiliated Director Succession Planning (Agenda Item 9)

Chairman Pfirrmann presented Unaffiliated Director Succession Planning. There were no questions or comments from Committee members.

Review of Annual Committee Self-Evaluation Process (Agenda Item 10)

Chairman Pfirrmann discussed the Annual Committee Self-Evaluation Process. He reported that no major changes had been proposed to the annual Committee Self-Evaluation form to date. There were no questions or comments from Committee members.

Other Business (Agenda Item 11)

No other business was discussed at this time.

Executive Session; Vote on Matters from Executive Session and Adjournment (Agenda Items 12 and 13)

Chairman Pfirrmann announced that no voting items from Executive Session were expected; and accordingly, he would adjourn the meeting immediately upon conclusion of Executive Session. Chairman Pfirrmann concluded General Session at approximately 11:34 a.m. to convene Executive Session at approximately 12:13 p.m.

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

Vickie G. Leady
Assistant Corporate Secretary