



**DRAFT 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 16, 2017

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>
Cramton, Peter	Unaffiliated	Unaffiliated Director
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative
Shellman, Carolyn	CPS Energy	Municipal
Walsh, Judy (Chair)	Unaffiliated	Unaffiliated Director
Werner, John	Source Power & Gas, LLC	Independent Retail Electric Provider

Guest Board Members and Segment Alternates:

<b>Director/ Segment Alternate</b>	<b>Affiliation</b>	<b>Segment</b>
Bluntzer, Rick	Just Energy Texas, LP	Independent Retail Electric Provider Segment Alternate
Gresham, Kevin	E.ON North America, LLC	Independent Generator Segment Alternate
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)

Officers and Guests:

Bonser, Drew	ERCOT Senior Manager of Cyber Security
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Levine, Jonathan	ERCOT Senior 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
Ruane, Mark	ERCOT Director of Settlements, Retail and Credit
Rychetsky, Penny	ERCOT Director of Internal Audit
Seely, Chad V.	ERCOT Vice President, General Counsel and Corporate Secretary
Taylor, Sean	ERCOT Controller
Wiley, Leslie	ERCOT Treasurer
Wojcinski, Tom	Baker Tilly Virchow Krause, LLP (Baker Tilly), Principal

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

Judy Walsh, F&A Committee Chair, determined that a quorum was present and called the General Session of the F&A Committee meeting to order at approximately 1:00 p.m. Chair Walsh announced that Kevin Gresham, Independent Generator Segment Alternate, was attending in Randy Jones’ absence. She addressed the following Agenda Items in the order below.

**August 7, 2017 General Session Meeting Minutes (Agenda Item 2)**

Chair Walsh entertained a motion to approve the August 7, 2017 General Session Meeting Minutes (Minutes).

**Vice Chairman Clifton Karnei moved to approve the Minutes as presented. Peter Cramton seconded the motion. The motion passed by unanimous voice vote with two abstentions (Nick Fehrenbach and Kevin Gresham).**

**Committee Education; Committee Education on Cybersecurity Risk Management: Leading Practices and the New SOC for Cybersecurity Report (Agenda Items 3 and 3.1)**

Sean Taylor introduced Tom Wojcinski, of Baker Tilly. Mr. Wojcinski presented the Committee Education on Cybersecurity Risk Management: Leading Practices and the New SOC for Cybersecurity Report. Mr. Wojcinski, Drew Bonser, Bill Magness and Betty Day responded to questions and comments from Committee members.

**Follow-Up Item Regarding August 2017 Committee Education on Day-Ahead and Real-Time Market Operation – DAM Net Flow vs. Real-Time Load (Agenda Item 3.2)**

Kenan Ögelman presented the Follow-up Item Regarding August 2017 Committee Education on Day-Ahead and Real-Time Market Operation – DAM Net Flow vs. Real-Time Load and responded to questions and comments from Committee members.

**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, Mark Ruane, Jerry Dreyer and Chad Seely responded to questions and comments from Committee members.



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

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

### **System Administration Fee Analysis (Agenda Item 6)**

Mr. Taylor presented the System Administration Fee Analysis and responded to questions and comments from Committee members.

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

Chair Walsh invited Mr. Taylor and Leslie Wiley to present the Committee Briefs.

### **Review 2017 Financial Summary (Agenda Item 7.1)**

Mr. Taylor presented the Review 2017 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.

### **Annual Committee Self-Evaluation (Agenda Item 8)**

Chair Walsh presented the Annual Committee Self-Evaluation. She reported that Michael Petterson had contacted other Independent System Operators (ISOs) for insight on their self-evaluation processes and determined that ERCOT's process was similar to those surveyed. Chair Walsh reported that the self-evaluation process would remain the same, in questionnaire format. She solicited feedback from the Committee on suggested changes. There were no changes suggested by Committee members. Chair Walsh responded to questions and comments from Committee members and encouraged participation in completing the questionnaire.

### **Future Agenda Items (Agenda Item 9)**

Mr. Petterson presented the Future Agenda Items. There were no questions or comments from Committee members.

### **Other Business (Agenda Item 10)**

No other business was discussed at this time.

### **Executive Session**

Chair Walsh recessed General Session at approximately 3:31 p.m. and convened Executive Session at approximately 3:40 p.m. Chair Walsh reconvened General Session at approximately 5:04 p.m.

### **Vote on Matters from Executive Session (Agenda Item 11)**

Chair Walsh announced that there was one voting item discussed during Executive Session and entertained a motion.



**Vice Chairman Karnei moved to recommend Board approval the contract matter discussed during Executive Session under Agenda Item ES 6.1. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Adjournment (Agenda Item 12)**

Chair Walsh adjourned the meeting at approximately 5:05 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/)

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Jonathan Levine  
Senior Corporate Counsel