



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

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
August 7, 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
Jones, Randy	Calpine Corporation	Independent Generator
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative ( <i>Present Only for Agenda Items 10 – 11</i> )
Kezar, Mike	South Texas Electric Cooperative, Inc.	Cooperative Segment Alternate ( <i>Seated Only for Agenda Items 1 – 9</i> )
Richie, Jennifer	City of Waco	Consumer – Commercial Segment Alternate
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
Crowell, Craven	Unaffiliated	Unaffiliated Director
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Mercado, Kenneth	CenterPoint Energy, Inc.	Investor-Owned Utility Segment Alternate



Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
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**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
Kettlewell, Bill	ERCOT Market Training Lead
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 V.	ERCOT Vice President, General Counsel and Corporate Secretary
Spak, Mara	ERCOT Director of Total Rewards and Systems
Taylor, Sean	ERCOT Controller
Wiley, Leslie	ERCOT Treasurer
Zimmerhanel, A.J.	Maxwell Locke & Ritter LLP

**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 9:30 a.m. Chair Walsh announced that Mike Kezar, Cooperative Segment Alternate, was attending in Committee Vice Chairman Clifton Karnei's absence and Jennifer Richie, Consumer – Commercial Segment Alternate, was attending in Nick Fehrenbach's absence. She addressed the following Agenda Items in the order below.

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

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

**Keith Emery moved to approve the Minutes as presented. Randy Jones seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Committee Education on Day-Ahead and Real-Time Market Operation (Agenda Item 3)**

Bill Kettlewell presented the Committee Education on Day-Ahead and Real-Time Market Operation, and he, Bill Magness and Kenan Ögelman responded to questions and comments from Committee members.



#### **Recommendation Regarding Acceptance of ERCOT's 401(k) Savings Plan Audit Report (Agenda Item 4)**

Mara Spak introduced A.J. Zimmerhanzel of Maxwell, Locke & Ritter LLP. Mr. Zimmerhanzel presented ERCOT's 401(k) Savings Plan Audit Report, and he and Ms. Spak responded to questions and comments from Committee members.

**Mr. Emery moved to recommend that the Board accept ERCOT's 401(k) Savings Plan Audit Report as presented. Carolyn Shellman seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

#### **Periodic Report on Credit Work Group Activity (Agenda Item 5)**

Donald Meek, CWG Chair, presented the Periodic Report on Credit Work Group Activity and responded to questions and comments from Committee members.

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

Chair Walsh presented the Review of Annual Committee Self-Evaluation Process and solicited feedback from the Committee on suggested changes. There were no changes suggested by Committee members. Michael Petterson responded to questions and comments from Committee members.

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

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

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

Mr. Taylor presented the 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.

#### **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)**

Mr. Petterson reported that ERCOT's 2018/2019 Biennial Budget Submission was recently filed with the Public Utility Commission of Texas (PUCT), and that the PUCT was expected to issue a Notice of Public Hearing within the next few days. There were no questions or comments from Committee members.

#### **Executive Session**

Chair Walsh recessed General Session at approximately 11:27 a.m. and convened Executive Session at approximately 11:35 p.m. Chair Walsh reconvened General Session at approximately 12:22 p.m.



**Vote on Matters from Executive Session (Agenda Item 10)**

Chair Walsh announced that there was one voting item discussed during Executive Session.

**Vice Chairman Karnei moved to approve the ERCOT's 401(k) Savings Plan Audit Report as presented. Peter Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Adjournment (Agenda Item 11)**

Chair Walsh adjourned the meeting at approximately 12:23 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/)

A handwritten signature in black ink, appearing to read "Jonathan Levine".

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Jonathan Levine  
Corporate Counsel