



**DRAFT 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
June 12, 2018, 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:

Director	Affiliation	Segment
Bluntzer, Rick	Just Energy Texas, LP	Independent Retail Electric Provider
Bulger, Terry	Unaffiliated	Unaffiliated Director
Coleman, Diana	Office of Public Utility Counsel	Consumer – Residential <i>(Alternate Representative for Public Counsel Tonya Baer)</i>
Cramton, Peter	Unaffiliated	Unaffiliated Director
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	E.ON North America, LLC	Independent Generator
Harper, Sam	Chaparral Steel Midlothian, LP	Consumer – Industrial
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Mercado, Kenny	CenterPoint Energy, Inc.	Investor-Owned Utility
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Shellman, Carolyn	CPS Energy	Municipal
Schwartz, Mark	Golden Spread Electric Cooperative, Inc.	Cooperative Segment Alternate
Walker, DeAnn	Public Utility Commission of Texas (PUCT)	Chairman



Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director
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Segment Alternates, Officers and Guests:

Billo, Jeff	ERCOT Senior Manager of Transmission Planning
Carpenter, Mark	Oncor Electric Delivery Company (Investor-Owned Utility Segment Alternate)
Coleman, Chris	ERCOT Senior Meteorologist
D'Andrea, Arthur	PUCT Commissioner
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Frazier, Amanda	Luminant Generation Company, LLC (Independent Generator Segment Alternate)
Gage, Theresa	ERCOT Vice President of External Affairs and Corporate Communications
Garza, Beth	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Hassan, Mohsin	VEH LLC (Independent Retail Electric Provider Segment Alternate)
Helton, Bob	ENGIE Resources LLC, TAC Chair
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Senior Corporate Counsel
Lyons, Glen	ExxonMobil Power and Gas Services, Inc. (Consumer – Industrial Segment Alternate)
Mele, Cheryl	ERCOT Senior Vice President and Chief Operating Officer
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
Patterson, Mark	ERCOT Manager of Demand Integration
Rickerson, Woody	ERCOT Vice President of Grid Planning and Operations
Ruane, Mark	ERCOT Director of Settlements, Retail and Credit
Seely, Chad V.	ERCOT Vice President, General Counsel and Corporate Secretary
Williams, Diane	ERCOT Vice President of Human Resources
Woodfin, Dan	ERCOT Senior Director of System Operations

Call General Session to Order and Announce Proxies (Agenda Item 1)

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:00 a.m. Chairman Crowell noted the Antitrust Admonition and announced that Diana Coleman, Office of Public Utility Counsel, was attending in Public Counsel Tonya Baer's absence, and Mark Schwartz, Cooperative Segment Alternate, was attending in Clifton Karnei's absence.



Chairman Crowell recognized DeAnn Walker, Chairman of the PUCT. Chairman Walker called an Open Meeting of the Commission in order to consider matters which had been duly posted with the Texas Secretary of State for June 12, 2018.

Chairman Crowell addressed the following Agenda Items in the order below.

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs), Other Binding Document Revision Request (OBDRR), Planning Guide Revision Requests (PGRRs), and Verifiable Cost Manual Revision Request (VCMRR) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1, 2.1.1 and 2.1.3 – 2.1.8)

Chairman Crowell reported that Nick Fehrenbach requested that Agenda Item 2.1.2 – NPRR847, Exceptional Fuel Cost Included in the Mitigated Offer Cap – be removed from the consent agenda and discussed as part of the TAC Report, and that the related Agenda Item 2.1.9 – VCMRR021, Related to NPRR847, Exceptional Fuel Cost Included in the Mitigated Offer Cap (Urgent) – would also be removed. Chairman Crowell entertained a motion for the approval of the remaining items on the Consent Agenda as follows:

- NPRR837, Regional Planning Group (RPG) Process Reform;
- NPRR851, Procedure for Managing Disconnections for Bidirectional Electrical Connections at Transmission Level Voltages;
- NPRR867, Revisions to CRR Audit Credit Lock Amount to Reduce Excess Collateral;
- NPRR870, Eliminate Requirement for Forward Adjustment Factors Report in the MIS Certified Area;
- OBDRR005, Change to the Generic Maximum Shadow Price for Base Case Transmission Constraints;
- PGRR059, Related to NPRR 837, Regional Planning Group (RPG) Process Reform; and
- PGRR060, Clarification of Reliability Performance Criteria.

Kenny Mercado moved to approve the Consent Agenda as presented with the exception of Agenda Items 2.1.2 and 2.1.9. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

April 10, 2018 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the April 10, 2018 General Session Meeting Minutes (Minutes).

Kevin Gresham moved to approve the Minutes as presented. Mr. Mercado seconded the motion. The motion passed by unanimous voice vote with one abstention (Diana Coleman).

Chief Executive Officer (CEO) Presentation; CEO Update; Operations Report (Agenda Items 4, 4.1 and 4.2).

Bill Magness presented the CEO Update and Operations Report and responded to questions and comments from Board members. Mr. Magness and Chairman Crowell congratulated



Shelly Botkin, former ERCOT Director of Corporate Communications and Government Relations, for her appointment to the PUCT as a new Commissioner by Texas Governor Greg Abbott.

2018 Summer Outlook (Agenda Item 5)

Chairman Crowell invited Chris Coleman, Dan Woodfin, Kenan Ögelman and Mark Ruane to present the 2018 Summer Outlook (Agenda Items 5.1-5.4 below).

2018 Summer Weather Outlook (Agenda Item 5.1)

Mr. Coleman presented the 2018 Summer Weather Outlook. There were no questions or comments from Board members.

2018 Summer Operations (Agenda Item 5.2)

Mr. Woodfin presented the 2018 Summer Operations report. There were no questions or comments from Board members.

2018 Summer Markets – Factors that Drive Pricing Outcomes (Agenda Item 5.3)

Kenan Ögelman presented the 2018 Summer Markets – Factors that Drive Pricing Outcomes and responded to questions and comments from Board members.

2018 Credit Overview (Agenda Item 5.4)

Mark Ruane presented the 2018 Credit Overview and responded to questions and comments from Board members.

Independent Market Monitor (IMM) Report (Agenda Item 6)

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

Confirmation of TAC Chair for the Remainder of 2018 (Agenda Item 7)

Chairman Crowell reported that Bob Helton, who had been serving as a TAC Representative and TAC Chair on behalf of Dynegy, Inc., recently changed employers to ENGIE Resources, LLC (ENGIE) due to a merger, and therefore became ineligible to serve as a TAC Representative or TAC Chair. Chairman Crowell added that subsequently Mr. Helton was re-elected as a TAC Representative on behalf of ENGIE, and then re-elected by the TAC Representatives as TAC Chair for the remainder of 2018. Chairman Crowell entertained a motion for the confirmation of the TAC Chair.

Karl Pfirrmann moved to confirm Bob Helton, ENGIE Resources, LLC, as TAC Chair for the remainder of 2018. Mr. Mercado seconded the motion. The motion passed by unanimous voice vote with no abstentions.

NPRR847, Exceptional Fuel Cost Included in the Mitigated Offer Cap; VCMRR021, Related to NPRR847, Exceptional Fuel Cost Included in the Mitigated Offer Cap – URGENT; TAC Report (Agenda Items 2.1.2, 2.1.9 and 8)

Bob Helton, TAC Chair, presented NPRR847, Exceptional Fuel Cost Included in the Mitigated Offer Cap, and VCMRR021, Related to NPRR847, Exceptional Fuel Cost Included in the



Mitigated Offer Cap (Urgent). Mr. Fehrenbach commented that clarification of the Exceptional Fuel Cost submission requirements in Protocol Section 4.4.9.4.1, Mitigated Offer Cap, of NPRR847 may be needed, and recommended that NPRR847 and VCMRR021 be remanded to TAC. Chairman Crowell suggested that VCMRR021 be tabled instead and Mr. Fehrenbach agreed.

Mr. Fehrenbach moved to remand NPRR847 to TAC and table VCMRR021. Mr. Pfirrmann seconded the motion. The motion passed by unanimous vote with no abstentions.

Mr. Helton presented the TAC Report and responded to questions and comments from Board members.

OBDRR004, Updates to Emergency Response Service Procurement Methodology (Agenda Item 9)

Mark Patterson presented OBDRR004, Updates to Emergency Response Service Procurement Methodology. There were no questions and comments from Board members. Chairman Crowell entertained a motion to approve OBDRR004.

Mr. Mercado moved to approve OBDRR004 as presented. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Regional Planning Group Charter; Far West Regional Planning Group Projects (Agenda Items 10 and 11)

Jeff Billo presented the Regional Planning Group Charter and responded to questions and comments from Board members.

Mr. Billo presented the Far West Regional Planning Group Projects, which ERCOT staff independently reviewed and recommended improvements known as Option 3, and which TAC voted to endorse, based on North American Electric Reliability Corporation (NERC) and ERCOT planning reliability criteria, including ERCOT staff's recommendation that the Riverton-Sand Lake, Sand Lake-Solstice, and Solstice-Bakersfield 345 kV lines be designated as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D), and responded to questions and comments from Board members.

Mr. Mercado moved to (1) approve the Regional Planning Group Charter as submitted, to be effective July 1, 2018; and (2) endorse the need for the Far West Regional Planning Group Projects, which ERCOT staff independently reviewed and recommended improvements known as Option 3, and which TAC has voted to endorse, based on NERC and ERCOT planning reliability criteria, and to designate the Riverton-Sand Lake, Sand Lake-Solstice, and Solstice-Bakersfield 345 kV lines as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D). Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Break

Chairman Crowell recessed the General Session for break at approximately 10:54 a.m. and reconvened the General Session at approximately 11:07 a.m.



Rayburn Integration Study Update (Agenda Item 12)

Mr. Billo presented the Rayburn Integration Study Update. There were no questions or comments from Board members.

Percentage of Real-Time Load Transacted in the DAM (Agenda Item 13)

Mr. Ögelman presented Percentage of Real-Time Load Transacted in the DAM and responded to questions and comments from Board members.

Finance and Audit (F&A) Committee Report (Agenda Item 14)

Vice Chair Judy 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. There were no questions or comments from Board members.

Human Resources and Governance (HR&G) Committee Report (Agenda Item 15)

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. There were no questions or comments from Board members.

Proposed 2019 ERCOT Board Meeting and Annual Meeting Schedule (Agenda Item 15.1)

Mr. Pfirrmann presented the 2019 ERCOT Board Meeting and Annual Meeting Schedule. He encouraged Board members to review the meeting schedule and note any conflicts as the Board will vote on this item at its August 7, 2018 meeting. There were no questions or comments from Board members.

Proposed Modifications to Form Employee Ethics and Confidentiality Agreement and Form Ethics Agreement for Directors and Segment Alternates (Agenda Item 15.2)

Mr. Pfirrmann presented the Proposed Modifications to Form Employee Ethics and Confidentiality Agreement and Form Ethics Agreement for Directors and Segment Alternates. He reported that the HR&G Committee unanimously voted to recommend that the Board approve the modifications to the ERCOT Employee Ethics and Confidentiality Agreement (Employee Agreement) and ERCOT Ethics Agreement for Directors and Segment Alternates (Directors Agreement) as proposed by ERCOT staff.

Mr. Pfirrmann moved to approve the modifications to the Employee Agreement and Directors Agreement as recommended by the HR&G Committee. Mr. Mercado seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Other Business (Agenda Item 16)

No other business was discussed at this time.

Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 17 and 18)

Chairman Crowell announced 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 11:26 a.m. to convene Executive Session at approximately 11:47 a.m.

There were no voting items from Executive Session.

Chairman Crowell adjourned the meeting upon the conclusion of Executive Session at approximately 2:16 p.m.

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

Vickie G. Leady
Assistant Corporate Secretary