



**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  
December 12, 2017 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:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Baer, Tonya	Office of Public Utility Counsel	Consumer – Residential ( <i>Proxy for Rick Bluntzer</i> )
Cramton, Peter	Unaffiliated	Unaffiliated Director
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Durland, Jack	Valero Services, Inc.	Consumer – Industrial
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	E.ON Climate and Renewables NA	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Pfaffmann, Karl	Unaffiliated	Unaffiliated Director
Shellman, Carolyn	CPS Energy	Municipal
Smith, Wade	American Electric Power Service Corporation	Investor-Owned Utility
Walker, DeAnn	Public Utility Commission of Texas (PUCT)	Chairman
Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director



**Segment Alternates, Officers and Guests:**

Allgeier, Mike	ERCOT Director of Critical Infrastructure Security
Anderson, Troy	ERCOT Manager of Portfolio Management
Cochran, Seth	DC Energy Texas, LLC (Independent Power Marketer Segment Alternate)
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
Dumas, John	Lower Colorado River Authority (LCRA), Vice President of Market Operations
Gage, Theresa	ERCOT Vice President of External Affairs and Corporate Communications
Garza, Beth	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Gnanam, Prabhu	ERCOT System Development Manager
Helton, Bob	Dynegy Inc., Technical Advisory Committee (TAC) Vice Chair
Kezar, Mike	South Texas Electric Cooperative, Inc. (Cooperative Segment Alternate)
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Senior Corporate Counsel
Mago, Nitika	ERCOT Operations Analysis Supervisor
Mele, Cheryl	ERCOT Senior Vice President and Chief Operating Officer
Mercado, Kenny	CenterPoint Energy Inc. (Investor-Owned Utility Segment Alternate)
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
Seely, Chad V.	ERCOT Vice President, General Counsel and Corporate Secretary
Spinner, Mark	ERCOT Manager of Operations Training
Williams, Diane M.	ERCOT Vice President of Human Resources

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

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:05 a.m. He noted the Antitrust Admonition and announced that the Forty-Seventh Annual Meeting of ERCOT Membership would be held later that day at the Austin Marriott South at 11:00 a.m.

Chairman Crowell announced that John Werner, formerly the Independent Retail Electric Provider Segment Director, resigned from Source Power & Gas LLC, effective October 31, 2017, and thus became ineligible to serve on the ERCOT Board at that time, and that Independent Retail Electric Provider Segment Alternate Rick Bluntzer had provided his proxy to Residential Consumer Segment Director Tonya Baer.



Chairman Crowell recognized DeAnn Walker, PUCT Chairman. 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 December 12, 2017.

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

**Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1 and 2.1.1 - 2.1.3)**

Chairman Crowell entertained a motion for the approval of the Consent Agenda as follows:

- NPRR834, Clarifications for Repossessions of CRRs by ERCOT;
- NPRR839, Clarification of ERCOT Forwarding of Consumption and Other Data; and
- NPRR843, Short-Term System Adequacy and AS Offer Disclosure Reports Additions.

**Karl Pfirrmann moved to approve the Consent Agenda as presented. Peter Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**October 17, 2017 General Session Meeting Minutes (Agenda Item 3)**

Chairman Crowell entertained a motion to approve the October 17, 2017 General Session Meeting Minutes (Minutes).

**Mr. Cramton moved to approve the Minutes as presented. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

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

Bill Magness presented the CEO Update and Operations Report. He reported that ERCOT's current Strategic Plan runs through the end of 2018 and development of a new five-year plan is underway, highlighted that ERCOT will undergo Sunset review in 2023, and emphasized the importance of the Strategic Plan in light of the Sunset review process.

Mr. Magness recognized Michael Allgeier and Mark Spinner for their work on behalf of ERCOT in planning and implementing ERCOT's involvement in a successful GridEx training. He explained that GridEx is an exercise organized by the North American Electric Reliability Corporation (NERC) designed to simulate a cyber and physical attack on critical electric infrastructure across North America to test the resiliency of participating organizations' systems, and involves law enforcement agencies, members of the electric and gas industries, and state and municipal governments. There were no questions or comments from Board members.

**Independent Market Monitor (IMM) Report (Agenda Item 5)**

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



### **Confirmation of 2018 TAC Representatives (Agenda Item 6)**

Chairman Crowell entertained a motion for the confirmation of 2018 TAC Representatives.

**Mr. Pfirrmann moved to confirm the 2018 TAC representatives, as presented. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **TAC Report; Non-Unanimous NPRRs Recommended by TAC for Approval: NPRR815, Revise the Limitation of Load Resources Providing Responsive Reserve (RRS) Service; NPRR825, Require ERCOT to Issue a DC Tie Curtailment Notice Prior to Curtailing any DC Tie Load; NPRR846, Allow Previously Committed ERS Resources to Participate in MRA Agreements and Other ERS Items (Agenda Items 7, 7.1, and 7.1.1 - 7.1.3)**

Bob Helton presented NPRR815, Revise the Limitation of Load Resources Providing Responsive Reserve (RRS) Service, as recommended by TAC for Board approval. Following comments from Board members, John Dumas, Vice President of Market Operations for LCRA, and Woody Rickerson, Chairman Crowell entertained a motion on NPRR815. **Mr. Cramton moved to approve NPRR815 as recommended by TAC in the November 30, 2017 TAC Report. Tonya Baer seconded the motion. The motion passed by voice vote with one opposed (Mr. Karnei) and no abstentions.**

Mr. Helton presented NPRR825, Require ERCOT to Issue a DC Tie Curtailment Notice Prior to Curtailing any DC Tie Load, as recommended by TAC for Board approval. Mr. Rickerson and Troy Anderson responded to questions and comments from Board members. Chairman Crowell entertained a motion on NPRR825. **Mr. Pfirrmann moved to approve NPRR825 as recommended by TAC in the November 30, 2017 TAC Report. Keith Emery seconded the motion. The motion passed by voice vote with four opposed (Ms. Baer on her behalf and as proxy for Mr. Bluntzer, Jack Durland and Mr. Karnei) and no abstentions.**

Mr. Helton presented NPRR846, Allow Previously Committed ERS Resources to Participate in MRA Agreements and Other ERS Items, as recommended by TAC for Board approval. Chairman Crowell entertained a motion on NPRR846. **Mr. Cramton moved to approve NPRR846 as recommended by TAC in the November 30, 2017 TAC Report. Ms. Baer seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Mr. Helton presented the TAC Report. There were no questions or comments from Board members.

### **Freeport Master Plan Regional Planning Group (RPG) Project (Agenda Item 8)**

Prabhu Gnanam presented the Freeport Master Plan RPG Project, which ERCOT staff independently reviewed and recommended improvements known as the Bridge the Gap Upgrades and Option 3, and which TAC voted to endorse, based on NERC and ERCOT planning reliability criteria, and responded to questions and comments from Board members.

**Wade Smith moved to endorse the need for the Freeport Master Plan RPG Project, which ERCOT staff has independently reviewed and recommended improvements known as the Bridge the Gap Upgrades and Option 3, and which TAC has voted to**



endorse, based on NERC and ERCOT planning reliability criteria. Mr. Durland seconded the motion. The motion passed by unanimous voice vote with no abstentions.

**Methodology for Determining Minimum Ancillary Service Requirements; Revisions to Methodology for Determining Minimum Ancillary Service Requirements Associated with NPRR815; 2018 Methodology for Determining Minimum Ancillary Service Requirements (Agenda Items 9 and 9.1 - 9.2)**

Nitika Mago presented the Revisions to Methodology for Determining Minimum Ancillary Service Requirements Associated with NPRR815 and the 2018 Methodology for Determining Minimum Ancillary Service Requirements. There were no questions or comments from Board members. **Mr. Emery moved to approve the Revisions to Methodology for Determining Minimum Ancillary Service Requirements Associated with NPRR815 and the 2018 Methodology for Determining Minimum Ancillary Service Requirements, each as presented. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Finance and Audit (F&A) Committee Report (Agenda Item 10)**

Vice Chair 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 Committee meeting. Vice Chair Walsh commended ERCOT staff on a successful 2017 System and Organization Control audit, which was expected to be issued with an unqualified (clean) opinion and with no internal control testing exceptions. Vice Chair Walsh also commended the Credit Work Group for its work toward completing its 2017 goals. There were no questions or comments from Board members.

**Acceptance of 2017 System and Organization Control (formerly "Service Organization Control") Audit Report (Agenda Item 10.1)**

**Vice Chair Walsh moved to accept the 2017 System and Organization Control (formerly "Service Organization Control") Audit Report, which was expected to be issued with an unqualified (clean) opinion and with no internal control testing exceptions, as recommended by the F&A Committee. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Human Resources and Governance (HR&G) Committee Report (Agenda Item 11)**

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.

**2018 ERCOT Key Performance Indicators (KPIs) (Agenda Item 11.1)**

**Mr. Pfirrmann moved to approve the 2018 ERCOT Key Performance Indicators as recommended by the HR&G Committee. Mr. Smith seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Other Business (Agenda Item 12)**

No other business was discussed at this time.



**Recess for ERCOT Forty-Seventh Annual Membership Meeting**

Chairman Crowell recessed the General Session at approximately 10:16 a.m. for the Forty-Seventh Annual Membership Meeting at Austin Marriott South and announced that the Board would convene in Executive Session upon return from the Membership meeting.

**Executive Session**

Following the Membership meeting, Chairman Crowell convened Executive Session at approximately 1:29 p.m. Chairman Crowell reconvened General Session at approximately 2:59 p.m.

**Vote on Matters from Executive Session (Agenda Item 13)**

Chairman Crowell entertained motions for two matters discussed during Executive Session.

Vice Chair Walsh moved to select the 2018 Independent System and Organization Control (formerly "Service Organization Control") Auditor as recommended by the F&A Committee and as discussed during Executive Session. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Magness moved to approve the regulatory matter discussed during Executive Session under Agenda Item ES 9.1. Mr. Emery seconded the motion. The motion passed by unanimous voice vote with no abstentions.

**Adjournment (Agenda Item 14)**

Chairman Crowell adjourned the meeting at approximately 3:01 p.m.

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

A handwritten signature in cursive script that reads "Vickie G. Leady".

Vickie G. Leady  
Assistant Corporate Secretary