



**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
February 20, 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
Baer, Tonya	Office of Public Utility Counsel (OPUC)	Consumer – Residential
Bluntzer, Rick	Just Energy Texas, LP	Independent Retail Electric Provider
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
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Mercado, Kenny	CenterPoint Energy, Inc.	Investor-Owned Utility
Pfaffmann, Karl	Unaffiliated	Unaffiliated Director
Sargent, Jackie	Austin Energy	Municipal Segment Alternate
Walker, DeAnn	Public Utility Commission of Texas (PUCT)	Chairman
Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director



Segment Alternates, Officers and Guests:

Bauld, Mandy	ERCOT Director of Project Management Office
Billo, Jeff	ERCOT Senior Manager of Transmission Planning
Cochran, Seth	DC Energy Texas, LLC (Independent Power Marketer Segment Alternate)
Coleman, Diana	OPUC, Technical Advisory Committee (TAC) Vice Chair
D'Andrea, Arthur	PUCT Commissioner
Daniels, Steve	ERCOT Vice President of Digital Services
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
Hassan, Mohsin	VEH, LLC (Independent Retail Electric Provider Segment Alternate)
Garza, Beth	Potomac Economics, Director, ERCOT Independent Market Monitor (IMM)
Helton, Bob	Dynegy, Inc., 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)
Marquez, Brandy Marty	PUCT Commissioner
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
Schwartz, Mark	Golden Spread Electric Cooperative, Inc. (Cooperative Segment Alternate)
Seely, Chad V.	ERCOT Vice President, General Counsel and Corporate Secretary
Taylor, Sean	ERCOT Controller
Williams, Diane	ERCOT Vice President of Human Resources

Call General Session to Order; Election of Board Chair and Board Vice Chair (Agenda Items 1 and 2)

Bill Magness determined that a quorum was present and called the Board meeting to order at approximately 9:01 a.m. Mr. Magness welcomed everyone to the first Board meeting of the year.



Mr. Magness recognized DeAnn Walker, Chairman of the PUCT. Chairman Walker called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for February 20, 2018.

Mr. Magness entertained nominations for Board Chair and Board Vice Chair.

Kevin Gresham nominated Craven Crowell as Board Chair. Peter Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chairman Crowell extended appreciation to the Board for his re-election.

Tonya Baer nominated Judy Walsh as Board Vice Chair. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Vice Chair Walsh also extended appreciation to the Board for her re-election. Mr. Magness turned the meeting over to Chairman Crowell, who addressed the following Agenda Items in the order below.

Announce Proxies and Segment Alternates (Agenda Item 3)

Chairman Crowell noted the Antitrust Admonition and announced that there were no proxies and Jackie Sargent, Municipal Segment Alternate, was attending in Carolyn Shellman's absence.

Chairman Crowell recognized the following new Directors: Rick Bluntzer, who is now serving as Independent Retail Electric Provider Segment Director; Mr. Gresham, who is now serving as Independent Generator Segment Director; Sam Harper, who is now serving as Consumer – Industrial Segment Director; and Kenny Mercado, who is now serving as Investor-Owned Utility Segment Director. He introduced and welcomed the following new Segment Alternates: Investor-Owned Utility Segment Alternate Mark Carpenter; Independent Generator Segment Alternate Amanda Frazier; Independent Retail Electric Provider Segment Alternate Mohsin Hassan; Consumer – Industrial Segment Alternate Glen Lyons; and Cooperative Segment Alternate Mark Schwartz.

Committee Member Preferences and Assignments (Agenda Item 4)

Chairman Crowell noted the Committee Member Preferences and Assignments for the Finance and Audit (F&A), Human Resources and Governance (HR&G), and Nominating Committees in the meeting materials. He reported that the F&A and HR&G Committees consist of seven members each, which includes the current Unaffiliated Director vacancy, and that Mr. Cramton will serve on the F&A Committee until the new Unaffiliated Director is seated, at which point Mr. Cramton will transition to the HR&G Committee. There were no requested changes to the Committee assignments. Chairman Crowell conveyed appreciation to those Board members who remained flexible to serve on either Committee so that a balance could be achieved.



Confirmation of Technical Advisory Committee (TAC) Chair and Vice Chair for 2018 (Agenda Item 5)

Chairman Crowell reported that Bob Helton, Dynegy, Inc., and Diana Coleman, OPUC, were elected by the TAC Representatives as the 2018 TAC Chair and Vice Chair, respectively. He entertained a motion for the confirmation of the TAC Chair and Vice Chair.

Karl Pfirrmann moved to confirm Bob Helton of Dynegy, Inc., as 2018 TAC Chair and Diana Coleman of OPUC as 2018 TAC Vice Chair. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs) and System Change Request (SCR) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 6, 6.1, 6.1.1 and 6.1.3 - 6.1.8)

Chairman Crowell asked if there were any items that a Board member wished to be removed from the Consent Agenda. Nick Fehrenbach requested that Agenda Item 6.1.2 – NPRR841, Real-Time Adjustments to Day-Ahead Make Whole Payments due to Ancillary Services Infeasibility Charges – be removed from the Consent Agenda and discussed as part of the TAC Report, Agenda Item 10. Chairman Crowell entertained a motion for the approval of the remaining items on the Consent Agenda as follows:

- NPRR819, Modification of Non-Price Error Resettlement Thresholds and Resettlement Clean-Ups;
- NPRR842, Study Area Load Information;
- NPRR844, Clarification to Outage Report;
- NPRR852, CRR Activity Calendar Approval Process;
- NPRR855, Criteria for Including Resources in the CDR Peak Average Capacity Contribution Calculations;
- NPRR861, Clarification of ERCOT's Authority to Protect Its Jurisdictional Status – URGENT; and
- SCR794, Update SCED Limit Calculation.

Mr. Karnei moved to approve the Consent Agenda as presented with the exception of Agenda Item 6.1.2. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chairman Walker conveyed her appreciation to ERCOT Members and ERCOT for moving NPRR861 through the stakeholder process.

December 12, 2017 General Session Meeting Minutes (Agenda Item 7)

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

Keith Emery moved to approve the Minutes as presented. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with two abstentions (Mr. Harper and Ms. Sargent).



Chief Executive Officer (CEO) Presentation; CEO Update; Operations Report (Agenda Items 8 and 8.1-8.2)

Mr. Magness welcomed new Board members and Segment Alternates and thanked the members and leadership of the Board, TAC and TAC subcommittees for their service.

Mr. Magness presented the CEO Update and Operations Report. He highlighted recent events and end-of-year reports. Mr. Magness and Kenan Ögelman responded to questions and comments from Board members.

Mr. Magness recognized several ERCOT staff members who were instrumental in implementing SAS improvements which resulted in more resilient, secure, and less expensive software and allows for better support and accountability, and congratulated Mr. Ögelman and the team.

2018 Major Projects Update (Agenda Item 8.3)

Mr. Magness introduced Mandy Bauld, who presented the 2018 Major Projects Update. Ms. Bauld invited Mr. Ögelman, Jerry Dreyer and Woody Rickerson to present overviews of key projects in their areas of the organization. Ms. Bauld, Mr. Dreyer and Mr. Magness responded to questions and comments from Board members.

Mr. Magness commented on the Puerto Rico recovery efforts by various power companies, utilities and others in Texas. He invited Mr. Mercado and Ms. Sargent to share information with the Board on their companies' efforts, which they did.

Independent Market Monitor (IMM) Report (Agenda Item 9)

Beth Garza presented the IMM Report. Ms. Garza, Mr. Rickerson and Mr. Ögelman responded to questions and comments from Board members.

Break

Chairman Crowell recessed the General Session for break at approximately 10:43 a.m. and reconvened the General Session at approximately 11:00 a.m.

NPRR841, Real-Time Adjustments to Day-Ahead Make Whole Payments due to Ancillary Services Infeasibility Charges; TAC Report (Agenda Items 6.1.2 and 10)

Bob Helton, TAC Chairman, thanked the Board for its support in confirming him and Diana Coleman as 2018 TAC Chair and Vice Chair, respectively.

Mr. Helton presented NPRR841, Real-Time Adjustments to Day-Ahead Make Whole Payments due to Ancillary Services Infeasibility Charges, as recommended by TAC for Board approval. Mr. Helton, Mr. Magness and Cheryl Mele responded to questions and comments from Board members.

Following a brief discussion of NPRR841, during which Mr. Fehrenbach requested that ERCOT staff monitor the results of the implementation for unintended consequences, Chairman Crowell entertained a motion to approve.



Mr. Fehrenbach moved to approve NPRR841 as recommended by TAC in the January 25, 2018 TAC Report. Mr. Karnei 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.

Request for Resettlement of Certain Costs for Greens Bayou Reliability Must-Run (RMR) Agreement (Agenda Item 11)

Mark Ruane presented the request for resettlement of certain amounts that were inaccurately settled for the Greens Bayou 5 RMR Agreement. There were no questions or comments from Board members.

Mr. Cramton moved to approve the request for resettlement of certain amounts that were inaccurately settled for Greens Bayou 5 RMR Agreement as presented. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance and Audit (F&A) Committee Report; F&A Committee Charter; Market Credit Risk Corporate Standard; Financial Corporate Standard; Investment Corporate Standard (Agenda Items 12 and 12.1 - 12.4)

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 meeting.

Mr. Cramton moved to approve the F&A Committee Charter, Market Credit Risk Corporate Standard, and Financial Corporate Standard as recommended by the F&A Committee. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Cramton moved to approve the Investment Corporate Standard as recommended by the F&A Committee. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources and Governance (HR&G) Committee Report; HR&G Committee Charter; Election of Chief Executive Officer and Ratification of Officers (Agenda Items 13 and 13.1 - 13.2)

Karl 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.

Mr. Pfirrmann presented on the HR&G Committee Charter and reported that the version included with the Board materials inadvertently omitted wording in Section 1.d.2, which should read "Recommend to the Board ratification of CEO's recommendation of officers" and the Committee approved this additional modification along with the other ERCOT staff-recommended modifications. **Mr. Pfirrmann moved to approve the HR&G Committee Charter as recommended by the HR&G Committee. Mr. Mercado seconded the motion. The motion passed by unanimous voice vote with no abstentions.**



Mr. Pfirrmann moved to elect the CEO and ratify officers as recommended by the HR&G Committee. Ms. Baer, who serves as HR&G Committee Vice Chair, seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2017 Internal Revenue Service Form 990 Questionnaire (Agenda Item 14)

Sean Taylor presented the 2017 Internal Revenue Service (IRS) Form 990 Questionnaire and schedule for filing ERCOT's 2017 IRS Form 990. He noted the requested completion deadline of April 10, 2018. There were no questions or comments from Board members.

Critical for Reliability Designation Request – Far West Texas Regional Planning Group (RPG) Project (Agenda Item 15)

Jeff Billo presented the Critical for Reliability Designation Request – Far West Texas Planning Group Project and responded to questions and comments from Board members.

Mr. Mercado moved to designate the Odessa EHV-Riverton 345kv line, a portion of the Far West Texas RPG Project, as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D). Mr. Emery seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Other Business (Agenda Item 16)

Mr. Magness requested feedback on topics for future Board presentations and presented an update on the upcoming ISO/RTO Council (IRC) Board Conference, and responded to questions and comments from Board members.

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

Chairman Crowell announced that 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 11:31 a.m. to convene Executive Session at approximately 11:46 a.m.

There were no voting items from Executive Session.

Chairman Crowell adjourned the meeting upon the conclusion of Executive Session at approximately 12:46 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 black ink, reading "Vickie G. Leady".

Vickie G. Leady

Assistant Corporate Secretary