



**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
August 6, 2018 at 12:00 p.m.

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:

Director	Affiliation	Segment
Bluntzer, Rick	Just Energy Texas, LP	Independent Retail Electric Provider
Bulger, Terry	Unaffiliated	Unaffiliated Director
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	E.ON North America, LLC	Independent Generator (<i>Not Present for Agenda Items 1 – 3</i>)
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative (<i>Proxy for Judy Walsh</i>)
Shellman, Carolyn	CPS Energy	Municipal

Guest Board Members and Segment Alternates:

Director/ Segment Alternate	Affiliation	Segment
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility Segment Alternate
Cramton, Peter	Unaffiliated	Unaffiliated Director
Crowell, Craven	Unaffiliated	Unaffiliated Director
Emery, Keith	Independent Power Marketer	Independent Power Marketer
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
Schwartz, Mark	Golden Spread Electric Cooperative, Inc.	Cooperative Segment Alternate

Officers and Guests:

Bivens, Carrie	ERCOT Manager of Forward Markets
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Landry, Brianna	Maxwell Locke & Ritter LLP
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
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)

Clifton Karnei, F&A Committee Vice Chairman, determined that a quorum was present and called the General Session of the F&A Committee meeting to order at approximately 12:00 p.m. He announced that Unaffiliated Director Judy Walsh had provided her proxy to himself, Cooperative Segment Director, and addressed the following Agenda Items in the order below.

June 11, 2018 General Session Meeting Minutes (Agenda Item 2)

Vice Chairman Karnei entertained a motion to approve the June 11, 2018 General Session Meeting Minutes (Minutes).

Nick Fehrenbach moved to approve the Minutes as presented. Carolyn Shellman seconded the motion. The motion passed by unanimous voice vote with one abstention (Clifton Karnei).

Committee Education on Congestion Revenue Right (CRR) Processes (Agenda Item 3)

Carrie Bivens presented the Committee Education on Congestion Revenue Right (CRR) Processes. Ms. Bivens, Mark Ruane and Kenan Ögleman 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. Mr. Zimmerhanzel, Ms. Spak, Brianna Landry and Michael Petterson responded to questions and comments from Committee members.

Mr. Fehrenbach moved to recommend that the Board accept ERCOT’s 401(k) Savings Plan Audit Report as presented. Kevin Gresham 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. Mr. Meek, Mr. Ruane and Mr. Ögleman responded to questions and comments from Committee members.

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

Vice Chairman Karnei 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 and no questions or comments.

Committee Briefs (Agenda Item 7)

Vice Chairman Karnei invited Sean Taylor and Leslie Wiley to present the Committee Briefs.

Review 2018 Financial Summary (Agenda Item 7.1)

Mr. Taylor presented the 2018 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 and responded to questions and comments from Committee members.

Future Agenda Items (Agenda Item 8)

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

Other Business (Agenda Item 9)

No other business was discussed at this time.

Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 10 and 11)

Vice Chairman Karnei recessed General Session at approximately 2:06 p.m. to convene Executive Session at approximately 2:16 p.m.

There were no voting matters from Executive Session.



Vice Chairman Karnei adjourned the meeting upon the conclusion of Executive Session at approximately 3:22 p.m.

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

Jonathan Levine
Senior Corporate Counsel