



**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  
April 9, 2019

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>
Bluntzer, Rick	Just Energy Texas, LP	Independent Retail Electric Provider
Bulger, Terry	Unaffiliated	Unaffiliated Director
Cramton, Peter	Unaffiliated	Unaffiliated Director
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director (Proxy for Karl Pfirrmann)
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
Shellman, Carolyn	CPS Energy	Municipal
Walker, DeAnn	Public Utility Commission of Texas (PUCT, Commission)	Chairman
Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director



Segment Alternates, Officers and Guests:

Botkin, Shelly	PUCT Commissioner
Carpenter, Mark	Oncor Electric Delivery Company (Investor-Owned Utility Segment Alternate)
Cochran, Seth	DC Energy Texas, LLC (Independent Power Marketer Segment Alternate)
Coleman, Diana	Office of Public Utility Counsel (OPUC), Technical Advisory Committee (TAC) Vice Chair
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
Gage, Theresa	ERCOT Vice President of External Affairs and Corporate Communications
Garza, Beth	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
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
Mereness, Matt	ERCOT Director of Compliance
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
Petterson, Michael	ERCOT Vice President and Chief Financial Officer
Phillips, Keith	Federal Reserve Bank of Dallas, Assistant Vice President and Senior Economist
Rickerson, Woody	ERCOT Vice President of Grid Planning and Operations
Ruane, Mark	ERCOT Director of Settlements, Retail and Credit
Sargent, Jackie	Austin Energy (Municipal Segment Alternate)
Tamby, Jeyant	ERCOT Senior Vice President and Chief Administrative Officer

**Call General Session to Order and 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 9:00 a.m.

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 April 9, 2019.

Chairman Crowell noted the Antitrust Admonition and announced that Unaffiliated Director Karl Pfirrmann had provided his proxy to Unaffiliated Director Chairman Crowell. At Chairman Crowell’s invitation, Bill Magness announced that Steve Daniels, ERCOT Vice President of Digital Services, passed away on March 20, 2019, and commented on Mr. Daniels and his



contributions to ERCOT. Mr. Magness also announced that Vickie Leady, Assistant General Counsel and Assistant Corporate Secretary, was serving in the absence of Chad V. Seely, ERCOT Vice President, General Counsel and Corporate Secretary.

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

**Consent Agenda: Unopposed Revision Requests Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1, 2.1.1 – 2.1.6, and 2.1.8 – 2.1.12)**

Chairman Crowell reported that subsequent to TAC's vote to recommend approval of Nodal Protocol Revision Request (NPRR) 916, Mitigated Offer Floor Revisions, ERCOT submitted comments, and that accordingly NPRR916 would be removed from the Consent Agenda and discussed as part of the TAC Report.

Chairman Crowell reported that he and Clifton Karnei had discussed the reporting of impacts associated with items on the Consent Agenda, and invited Mr. Karnei to comment. Mr. Karnei requested that the Consent Agenda meeting materials include a summary of the cost impacts of Revision Requests on the Consent Agenda to facilitate Board members' awareness of such impacts before voting. Mr. Karnei also requested that Mr. Magness highlight to the Board any Revision Requests that present significant impact-related concerns. Chairman Crowell agreed with the requests and invited Mr. Magness to comment on the impacts of the Revision Requests on this meeting's Consent Agenda. Mr. Magness reported there were no Revision Requests on the Consent Agenda that presented significant concerns.

Nick Fehrenbach expressed concern regarding how the limits imposed under System Change Request (SCR) 798, PTP Obligation Bid ID Limit, would apply to a Qualified Scheduling Entity (QSE) with multiple sub-QSEs, and Kenan Ögelman responded.

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

- NPRR891, Removal of NOIE Capacity Reporting Threshold for the Unregistered Distributed Generation Report;
- NPRR900, Clean-up Items Applicable to the State of Texas REC Trading Program;
- NPRR906, Clarifying the Decision Making Entity Process;
- NPRR908, Revisions to Mass Transition Processes;
- NPRR912, Settlement of Switchable Generation Resources (SWGRs) Instructed to Switch to ERCOT;
- NPRR914, Addition of Controllable Load Resources to 60-Day Reports;
- NPRR920, Change to Ramp Rate Calculation in Resource Limit Calculator;
- NPRR922, Modifications to DC Tie Import Forecast Method;
- NPRR925, Increasing Minimum Quantity for PTP Obligation Bids – URGENT;
- RMGRR159, Related to NPRR908, Revisions to Mass Transition Processes; and
- SCR798, PTP Obligation Bid ID Limit.

**Mr. Fehrenbach moved to approve the Consent Agenda as presented. Kenny Mercado seconded the motion. The motion passed by unanimous voice vote with no abstentions.**



### **February 12, 2019 General Session Meeting Minutes (Agenda Item 3)**

Chairman Crowell entertained a motion to approve the February 12, 2019 General Session Meeting Minutes (Minutes).

**Mr. Mercado moved to approve the Minutes as presented. Keith Emery seconded the motion. The motion passed by unanimous voice vote with four abstentions (Rick Bluntzer, Kevin Gresham, Sam Harper, and Vice Chair Judy Walsh).**

### **Chief Executive Officer (CEO) Presentation; CEO Update (Agenda Items 4 and 4.1)**

Mr. Magness presented the CEO Update. He highlighted several significant Revision Requests that were approved on the Consent Agenda and thanked all parties who contributed to these efforts. Mr. Magness thanked Leslie Sopko and Danya Pysh for conceiving and designing the 2018 State of the Grid pamphlet, and congratulated Jeff Billo, Fred Huang and Julie Matevosjana for recently receiving Excellence Awards from the Energy Systems Integration Group (ESIG). Mr. Magness thanked all parties who contributed to the effort to develop amendments to the ERCOT governing documents, which were recently approved, and recognized Mr. Karnei for his long service on the Board. Mr. Karnei expressed appreciation for the recognition.

### **Update on the Texas Economy (Agenda Item 5)**

Chairman Crowell introduced Keith Phillips of the Federal Reserve Bank of Dallas, and expressed appreciation on behalf of the Board for Mr. Phillips' attendance. Mr. Phillips presented the Update on the Texas Economy 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.

### **NPRR916, Mitigated Offer Floor Revisions; TAC Report; Non-Unanimous Revision Request Recommended by TAC for Approval; NPRR909, Address Unavailability Gap for ERS and Other Minor Clarifications (Agenda Items 2.1.7, 7, 7.1 and 7.1.1)**

Bob Helton, TAC Chairman, presented NPRR909, Address Unavailability Gap for ERS and Other Minor Clarifications, as recommended by TAC for Board approval. There were no questions or comments from Board Members.

**Mr. Karnei moved to approve NPRR909 as recommended by TAC in the March 27, 2019 TAC Report. Peter Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Mr. Helton presented NPRR916, Mitigated Offer Floor Revisions. He reported that TAC unanimously voted to recommend approval of NPRR916 on March 27, 2019, but that ERCOT subsequently filed comments dated April 4, 2019 to address recent fuel pricing events in West Texas. Mr. Helton explained that the April 4, 2019 ERCOT comments propose to change the effective date from May 1 to April 10, 2019 for the revisions recommended for approval by TAC, which would set the Mitigated Offer Floor at \$0/MWh for Combined Cycle Resources and



Gas/Oil Steam and Combustion Turbines; and also propose to lower the Mitigated Offer Floor further to -\$20/MWh upon implementation of changes to ERCOT systems. Mr. Helton reported that on April 4, 2019, ERCOT staff hosted a WebEx for interested parties regarding the April 4, 2019 ERCOT comments, and that no comments have been raised in opposition to ERCOT's proposed changes. Mr. Helton and Mr. Ögelman responded to questions and comments from Board members.

**Mr. Cramton moved to approve NPRR916 as recommended by TAC in the March 27, 2019 TAC Report and as amended by the April 4, 2019 ERCOT comments, with an effective date of upon system implementation for the grey-boxed language and April 10, 2019 for the remaining language. Mr. Mercado seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

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

### **Break**

Chairman Crowell recessed the General Session for break at approximately 10:36 a.m. and reconvened the General Session at approximately 10:51 a.m.

### **ERCOT Recommendation to PUC Project No. 46304, Oversight Proceeding Regarding ERCOT Matters Arising Out of PUC Docket No. 45624 Relating to DC Tie Project Proposed by Southern Cross Transmission, LLC, Directive 5 – ERCOT Determination regarding Planning Model Assumptions and Considerations (Agenda Item 8)**

Matt Mereness presented the ERCOT Recommendation to PUC Project No. 46304, Oversight Proceeding Regarding ERCOT Matters Arising Out of PUC Docket No. 45624 Relating to DC Tie Project Proposed by Southern Cross Transmission, LLC, Directive 5 – ERCOT Determination regarding Planning Model Assumptions and Considerations. There were no questions or comments from Board members.

**Mr. Karnei moved to accept ERCOT staff's determination that, for purposes of representing the Southern Cross Transmission, LLC (SCT) Direct Current Tie (DC Tie) in ERCOT's transmission planning models: (1) Existing ERCOT procedures adequately prescribe the procedures for modeling the DC Tie's physical equipment; (2) ERCOT's initial transmission study should use flow assumptions that are based on previous SCT studies and that were discussed with stakeholders; (3) Recently approved Planning Guide Revision Request (PGRR) 068, Addition of a Proposed DC Tie to the Planning Models, adequately establishes when a new DC Tie, such as the SCT DC Tie, should be included in ERCOT planning models; and (4) No further revisions to ERCOT Protocols or Guides are needed to establish how best to model the SCT DC Tie in its transmission planning cases. Mr. Mercado seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **2019 Credit Update (Agenda Item 9)**

Mark Ruane presented the 2019 Credit Update. There were no questions or comments from Board members.



### **Finance and Audit (F&A) Committee Report; Acceptance of Financial Statements Audit Report (Agenda Items 10 and 10.1)**

Terry Bulger, F&A Committee Chairman, reported that the F&A Committee met the prior day and highlighted items discussed at the F&A Committee meeting. Mr. Bulger reported that the Committee reviewed the Financial Statements Audit Report (Report) with the Independent Financial Auditor, which includes an unmodified or “clean” audit opinion, and that the Committee had voted to recommend Board acceptance of the audited financials and Report. There were no questions or comments from Board members.

**Mr. Bulger moved to accept the audited financials and Report as recommended by the F&A Committee. Vice Chair Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

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

Chairman Crowell 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.

### **Modifications to Board Policies and Procedures (Agenda Item 11.1)**

Chairman Crowell presented the Modifications to Board Policies and Procedures. There were no questions or comments from Board members.

**Chairman Crowell moved to approve the modifications to the Board Policies and Procedures as recommended by the HR&G Committee. Mr. Cramton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **2020 ERCOT Board Meeting and Annual Meeting Schedule (Agenda Item 11.2)**

Chairman Crowell presented the 2020 ERCOT Board Meeting and Annual Meeting Schedule. There were no questions or comments from Board members.

**Chairman Crowell moved to approve the 2020 Board Meeting and Annual Meeting Schedule as recommended by the HR&G Committee. Mr. Mercado seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Nominating Committee Report (Agenda Item 12)**

Chairman Crowell, who also serves as Nominating Committee Chairman, reported that the Nominating Committee met the prior day and highlighted items discussed at the Nominating Committee meeting. There were no questions or comments from Board members.

### **Other Business (Agenda Item 13)**

No other business was discussed at this time.



### **Executive Session**

Chairman Crowell recessed General Session at approximately 11:09 a.m. and convened Executive Session at approximately 11:29 a.m. Chairman Crowell reconvened General Session at approximate 12:01 p.m.

### **Vote on Matters from Executive Session (Agenda Item 14)**

Chairman Crowell entertained a motion for one matter discussed during Executive Session.

**Mr. Bulger moved to select the Independent Financial Auditor to perform ERCOT's financial statements audit and Form 990 review 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.**

### **Adjournment (Agenda Item 15)**

Chairman Crowell adjourned the meeting at approximately 12:02 p.m.

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

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Vickie G. Leady  
Assistant Corporate Secretary