



**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 12, 2019 12:46 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
Bulger, Terry (Chairman)	Unaffiliated	Unaffiliated Director (<i>Proxy for Rick Bluntzer</i>)
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	E.ON North America, LLC	Independent Generator
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative
Shellman, Carolyn	CPS Energy	Municipal
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

Director/ Segment Alternate	Affiliation	Segment
Berg, Bill	Exelon Corporation	Independent Generator Segment Alternate
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility Segment Alternate
Cramton, Peter	Unaffiliated	Unaffiliated Director
Crowell, Craven	Unaffiliated	Unaffiliated Director
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer
Lyons, Glen	ExxonMobil Power and Gas Services, Inc.	Consumer – Industrial Segment Alternate
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)



Mercado, Kenny	CenterPoint Energy, Inc.	Investor-Owned Utility
Pfaffmann, Karl	Unaffiliated	Unaffiliated Director
Schwartz, Mark	Golden Spread Electric Cooperative, Inc.	Cooperative Segment Alternate

Officers and Guests:

Brindley, Rebecca	ERCOT Senior Professional Development Instructor
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Harms, Dawn	ERCOT Manager of Human Resources
Konana, Dr. Prabhudev	McCombs School of Business, University of Texas at Austin
Ledy, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Senior Corporate Counsel
Meek, Donald	Austin Energy, Credit Work Group (CWG) Chair
Mil, Diana	Maxwell Locke & Ritter LLP
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
Seely, Chad V.	ERCOT Vice President, General Counsel and Corporate Secretary
Taylor, Sean	ERCOT Controller
Wiley, Leslie	ERCOT Treasurer
Tamby, Jeyant	ERCOT Senior Vice President and Chief Administrative Officer
Zimmerhanel, A.J.	Maxwell Locke & Ritter LLP

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

Terry Bulger, F&A Committee Chairman, determined that a quorum was present and called the F&A Committee General Session meeting to order at approximately 12:46 p.m. Chairman Bulger noted the Antitrust Admonition and announced that Rick Bluntzer, Independent Retail Electric Provider Segment Director, had provided his proxy to Chairman Bulger, Unaffiliated Director.

Vickie Ledy, ERCOT Assistant General Counsel, announced that the Human Resources and Governance (HR&G) Committee meeting would have a delayed start time of 2:00 p.m.

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

June 10, 2019 General Session Meeting Minutes (Agenda Item 2)

Chairman Bulger entertained a motion to approve the June 10, 2019 General Session Meeting Minutes (Minutes).



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

Committee Education on Cryptotechnology (Agenda Item 3)

Rebecca Brindley introduced Dr. Prabhudev Konana of the McCombs School of Business, University of Texas at Austin. Dr. Konana presented the Committee Education on Cryptotechnology and responded to questions and comments from Committee members.

Recommendation Regarding Acceptance of ERCOT's 401(k) Savings Plan Audit Report (Agenda Item 4)

Dawn Herms introduced A.J. Zimmerhanzel of Maxwell Locke & Ritter LLP. Mr. Zimmerhanzel presented ERCOT's 401(k) Savings Plan Audit Report. Mr. Zimmerhanzel and Ms. Herms responded to questions and comments from Committee members.

Vice Chairman Karnei moved to recommend that the Board accept ERCOT's 401(k) Savings Plan Audit Report as presented. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Review of Annual Committee Self-Evaluation Process (Agenda Item 5)

Chairman Bulger presented the Review of Annual Committee Self-Evaluation Process and solicited feedback from the Committee on suggested changes. Chairman Bulger noted the addition of one new question to the survey, based on its inclusion in the survey for the HR&G Committee. There were no changes suggested by Committee members and no questions or comments.

Committee Briefs (Agenda Item 6)

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

Review 2019 Financial Summary (Agenda Item 6.1)

Mr. Taylor presented the 2019 Financial Summary and responded to questions and comments from Committee members.

Periodic Report on Investments (Agenda Item 6.2)

Ms. Wiley presented the Periodic Report on Investments and responded to questions and comments from Committee members.

Periodic Report on Credit Work Group Activity (Agenda Item 7)

Donald Meek, CWG Chair, presented the Periodic Report on Credit Work Group Activity. Mr. Meek and Mark Ruane responded to questions and comments from Committee members.

ERCOT Assessment of Independent Consultant Recommendations on the PJM GreenHat Default (Agenda Item 8)

Mr. Ruane presented ERCOT's Assessment of Independent Consultant Recommendations on the PJM GreenHat Default. Mr. Ruane reported that ERCOT had issued a request for proposal (RFP) for an independent third-party review of ERCOT's credit methodology and practices.



Committee members requested a follow-up discussion regarding the RFP during Executive Session at the Committee's October 7, 2019 meeting.

Future Agenda Items (Agenda Item 9)

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

Other Business (Agenda Item 10)

No other business was discussed at this time.

Executive Session

Chairman Bulger recessed General Session at approximately 3:15 p.m. to convene Executive Session at approximately 3:24 p.m. Chairman Bulger reconvened General Session at approximately 4:19 p.m.

Vote on Matters from Executive Session (Agenda Item 11)

Chairman Bulger announced that there was one voting item discussed during Executive Session and entertained a motion.

Vice Chairman Karnei moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 4.1 as the ERCOT 401(k) Savings Plan Auditor for calendar year 2019. Ms. Shellman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 12)

Chairman Bulger adjourned the meeting at approximately 4:21 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