



**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
December 9, 2019

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 (Chairman)	Unaffiliated	Unaffiliated Director
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	RWE Renewables Americas, LLC	Independent Generator
Schwartz, Mark	Golden Spread Electric Cooperative, Inc.	Cooperative Segment Alternate
Shellman, Carolyn	CPS Energy	Municipal
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

Director/ Segment Alternate	Affiliation	Segment
Cobos, Lori	Office of Public Utility Counsel	Consumer – Residential
Crowell, Craven	Unaffiliated	Unaffiliated Director
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer
Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Ross, Ned	Direct Energy	Independent Retail Electric Provider Segment Alternate
Sargent, Jackie	Austin Energy	Municipal Segment Alternate



Officers and Guests:

Buckner, Ryan	Schellman & Company, LLC (Schellman), Principal
Day, Betty	ERCOT Vice President of Governance, Risk and Compliance and Chief Compliance Officer
Dreyer, Jerry	ERCOT Senior Vice President and Chief Information Officer
Hasha, Christine	ERCOT Manager of CIP and Corporate Compliance
Levine, Jonathan	ERCOT Senior Corporate Counsel
Meek, Donald	Austin Energy, Credit Work Group (CWG) Chair
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
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
Taylor, Grayson	Schellman, Manager
Taylor, Sean	ERCOT Vice President and Chief Financial Officer
Tamby, Jeyant	ERCOT Senior Vice President and Chief Administrative Officer
Wiley, Leslie	ERCOT Treasurer

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

Terry Bulger, F&A Committee Chair, determined that a quorum was present and called the F&A Committee General Session meeting to order at approximately 1:00 p.m. He noted the Antitrust Admonition and announced that Mark Schwartz, Cooperative Segment Alternate, was attending in Clifton Karnei’s absence. Chairman Bulger addressed the following Agenda Items in the order below.

October 7, 2019 General Session Meeting Minutes (Agenda Item 2)

Chairman Bulger entertained a motion to approve the October 7, 2019 General Session Meeting Minutes (Minutes).

Kevin Gresham moved to approve the Minutes as presented. Carolyn Shellman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Results of Examination and Independence Report from the System and Organization Control Auditor (Agenda Item 3)

Chairman Bulger invited Ryan Buckner of Schellman to present the results of ERCOT’s System and Organization Control Audit. Mr. Buckner reported that the result of the audit was an unmodified “clean” opinion and that one testing exception was identified for the controls that were tested, which has since been remediated. Mr. Buckner responded to questions and comments from Committee members.

Recommendation Regarding Acceptance of 2019 System and Organization Control Audit Report (Agenda Item 4)

Christine Hasha presented the Recommendation Regarding Acceptance of 2019 System and Organization Control Audit Report. Ms. Hasha and Bill Magness responded to questions and



comments from Committee members. Chairman Bulger commended ERCOT staff for the positive audit results.

Ms. Shellman moved to recommend that the Board accept the 2019 System and Organization Control Audit Report as presented. Rick Bluntzer 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 and Mark Ruane responded to questions and comments from Committee members.

Annual Committee Self-Evaluation Survey Results (Agenda Item 6)

Chairman Bulger thanked Committee members for their participation in the Annual Committee Self-Evaluation Survey and led a discussion on the results.

Committee Briefs (Agenda Item 7)

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

Review 2019 Financial Summary (Agenda Item 7.1)

Mr. Taylor presented the 2019 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. Taylor 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

Chairman Bulger recessed General Session at approximately 2:16 p.m. and convened Executive Session at approximately 2:21 p.m. Chairman Bulger reconvened General Session at approximately 3:41 p.m.

Vote on Matters from Executive Session (Agenda Item 10)

Chairman Bulger announced that there were three voting items discussed during Executive Session and entertained motions.

Nick Fehrenbach moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 3.2 as ERCOT's Independent System and Organization Control Auditor for 2020. Ms. Shellman seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Ms. Shellman moved to recommend Board approval of the contract matter discussed during Executive Session under Agenda Item ES 3.3. Mark Schwirtz seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Judy Walsh moved to approve the Internal Audit matter discussed during Executive Session under Agenda Item ES 4.3. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 11)

Chairman Bulger adjourned the meeting at approximately 3:44 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