



**DRAFT GENERAL SESSION MINUTES OF THE URGENT FINANCE & AUDIT COMMITTEE
MEETING OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas, Inc.
Urgent Finance & Audit Committee Meeting By Teleconference
August 10, 2020 at 1:30 p.m.

Pursuant to notice duly given and after determination that a quorum was present, the urgent meeting of the Finance & Audit (F&A) Committee of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened via teleconference on the above-referenced date.

Meeting Attendance:

Committee Members:

Director	Affiliation	Segment
Bulger, Terry (Chairman)	Unaffiliated	Unaffiliated Director
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gresham, Kevin	RWE Renewables Americas LLC	Independent Generator
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative
Ross, Ned	Direct Energy	Independent Retail Electric Provider
Taylor, Ian	New Braunfels Utilities	Municipal Segment Alternate
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

Director/ Segment Alternate	Affiliation	Segment
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility
Cochran, Seth	DC Energy Texas, LLC	Independent Power Marketer
Cramton, Peter	Unaffiliated	Unaffiliated Director
Crowell, Craven	Unaffiliated	Unaffiliated Director
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer Segment Alternate



Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Smith, Wade	American Electric Power Service Corporation	Investor-Owned Utility Segment Alternate

Officers and Guests:

Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Holler, Mark	Tenaska Power Services Co., Credit Work Group (CWG) Chair
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Levine, Jonathan	ERCOT Senior Corporate Counsel
Mil, Diana	Maxwell Locke & Ritter LLP
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
Parakkuth, Jayapal	ERCOT Vice President and Chief Information 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 Vice President of Human Resources
Tamby, Jeyant	ERCOT Senior Vice President and Chief Administrative Officer
Taylor, Sean	ERCOT Vice President and Chief Financial Officer
Wiley, Leslie	ERCOT Treasurer
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 urgent F&A Committee General Session meeting to order at approximately 1:30 p.m. At Chairman Bulger's request, Chad Seely, ERCOT Corporate Secretary, conducted a roll call of Committee members, guest Board members and Segment Alternates and confirmed that a quorum was present.

Chairman Bulger addressed certain administrative matters and reminded everyone that all meeting materials may be found on ERCOT's website, that is, at ERCOT.com/committee/finance_audit at the meeting link for August 10, 2020 under "Key Documents." Chairman Bulger noted the Antitrust Admonition and announced that ERCOT had outlined the reason for this urgent F&A Committee meeting in ERCOT's *Notice of August 10 and August 11, 2020 Urgent Teleconference Meetings of the ERCOT Nominating, Finance and Audit, and Human Resources and Governance Committees and Board of Directors*, which was filed with the Public Utility Commission of Texas on Monday, August 3, 2020, in Project Nos. 50664 and 27706. He also noted that ERCOT provided instructions for public comment on the agenda for this meeting, which was posted publicly on Monday, August 3, 2020, and that to date, no person had requested to provide public comment. Chairman Bulger addressed the following Agenda Items in the order below.



Recommendation Regarding Acceptance of ERCOT’s 401(k) Savings Plan Audit Report (Agenda Item 2)

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

Vice Chairman Clifton Karnei 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 3)

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

Letter of Credit Issuer Limits (Agenda Item 4)

Mr. Ruane presented the Letter of Credit Issuer Limits and responded to questions and comments from Committee members.

Committee Briefs (Agenda Item 5)

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

August 2020 Financial Summary (Agenda Item 5.1)

Mr. Taylor presented the August 2020 Financial Summary and responded to questions and comments from Committee members.

August 2020 Periodic Report on Investments (Agenda Item 5.2)

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

Future Agenda Items (Agenda Item 6)

Mr. Taylor presented the Future Agenda Items and responded to questions and comments from Committee members.

Historical Routine Reports Since Last Meeting on February 10, 2020; April 2020 Financial Summary; June 2020 Financial Summary; April 2020 Periodic Report on Investments; June 2020 Periodic Report on Investments (Agenda Items 7 and 7.1 – 7.4)

Chairman Bulger announced that the Historical Routine Reports since the Committee’s last meeting on February 10, 2020 were provided in the meeting material. There were no questions or comments from Committee members.

Other Business (Agenda Item 8)

Chairman Bulger inquired whether Committee members had any other business to discuss. Judy Walsh inquired about the status of the next Information Technology “deep dive” review, and Bill Magness responded.



Executive Session

Chairman Bulger recessed General Session at approximately 2:54 p.m. to convene Executive Session at approximately 3:08 p.m. Chairman Bulger reconvened General Session at approximately 5:09 p.m.

Vote on Matters from Executive Session (Agenda Item) 9

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

Mr. Gresham moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 5.1 as the Independent Financial Auditor for the calendar year ending December 31, 2020. Ms. Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Walsh moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 5.3 as the ERCOT 401(k) Savings Plan Auditor for calendar year 2020. Mr. Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 10)

Chairman Bulger adjourned the meeting at approximately 5:12 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