



**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  
December 7, 2020

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:

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
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 LP	Independent Retail Electric Provider
Sargent, Jackie	Austin Energy	Municipal
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

<b>Director/ Segment Alternate</b>	<b>Affiliation</b>	<b>Segment</b>
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility
Cochran, Seth	DC Energy Texas, LLC	Independent Power Marketer
Crowell, Craven	Unaffiliated	Unaffiliated Director
Emery, Keith	Tenaska Power Services Co.	Independent Power Marketer Segment Alternate
Kezar, Mike	South Texas Electric Cooperative Inc.	Cooperative Segment Alternate



Magness, Bill	ERCOT	President and Chief Executive Officer (CEO)
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Schleimer, Steve	Calpine Corporation	Independent Generator Segment Alternate
Smith, Wade	American Electric Power Service Corporation	Investor-Owned Utility Segment Alternate
Taylor, Ian	New Braunfels Utilities	Municipal Segment Alternate

**Officers and Guests:**

Buckner, Ryan	Schellman & Company, LLC (Schellman), Principal
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Hasha, Christine	ERCOT Senior Manager of CIP and Corporate Compliance
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
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, Grayson	Schellman, Manager
Taylor, Sean	ERCOT Vice President and Chief Financial Officer
Wiley, Leslie	ERCOT Treasurer

**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 9:00 a.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/committees/board/finance\\_audit/](http://ERCOT.com/committees/board/finance_audit/) at the meeting link for December 7, 2020 under “Key Documents.” Chairman Bulger noted the antitrust and security admonitions and announced that ERCOT had outlined the reason for this urgent F&A Committee meeting in *ERCOT’s Notice of December 7 and December 8, 2020 Urgent Teleconference Meetings of the ERCOT Finance and Audit*



Committee, Human Resources and Governance Committee, and Board of Directors, which was filed on Monday, November 30, 2020, in Project Nos. 50664 and 27706 at the Public Utility Commission of Texas (PUCT). He also noted that ERCOT had provided instructions for public comment on the agenda for this meeting, which was posted publicly on Monday, November 30, 2020, and that to date, no person had requested to provide public comment. Chairman Bulger addressed the following Agenda Items in the order below.

**General Session Meeting Minutes; February 11, 2020 Meeting; August 10, 2020 Urgent Meeting; October 12, 2020 Urgent Meeting (Agenda Items 2 and 2.1 – 2.3)**

Chairman Bulger entertained a motion to approve the General Session Meeting Minutes for the February 11, 2020 Meeting, August 10, 2020 Urgent Meeting and October 12, 2020 Urgent Meeting (collectively, the Minutes).

**Kevin Gresham moved to approve the Minutes as presented. Jackie Sargent 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 Grayson Taylor of Schellman to present the results of ERCOT's System and Organization Control (SOC) Audit. Mr. G. Taylor reported that the result of the audit was an unmodified "clean" opinion and that no testing exceptions had been identified for the controls that were tested. He highlighted changes made to the audit process due to the restrictions on travel and in-person meetings imposed by the COVID-19 pandemic and responded to questions and comments from Committee members. Judy Walsh commended staff for the results of the 2020 SOC audit.

**Recommendation Regarding Acceptance of 2020 System and Organization Control Audit Report (Agenda Item 4)**

Christine Hasha presented the Recommendation Regarding Acceptance of 2020 System and Organization Control Audit Report and responded to questions and comments from Committee members. Chairman Bulger reminded Committee members that a copy of the report was included with the Executive Session meeting materials.

**Committee Vice Chairman Clifton Karnei moved to recommend that the Board accept the 2020 System and Organization Control Audit Report as presented. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Periodic Report on Credit Work Group Activity (Agenda Item 5)**

Mark Holler, CWG Chair, presented the Periodic Report on Credit Work Group Activity. Mr. Holler, Mr. Seely 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 2020 Financial Summary (Agenda Item 7.1)**

Mr. S. Taylor presented the 2020 Financial Summary, and he and Bill Magness 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. S. Taylor presented the Future Agenda Items. There were no questions or comments from Committee members.

### **Other Urgent Business (Agenda Item 9)**

No other urgent business was discussed at this time.

### **Executive Session**

Chairman Bulger recessed General Session at approximately 10:27 a.m. and convened Executive Session at approximately 10:41 a.m. Chairman Bulger reconvened General Session at approximately 12:39 p.m.

### **Vote on Matters from Executive Session (Agenda Item 10)**

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

**Vice Chairman Karnei moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 4.2 as ERCOT's Independent System and Organization Control Auditor for 2021. Ms. Sargent seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Vice Chairman Karnei moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 4.3.1 as ERCOT's 401(k) Savings Plan Auditor for the years ending December 31, 2021, 2022, 2023, 2024, 2025 and 2026. Ms. Sargent seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Vice Chairman Karnei moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 4.3.2 as ERCOT's Independent Financial Auditor for the years ending December 31, 2021, 2022, 2023, 2024, 2025 and 2026. Ms. Sargent seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Vice Chairman Karnei moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 4.3.3 as ERCOT's Independent System**



and Organization Control Auditor for 2022, 2023, 2024, 2025, 2026, and 2027. Ms. Sargent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Vice Chairman Karnei moved to approve the Internal Audit matter discussed during Executive Session under Agenda Item ES 5.3. Ms. Sargent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

**Adjournment (Agenda Item 11)**

Chairman Bulger adjourned the meeting at approximately 12:45 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at [http://www.ercot.com/committees/board/finance\\_audit/](http://www.ercot.com/committees/board/finance_audit/).

A handwritten signature in blue ink, appearing to read "Jonathan Levine".

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Jonathan Levine  
Senior Corporate Counsel