



**DRAFT GENERAL SESSION MINUTES OF THE BOARD OF DIRECTORS MEETING OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas, Inc.
800 Airport Road, Building TCC4
Rio Grande Conference Room
Taylor, Texas 76574

December 9, 2021, 11:00 a.m.; Continuing December 10, 2021, 8:30 a.m.

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 dates.

Meeting Attendance:

Board Members:

Director	Affiliation/Role	Director Category
Aguilar, Carlos	N/A	Independent Director (voting)
Ekoh, Chris	Office of Public Utility Counsel (OPUC), Interim Public Counsel	<i>Ex Officio</i> (voting)
Flexon, Bob	N/A	Independent Director (voting)
Flores, Bill (Vice Chair)	N/A	Independent Director (voting)
Foster, Paul (Chair)	N/A	Independent Director (voting)
Jones, Brad	ERCOT, Interim President and Chief Executive Officer (CEO)	<i>Ex Officio</i> (non-voting)
Lake, Peter	Public Utility Commission of Texas (PUCT, Commission), Chairman	<i>Ex Officio</i> (non-voting)
Smati, Zin	N/A	Independent Director (voting)
Swainson, John	N/A	Independent Director (voting)

Guests:

Anderson, Troy	ERCOT Senior Manager of Portfolio Management
Bauld, Mandy	ERCOT Senior Director of Project Management Office
Bivens, Carrie	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Blakey, Eric	Just Energy Texas LP, Technical Advisory Committee (TAC) Vice Chair
Buckner, Ryan	Schellman & Company, LLC (Schellman), Principal
Cobos, Lori	PUCT Commissioner



Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Glotfelty, Jimmy	PUCT Commissioner (<i>Via Teleconference</i>)
Lange, Clif	South Texas Electric Cooperative Inc., TAC Chair
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Maggio, Dave	ERCOT Director of Market Design and Analytics
Mago, Nitika	ERCOT Manager of Balancing Operations Planning
McAdams, Will	PUCT Commissioner
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 Senior Director of Settlements Retail and Credit
Rychetsky, Penny	ERCOT Director of Internal Audit
Schue, Jamie	ERCOT Corporate Counsel
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, Chief Administrative Officer and Chief of Staff
Taylor, Grayson	Schellman, Senior Manager
Taylor, Sean	ERCOT Vice President and Chief Financial Officer

Call General Session to Order and Announce Proxies on December 9, 2021 (Agenda Item 1)

Paul Foster, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 11:11 a.m.

Chair Foster recognized Peter Lake, Chairman of the PUCT and announced that Chairman Lake would not call an Open Meeting of the Commission to order as a quorum of Commissioners was not present, which Chairman Lake confirmed.

Executive Session

Chair Foster recessed General Session at approximately 11:12 a.m. and convened Executive Session at approximately 11:15 a.m., and announced that General Session was scheduled to reconvene on Friday, December 10, 2021 at 8:30 a.m.

Reconvene General Session and Announce Proxies on December 10, 2021 (Agenda Item 2)

Chair Foster determined that a quorum was present and reconvened General Session at approximately 8:35 a.m. on Friday, December 10, 2021.

Chair Foster recognized Chairman Lake. Chairman Lake called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for December 10, 2021. He announced that Commissioners Lori Cobos and Will McAdams were present in person and Commissioner Jimmy Glotfelty was connected via teleconference.



Chair Foster announced there were no proxies for the meeting and highlighted the Antitrust Admonition. He reported that the ERCOT Board Selection Committee had selected two new Independent Directors for three-year terms that commenced on November 2, 2021—that is, Bill Flores and Zin Smati—and that Mr. Flores had also been designated as Board Vice Chair. He reported further that subsequently, the ERCOT Board Selection Committee had selected another two new Independent Directors for three-year terms that commenced on December 2, 2021—that is, Bob Flexon and John Swainson. Chair Foster congratulated and welcomed these new Board members and invited them to comment. Mr. Flexon, Vice Chair Flores, Mr. Smati and Mr. Swainson each expressed appreciation for and commented on their selection.

Chair Foster recognized the incumbent Board members and invited them to comment. Carlos Aguilar, Chris Ekoh, Chairman Lake and Brad Jones each welcomed the new Board members and commented on their Board service.

At Chairman Lake's request, Chair Foster recognized Commissioners Cobos and McAdams and invited them to comment. Commissioners Cobos and McAdams thanked Board members for their service and commented on the important issues facing the industry.

Chair Foster addressed the following Agenda Items in the order below.

Vote on Matters from Executive Session (Agenda Item 3)

Chair Foster entertained motions for four matters discussed during Executive Session.

Mr. Smati moved to approve the Internal Audit matter discussed during Executive Session under Agenda Item ES 3.5. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Smati moved to select the 2022 Independent System and Organization Control Auditor as discussed during Executive Session under Agenda Item ES 7.1. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Aguilar moved to approve the Litigation matter discussed during Executive Session under Agenda Item ES 9.1. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Smati moved that a Special Board Meeting be called on January 17-18, 2022 for Director training and to discuss strategic matters. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Notice of Public Comment, if Any (Agenda Item 4)

Chair Foster announced that ERCOT had provided instructions for members of the public who were interested in commenting in person on the agenda for the meeting, which was posted publicly on December 2, 2021, and that to date, no individuals had expressed interest in commenting in person, which Chad Seely confirmed. There were no questions or comments from Board members.



Consent Agenda, Unopposed Revision Requests Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 5, 5.1, and 5.1.1 – 5.1.11)

Chair Foster presented the Consent Agenda as follows:

- NPRR1077, Extension of Self-Limiting Facility Concept to Settlement Only Generators (SOGs) and Telemetry Requirements for SOGs;
- NPRR1091, Changes to Address Market Impacts of Additional Non-Spin Procurement – URGENT;
- NPRR1094, Allow Under Frequency Relay Load to be Manually Shed During EEA3;
- NPRR1101, Create Non-Spin Deployment Groups made up of Generation Resources Providing Off-Line Non-Spinning Reserve and Load Resources that are Not Controllable Load Resources Providing Non-Spinning Reserve – URGENT;
- NPRR1103, Securitization – PURA Subchapter M Default Charges – URGENT;
- NPRR1104, As-Built Definition of Real Time Liability Extrapolated (RTLE) – URGENT;
- NPRR1107, Addition of Weatherization Inspection Fees to the ERCOT Fee Schedule and Clarification of Generation Interconnection Request Fees – URGENT;
- NOGRR233, Related to NPRR1094, Allow Under Frequency Relay Load to be Manually Shed During EEA3;
- OBDRR035, Related to NPRR1101, Create Non-Spin Deployment Groups made up of Generation Resources Providing Off-Line Non-Spinning Reserve and Load Resources that are Not Controllable Load Resources Providing Non-Spinning Reserve;
- PGRR092, Related to NPRR1077, Extension of Self-Limiting Facility Concept to Settlement Only Generators (SOGs) and Telemetry Requirements for SOGs;
- RRGR029, Related to NPRR1077, Extension of Self-Limiting Facility Concept to Settlement Only Generators (SOGs) and Telemetry Requirements for SOGs

Mr. Seely reviewed the cost impacts of the Revision Requests on the Consent Agenda. Chair Foster commended ERCOT and Commission staff as well as TAC for its quick work in regard to Nodal Protocol Revision Request (NPRR) 1101 and related Other Binding Document Revision Request (OBDRR) 035, in response to requests made at the October 22, 2021 Special Board meeting.

Chair Foster entertained a motion to approve the Consent Agenda.

Mr. Flexon moved to approve the Consent Agenda as presented. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

General Session Meeting Minutes; October 12, 2021 Meeting; October 22, 2021 Meeting (Agenda Items 6 and 6.1 – 6.2)

Chair Foster entertained a motion to approve the General Session Meeting Minutes (Minutes) for the October 12, 2021 Board meeting and October 22, 2021 Special Board meeting.

Mr. Aguilar moved to approve the Minutes as presented. Mr. Ekoh seconded the motion. The motion passed by unanimous voice vote with two abstentions from (Mr. Flexon and Mr. Smati).



CEO Update (Agenda Item 7)

Mr. Jones presented the CEO Update. He recognized and welcomed the new Board members. Mr. Jones and Mandy Bauld provided an update on major projects. Mr. Jones provided updates on the status of items on the ERCOT Roadmap to Improving Grid Reliability, the listening tour on which he is visiting with business and community leaders statewide to hear their concerns, the Subchapters M and N securitizations, weatherization inspections, the new Austin facility and other major efforts and responded to questions and comments from Board members.

Commissioner Cobos thanked Mr. Jones for highlighting the importance of ERCOT's efforts to implement in the Protocols (1) the option to deploy voltage reduction measures prior to Energy Emergency Alert (EEA) with direction provided by the PUCT and Board, and (2) the deployment of Emergency Response Service (ERS) prior to an EEA declaration. Mr. Jones expressed appreciation on behalf of ERCOT for the strong collaboration with and support of the PUCT. Chairman Lake recognized Commissioner Glotfelty's contributions to these efforts.

Mr. Aguilar commented on the efforts of ERCOT and other Market Participants, particularly generation entities, to avoid the severe retail electric outages that were experienced during Winter Storm Uri. Mr. Jones commented on the close collaboration with the PUCT and reviewed key measures taken, including preparing and inspecting generators for weatherization, working with distribution providers to better plan for managing load shedding, and improving communications, and thanked generation entities for their efforts.

Report on Compliance with Committee Charter Requirements (Agenda Item 8)

Mr. Seely presented the Report on Compliance with Committee Charter Requirements and responded to questions and comments from Board members.

Review 2021 Financial Summary (Agenda Item 9)

Sean Taylor presented the 2021 Financial Summary. There were no questions or comments from the Board Members.

Results of Examination and Independence Report from the System and Organization Control Auditor (Agenda Item 10)

Betty Day introduced Grayson Taylor of Schellman and invited him 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 one testing exception and two informational disclosures were reported during the 2021 examination, which he reviewed with the Board. He described the audit team's approach, provided a summary of additional and modified testing procedures that were enacted due to Winter Storm Uri to sufficiently capture the results of operational effectiveness for the in-scope controls, and highlighted changes made to the audit process due to the restrictions on travel and in-person meetings imposed by the COVID-19 pandemic. There were no questions or comments from the Board members.

Acceptance of 2021 System and Organization Control Audit Report (Agenda Item 11)

Betty Day presented the Acceptance of 2021 System and Organization Control Audit Report. There were no questions or comments from the Board members.



Mr. Flexon moved to approve the 2021 System and Organization Control Audit Report as presented. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with one abstention (Mr. Smati).

Human Resources Operations Report (Agenda Item 12)

Mara Spak presented the Human Resources and Operations Report and responded to questions and comments from Board members regarding staff retention challenges.

2022 ERCOT Key Performance Indicators (KPIs) (Agenda Item 13)

Ms. Day presented the 2022 KPIs and responded to questions and comments from Board members.

Mr. Aguilar moved to approve the proposed 2022 ERCOT KPIs as presented. Mr. Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Break

Chair Foster recessed General Session for break at approximately 9:59 a.m. and reconvened General Session at approximately 10:16 a.m.

ERCOT Discussion on FERC, NERC and NERC Regional Entity Staff Final Report on February 2021 Cold Weather Outages in Texas and the South Central United States (Agenda Item 14)

Ms. Day presented the ERCOT Discussion on FERC, NERC and NERC Regional Entity Staff Final Report on February 2021 Cold Weather Outages in Texas and the South Central United States and responded to questions and comments from Board members.

At Vice Chair Flores' request, Mr. Jones commented on the possibility of ERCOT connecting to one or both of the Eastern and Western Interconnection and noted that it would have still been difficult to import energy during Winter Storm Uri.

Independent Market Monitor (IMM) Report (Agenda Item 15)

Carrie Bivens presented the IMM Report and responded to questions and comments from Board members.

Confirmation of 2022 TAC Representatives (Agenda Item 16)

Mr. Seely presented the 2022 TAC Representatives. Chairman Lake and Chair Foster expressed appreciation for TAC's contributions. Chair Foster entertained a motion for the confirmation of the 2022 TAC Representatives.

Mr. Smati moved to confirm the 2022 TAC representatives, as presented. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.



TAC Report, Non-Unanimous Revision Requests Recommended by TAC for Approval (Agenda Items 17, 17.1 – 17.1.6)

Clif Lange, TAC Chair, presented the TAC Report and responded to questions and comments from Board members. Mr. Jones thanked TAC and the Protocol Revision Subcommittee (PRS) for their work.

Mr. Lange presented NPRR1105, Option to Deploy Distribution Voltage Reduction Measures Prior to Energy Emergency Alert (EEA) – URGENT; NPRR1106, Deployment of Emergency Response Service (ERS) Prior to Declaration of Energy Emergency Alert (EEA) – URGENT; NPRR1109, Process for Reinstating Decommissioned Generation Resources – URGENT; NOGRR236, Related to NPRR1105, Option to Deploy Distribution Voltage Reduction Measures Prior to Energy Emergency Alert (EEA) – URGENT; NOGRR237, Related to NPRR1106, Deployment of Emergency Response Service (ERS) Prior to Declaration of Energy Emergency Alert (EEA) – URGENT; ODBRR036, Related to NPRR1106, Deployment of Emergency Response Service (ERS) Prior to Declaration of Energy Emergency Alert (EEA); each as recommended by TAC for Board approval. Mr. Lange responded to questions and comments from Board members.

Mr. Swainson moved to approve NPRR1105, NPRR1106, NPRR1109, NOGRR236, NOGRR237, and ODBRR036, each as presented and as recommended by TAC in the corresponding TAC Report. Mr. Ekoh seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2022 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements (Agenda Item 18)

Nitika Mago presented the 2022 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements. There were no questions or comments from the Board members.

Mr. Flexon moved to approve the 2022 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements as presented. Mr. Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Day-Ahead Market Price Correction for Generic Transmission Constraint (GTC) Modeling Error (Agenda Item 19)

Dave Maggio presented the Day-Ahead Market Price Correction for Generic Transmission Constraint (GTC) Modeling Error and responded to questions and comments from Board members.

Mr. Flexon moved to approve the Day-Ahead Market Price Correction for GTC Modeling Error as presented. Mr. Smati seconded the motion. The motion passed by unanimous voice vote.

Lower Rio Grande Valley (LRGV) System Enhancement Regional Planning Group Project (Agenda Item 20)

Woody Rickerson presented the Lower Rio Grande Valley (LRGV) System Enhancement Regional Planning Group (RPG) Project, which ERCOT staff independently reviewed and



recommended improvements known as Option 2, and which TAC voted to endorse, based on North American Electric Reliability Corporation (NERC) and ERCOT reliability planning criteria, including ERCOT staff's recommendation that the Project be designated as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D). Mr. Rickerson responded to questions and comments from Board members.

Vice Chair Flores moved to endorse the need for the LRGV System Enhancement RPG Project (Option 2), which ERCOT staff independently reviewed and which TAC has voted unanimously to endorse, based on NERC and ERCOT reliability planning criteria, and designate the LRGV System Enhancement RPG Project (Option 2) as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D). Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Approval of Standard Form Letter of Credit for Satisfying Securitization Default Charge Credit Requirements for PURA Subchapter M (Agenda Item 21)

Mark Ruane presented the Approval of Standard Form Letter of Credit for Satisfying Securitization Default Charge Credit Requirements for PURA Subchapter M, and he and Mr. Seely responded to questions and comments from Board members.

Mr. Flexon moved to approve the Standard Form Letter of Credit for Satisfying Securitization Default Charge Credit Requirements for PURA Subchapter M as presented. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ratification of Prior Board Actions Taken at Urgent Meetings by Teleconference (Agenda Item 22)

Chad Seely presented the Ratification of Prior Board Actions Taken at Urgent Meetings by Teleconference and responded to questions and comments from Board members.

Mr. Swainson moved that the Board ratify the prior Board actions taken at Urgent meetings by teleconference as presented. Mr. Ekoh seconded the motion. The motion passed by unanimous voice vote with two abstentions (Mr. Flexon and Mr. Smati).

Other Business (Agenda Item 23)

No other business was discussed at this time.

Adjournment (Agenda Item 24)

Chair Foster adjourned the meeting at approximately 11:53 a.m.

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



Jonathan M. Levine
Assistant Corporate Secretary