



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

Electric Reliability Council of Texas, Inc.
8000 Metropolis Drive (Building E), Suite 100, Room B
Austin, Texas 78644

March 7, 2022, 9:00 a.m.; Continuing March 8, 2022, 9:00 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)
England, Julie	N/A	Independent Director (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)
Heeg, Peggy	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:

Bivens, Carrie	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Blakey, Eric	Just Energy Texas LP, Technical Advisory Committee (TAC) Vice Chair
Cobos, Lori	PUCT Commissioner



Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Glottfelty, Jimmy	PUCT Commissioner
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations
Lange, Clif	South Texas Electric Cooperative Inc., TAC Chair
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
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 System Planning and Weatherization
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, Chief Administrative Officer and Chief of Staff
Taylor, Sean	ERCOT Vice President and Chief Financial Officer
Woodfin, Dan	ERCOT Vice President of System Operations

Call General Session to Order and Announce Proxies on March 7, 2022 (Agenda Item 1)

Paul Foster, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 9:09 a.m.

Chair Foster recognized Peter Lake, Chairman of the PUCT. 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 March 7, 2022. He announced that Commissioners Lori Cobos, Jimmy Glottfelty and Will McAdams were present.

Chair Foster announced there were no proxies for the meeting and highlighted the Antitrust Admonition. He welcomed Board members and guests to the new Austin Met Center office. Chair Foster addressed the following Agenda Items in the order below.

Notice of Public Comment, if Any (Agenda Item 2)

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 February 28, 2022, 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.

Confirmation of Technical Advisory Committee (TAC) Chair and Vice Chair for 2022 (Agenda Item 3)

Chair Foster reported that Clif Lange, South Texas Electric Cooperative Inc. (STEC) and Eric Blakey, Just Energy Texas LP, were elected by the TAC Representatives as the 2022 TAC Chair and Vice Chair, respectively, and announced that Board members were in consensus to defer this item until after further discussion in Executive Session. There were no questions or comments from Board members.



Discussion of the Confirmation of TAC Chair and Vice Chair for 2022 continued later in the meeting.

Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval (Agenda Items 4, 4.1, 4.1.1 – 4.1.17 and 4.2)

Chair Foster presented the Consent Agenda. Mr. Seely reviewed the cost impacts of the Revision Requests on the Consent Agenda. There were no questions or comments from Board members. Chair Foster entertained a motion to approve the Consent Agenda as follows:

- NPRR1095, Texas SET V5.0 Changes;
- NPRR1097, Create Resource Forced Outage Report – URGENT;
- NPRR1098, Direct Current Tie (DC Tie) Reactive Power Capability Requirements;
- NPRR1099, Managing Network Operations Model Resource Nodes;
- NPRR1102, ERCOT Discretion for Adjusting Non-Interval Data Recorder (NIDR) Backcasted Load Profiles;
- NPRR1111, Related to SCR819, Improving IRR Control to Manage GTC Stability Limits – URGENT;
- NPRR1113, Clarification of Regulation-Up Schedule for Controllable Load Resources in Ancillary Service Imbalance – URGENT;
- NPRR1114, Securitization – PURA Subchapter N Uplift Charges – URGENT;
- NOGRR234, Related to NPRR1098, Direct Current Tie (DC Tie) Reactive Power Capability Requirements;
- OBDRR034, Related to NPRR1099, Managing Network Operations Model Resource Nodes;
- OBDRR037, Power Balance Penalty and Shadow Price Cap Updates to Align with PUCT Approved High System-Wide Offer Cap;
- OBDRR038, Minimum Contingency Level Updates to Align with PUCT Order;
- PGRR099, Revise GIM Process to Ensure Compliance with the Lone Star Infrastructure Protection Act;
- RMGRR169, Related to NPRR1095, Texas SET V5.0 Changes;
- SCR816, CRR Auction Bid Credit Enhancement;
- SCR817, Related to NPRR1095, MarkeTrak Validation Revisions Aligning with Texas SET V5.0; and
- SCR819, Improving IRR Control to Manage GTC Stability Limits – URGENT.

Board Vice Chair Bill Flores moved to approve the Consent Agenda as presented. Julie England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Review of ERCOT Corporate Governance and Selection of Board Committees (Agenda Item 5)

Mr. Seely and Jonathan Levine presented the Review of ERCOT Corporate Governance and Selection of Board Committees. Mr. Seely and Mr. Levine responded to questions and comments from Board members.



Chair Foster announced that this item is scheduled for a vote but that Board members were in consensus to defer taking action on this item until after further discussion in Executive Session.

Discussion of the Review of ERCOT Corporate Governance and Selection of Board Committees continued later in the meeting.

Date Changes for 2022 Board Meetings and Annual Meeting of Members (Agenda Item 6)

Chair Foster presented the Date Changes for 2022 Board Meetings and Annual Meeting of Members, and Board members commented on the proposal.

Peggy Heeg moved that the dates for the remaining 2022 Board meetings and Annual Meeting of Members be changed as presented, pursuant to Section 4.6(a) of the ERCOT Bylaws and Section 1.1 of the Board Policies and Procedures. Carlos Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Proposed 2023 ERCOT Board Meeting and Annual Meeting Schedule (Agenda Item 7)

Chair Foster invited Mr. Seely to present the Proposed 2023 ERCOT Board Meeting and Annual Meeting Schedule and reminded Board members that this matter was expected to be voted upon at the April 27-28, 2022 Board meeting. Mr. Seely presented the Proposed 2023 ERCOT Board Meeting and Annual Meeting Schedule, and he and Chair Foster responded to questions and comments from Board members.

General Session Meeting Minutes; December 9-10, 2021 Meeting; January 17-18, 2022 Special Meeting (Agenda Items 8, 8.1 and 8.2)

Chair Foster entertained motions to approve the General Session Meeting Minutes for the December 9-10, 2021 Board Meeting (December Minutes) and the January 17-18, 2022 Special Board Meeting (January Minutes).

Bob Flexon moved to approve the December Minutes as presented. Chris Ekoh seconded the motion. The motion passed by unanimous voice vote with one abstention (Ms. Heeg).

Mr. Ekoh moved to approve the January Minutes as presented. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chief Executive Officer Update (Agenda Item 9)

Brad Jones presented the CEO Update. Mr. Jones reviewed the status of Objectives and Key Results (OKR) projects and provided an update on the creation of a new gas desk in the ERCOT control room. Mr. Jones commented on Winter Storm Landon and highlighted the constant and consistent coordination with Texas Governor Greg Abbott and key state agencies and the improved communication via daily coordination calls with grid and Market Participant communicators, legislative leadership offices, and statewide media. Chairman Lake thanked the partners who communicated and worked together to prevent and repair generation outages. He thanked the Legislature for providing guidance and direction through Senate Bill 3. Mr. Jones, Kristi Hobbs, Chairman Lake, and Woody Rickerson responded to questions and comments from Board members.



Overview of ERCOT, Inc. Budget and Finances (Agenda Item 10)

Sean Taylor presented the Overview of ERCOT, Inc. Budget and Finances. Mr. Taylor responded to questions and comments from Board members, and in response to a request from Board members agreed to provide a headcount of employees and external resources when presenting the budget report at future meetings.

Break

Chair Foster recessed General Session for break at approximately 11:39 a.m. and reconvened General Session at approximately 12:02 p.m.

Review 2021 Financial Summary (Agenda Item 11)

Mr. Taylor presented the 2021 Financial Summary. There were no questions or comments from Board members.

Forecast Adequacy of the Budgeted System Administration Fee (Agenda Item 12)

Mr. Taylor presented the Forecast Adequacy of the Budgeted System Administration Fee. There were no questions or comments from Board members.

Election of Interim Chief Executive Officer and Ratification of Officers (Agenda Item 13)

At Chair Foster's request, Mr. Seely presented the Election of Interim Chief Executive Officer and Ratification of Officers. Chair Foster entertained a motion to elect the Interim CEO and ratify officers.

John Swainson moved to elect the Interim CEO and ratify officers as presented. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources Operations Report (Agenda Item 14)

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

Strategic Goal Update and Review of Q4 2021 Key Performance Indicators (KPIs) (Agenda Item 15)

Ms. Hobbs presented the Strategic Goal Update and Review of Q4 2021 KPIs. Ms. Hobbs, Mr. Jones and Chairman Lake responded to questions and comments from Board members.

Independent Market Monitor (IMM) Report (Agenda Item 16)

Carrie Bivens presented the IMM Report. Ms. Bivens, Mr. Jones, and Chairman Lake responded to questions and comments from Board members.

TAC Report, Non-Unanimous Revision Requests Recommended by TAC for Approval (Agenda Items 17, 17.1. 17.1.1 – 17.1.3)

Clif Lange, TAC Chair, presented the TAC Report, including the following Revision Requests recommended by TAC for approval:



- NPPR1120, Create Firm Fuel Supply Service – URGENT;
- OBDRR039, ORDC Changes Related to NPPR1120, Create Firm Fuel Supply Service; and
- PGRR095, Establish Minimum Deliverability Criteria, including the March 4, 2022 Revised Impact Analysis.

Chairman Lake commented on the importance of Nodal Protocol Revision Request (NPPR) 1108, ERCOT Shall Approve or Deny All Resource Outage Requests, noted that it has remained tabled at the Protocol Revision Subcommittee (PRS) since November 2021, and requested that it be presented at the April 27-28, 2022 Board meeting. Commissioner McAdams thanked TAC for its work on PGRR095.

Chair Foster entertained a motion to approve NPPR1120. **Zin Smati moved to approve NPPR1120 as recommended by TAC in the February 23, 2022 TAC Report. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Chair Foster entertained a motion to approve OBDRR039. **Bob Flexon moved to approve OBDRR039 as recommended by TAC in the February 23, 2022 TAC Report. Mr. Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Chair Foster entertained a motion to approve PGRR095. **Ms. England moved to approve PGRR095 as recommended by TAC in the February 23, 2022 TAC Report, and the March 4, 2022 Revised Impact Analysis. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Ratification of Principal Office Designation (Agenda Item 18)

Mr. Seely presented the Ratification of Principal Office Designation. There were no questions or comments from Board members.

Vice Chair Flores moved to ratify the designation of ERCOT's executive and administrative office located at 8000 Metropolis Drive, Building E, Suite 100, Austin, Travis County, Texas 78744 (New Met Center) as ERCOT's principal office, effective as of February 1, 2022. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Proposed Modifications to Form Ethics Agreement for Directors (Agenda Item 19)

Mr. Seely presented the Proposed Modifications to Form Ethics Agreement for Directors (Agreement) and responded to questions and comments from Board members.

Vice Chair Flores moved to approve the modifications to the Agreement as presented. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.



2021 Internal Revenue Service Form 990 Questionnaire (Agenda Item 20)

Mr. Taylor presented the 2021 Internal Revenue Service (IRS) Form 990 Questionnaire and schedule for filing ERCOT's 2021 IRS Form 990. He noted the requested completion deadline of April 12, 2022. There were no questions or comments from Board members.

Other Business (Agenda Item 21)

No other business was discussed at this time.

Executive Session

Chair Foster recessed General Session at approximately 1:23 p.m. and convened Executive Session at approximately 1:41 p.m., and announced that General Session was scheduled to reconvene on Tuesday, March 8, 2022 at 9:00 a.m.

Reconvene General Session and Announce Proxies on March 8, 2022 (Agenda Item 22)

Chair Foster determined that a quorum was present and reconvened General Session at approximately 9:07 a.m. on Tuesday, March 8, 2022.

Chairman Lake announced that at the start of the Board meeting the previous day, he had called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for March 7, 2022, and reconvened the Open Meeting.

Chair Foster announced the Board would be focusing on additional Executive Session matters before reconvening in General Session to vote on any Executive Session matters that require a vote.

Other Business (Agenda Item 23)

No other business was discussed at this time.

Reconvene Executive Session

Chair Foster recessed General Session at approximately 9:09 a.m. and reconvened Executive Session at approximately 9:11 a.m. Chair Foster reconvened General Session at approximately 2:57 p.m.

Confirmation of Technical Advisory Committee (TAC) Chair and Vice Chair for 2022 (Agenda Item 3) – (Continued)

Chair Foster entertained a motion regarding the Confirmation of TAC Chair and Vice Chair for 2022.

Ms. Heeg moved to postpone consideration of the confirmation of the 2022 TAC Chair and Vice Chair until the April 27-28, 2022 Board Meeting. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Review of ERCOT Corporate Governance and Selection of Board Committees (Agenda Item 5) – (Continued)

Chair Foster entertained a motion regarding the selection of Board Committees.



Ms. Heeg moved to establish and appoint a committee to be known as the Reliability and Markets Committee, which shall oversee core Independent System Operator (ISO) functions, such as planning, markets, reliability and resilience as well as technology-related functions such as information technology and project delivery, and perform such other functions required by law or otherwise as are necessary or appropriate to further the committee's purposes or as may from time to time be delegated to the committee by the Board, and whose membership shall be decided upon by the Board. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Vote on Matters from Executive Session (Agenda Item 24)

Chair Foster entertained a motion for one matter discussed during Executive Session.

Ms. Heeg moved to approve the Contract Matter as discussed in Executive Session. Mr. Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 25)

Chair Foster adjourned the meeting at approximately 3:00 p.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