



**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, Boardroom B
Austin, Texas 78644
April 28, 2022

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 date.

Meeting Attendance:

Board Members:

Director	Affiliation/Role	Director Category
Aguilar, Carlos	N/A	Independent Director (voting) <i>(Not Present for Agenda Items 12 – 19)</i>
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)
Pokharel, Nabaraj	Office of Public Utility Counsel (OPUC), Director of Energy Market and Regulatory Policy	<i>Ex Officio</i> (voting) <i>(Alternate Representative for Public Counsel Chris Ekoh)</i>
Smati, Zin	N/A	Independent Director (voting)
Swainson, John	N/A	Independent Director (voting)

Officers and Guests:

Ayson, Janice	ERCOT Lead Strategic Advisor
Bernecker, John	ERCOT Manager of Transmission Planning Assessment
Bivens, Carrie	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director



Cline, Darrell	City of Garland
Cobos, Lori	PUCT Commissioner
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Glotfelty, Jimmy	PUCT Commissioner
Helton, Bob	Engie North America Inc., Technical Advisory Committee (TAC) Vice Chair
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations
Johnson, Emily	Texas Sunset Advisory Commission, Review Director
Lange, Cliff	South Texas Electric Cooperative Inc., TAC Chair
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
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
Rainwater, Kim	ERCOT Corporate Counsel
Rickerson, Woody	ERCOT Vice President of System Planning and Weatherization
Rychetsky, Penny	ERCOT Director of Internal Audit
Sams, Bryan	Calpine Corporation
San Miguel, Senaida	Texas Sunset Advisory Commission, Policy Analyst
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

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

Paul Foster, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 8:42 a.m.

Chair Foster recognized Peter Lake, Chairman of the PUCT. Chairman Lake announced that at the start of the Human Resources and Governance (HR&G) Committee 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 April 27, 2022, and reconvened the meeting.

Chair Foster announced that Nabaraj Pokharel of the Office of Public Utility Counsel was attending as Alternate Representative in the absence of Chris Ekoh, in accordance with ERCOT Bylaws Section 4.3(d).

Executive Session

Chair Foster recessed General Session at approximately 8:44 a.m. and convened Executive Session at approximately 8:46 a.m.



Reconvene General Session

Chair Foster determined that a quorum was present and reconvened General Session at approximately 3:07 p.m.

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

Vote on Matters from Executive Session (Agenda Item 2)

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

Julie England moved that the Board (1) select the company discussed during Executive Session under Agenda Item ES 4.2 as the qualified public accounting firm to perform ERCOT's financial statements audits, including subsidiaries and consolidation, and Form 990 review for the year ending December 31, 2022; and (2) ratify the engagement of Baker Tilly to perform the financial statements audit of TEMSFM and consolidation procedures for the year ending December 31, 2021. Carlos Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

John Swainson moved to approve the contract matter as discussed in Executive Session under Agenda Item ES 6.1. Zin Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Swainson moved to approve the litigation matter as discussed in Executive Session under Agenda Item ES 7. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Bill Flores, Board Vice Chair, moved to approve the personnel matter as discussed in Executive Session under Agenda Item ES 9.1. Bob Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Notice of Public Comment, if Any (Agenda Item 3)

Chair Foster announced that on the agenda for the meeting, which was posted publicly on April 21, 2022, ERCOT had provided instructions for members of the public who were interested in commenting in person and that to date no individuals had expressed interest in commenting, which Chad Seely confirmed. There were no questions or comments from Board members.

Review of ERCOT Corporate Governance and Stakeholder Process (Agenda Item 4)

Chair Foster noted that since the Board became fully seated on January 1, 2022, Board members have worked to become better educated on the Board's duties, responsibilities, and governance structure, as well as associated rules, in an effort to build experience and understanding so the Board can make sound and strategic decisions on key principles as modifications are considered to the ERCOT governing documents and stakeholder process. He indicated that the Board plans to begin discussions with stakeholders regarding modifications and will provide more detailed information on the Board's direction after receiving input from stakeholders. Mr. Seely commented that TAC leadership would be contacted for discussion.



Confirmation of Election of the Technical Advisory Committee (TAC) Chair and Vice Chair for 2022 (Agenda Item 5)

Chair Foster reported that Clif Lange, South Texas Electric Cooperative Inc., and Bob Helton, Engie North America Inc., were elected by the TAC Representatives as the 2022 TAC Chair and Vice Chair, respectively. There were no questions or comments from Board members. Chair Foster entertained a motion for the confirmation of the TAC Chair and Vice Chair.

Mr. Aguilar moved to confirm Clif Lange as 2022 TAC Chair and Bob Helton as 2022 TAC Vice Chair. Peggy Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval; Minimum Duration Threshold for Energy Storage Resources (Agenda Items 6, 6.1, 6.1.1 – 6.1.8, and 6.2)

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:

- NPRR1116, Remove Obsolete Reference to Market Information System (MIS);
- NPRR1117, Related to SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering;
- NPRR1122, Clarifications for PURA Subchapter M Securitization Default Charges – URGENT;
- NPRR1123, Clarifications for PURA Subchapter N Securitization Uplift Charges – URGENT;
- NPRR1125, Use of Financial Security for Securitization Default Charge and Securitization Uplift Charge Invoices and Escrow Deposit Requests – URGENT;
- PGRR096, Achieve Consistent Representation of Distributed Generation in Steady-State Models;
- PGRR098, Consideration of Load Shed in Transmission Planning Criteria;
- SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering; and
- Minimum Duration Threshold for Energy Storage Resources.

Ms. Heeg moved to recommend approval of the Revision Requests on the Consent Agenda and to approve the Minimum Duration Threshold for Energy Storage Resources, as presented. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

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

At Chair Foster's request, Mr. Seely presented the 2023 ERCOT Board Meeting and Annual Meeting Schedule and reminded Board members that this matter was expected to be voted upon at the June 21, 2022 Board meeting. There were no questions or comments from Board members.



March 7-8, 2022 General Session Meeting Minutes (Agenda Item 8)

Chair Foster entertained a motion to approve the March 7-8, 2022 General Session Meeting Minutes (Minutes).

Vice Chair Flores moved to approve the 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. He recognized the ERCOT staff team involved in the completion of the MET Center replacement and highlighted ERCOT's pre-summer communication and coordination with Market Participants. There were no questions or comments from Board members.

Independent Market Monitor (IMM) Report (Agenda Item 10)

Chair Foster reported that IMM Director Carrie Bivens would not be providing an oral presentation for the IMM Report, but that she was available to answer any questions. There were no questions or comments from Board members.

TAC Report, Non-Unanimous Revision Requests Recommended by TAC for Approval (Agenda Items 11, 11.1, and 11.1.1 – 11.1.4)

Mr. Lange presented the TAC Report. He reported on recent TAC activities. There were no questions or comments from Board members.

Mr. Lange presented the following non-unanimous Revision Requests recommended by TAC for approval:

- NPRR1092, Reduce RUC Offer Floor and Remove RUC Opt-Out Provision;
- NPRR1096, Require Sustained Two-Hour Capability for ECRS and Four-Hour Capability for Non-Spin;
- NPRR1124, Recovering Actual Fuel Costs through RUC Guarantee – URGENT; and
- SCR818, Changes to Incorporate GIC Modeling Data into Existing Modeling Applications.

Following discussion, Chair Foster entertained motions on these Revision Requests.

Mr. Aguilar moved to recommend approval of: (1) NPRR1092 as recommended by TAC in the February 23, 2022 TAC Report as amended by the April 6, 2022 ERCOT comments, and the April 5, 2022 Revised Impact Analysis, with a recommended effective date of upon PUCT approval (May 13, 2022) for Section 6.5.7.3 and upon system implementation for the remainder with a recommended priority of 2022 and rank of 3580; and (2) NPRR1096 as recommended by TAC in the March 30, 2022 TAC Report. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with one abstention (Vice Chair Flores).

Mr. Swainson moved to recommend approval of NPRR1124 as recommended by TAC in the April 13, 2022 TAC report. Mr. Smati seconded the motion. The motion passed by voice vote with one opposed (Mr. Pokharel).



Ms. Heeg moved to approve SCR818 as recommended by TAC in the March 30, 2022 TAC report. Mr. Flexon seconded the motion. The motion passed by voice vote with one opposed (Mr. Pokharel).

TAC Recommendation Opposition of ERCOT on NPRR1108, ERCOT Shall Approve or Deny All Resource Outage Requests – URGENT; Background Information; Position Statement of ERCOT; TAC Advocate Presentation of TAC Action; Additional Comments, if Any; Closing Statement of ERCOT (Agenda Items 11.2 and 11.2.1 – 11.2.5)

At Chair Foster’s request, Mr. Seely provided an overview of the process to be used for the TAC Recommendation Oppositions of ERCOT on NPRRs 1108 and 1112 (Agenda Item 11.3). Woody Rickerson presented the TAC Recommendation Opposition and position statement of ERCOT on NPRR1108, and Bryan Sams of Calpine Corporation presented the TAC Advocate Presentation of the TAC action, and each responded to questions and comments from Board members. Following Board discussion, Chair Foster entertained a motion on NPRR1108.

Mr. Swainson moved to reject the TAC recommendation on NPRR1108; and to recommend approval of NPRR1108 as recommended by TAC in the April 18, 2022 TAC Report as amended by the April 26, 2022 ERCOT comments, and the April 20, 2022 Revised Impact Analysis for NPRR1108 with a recommended priority of 2022 and rank of 315. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

TAC Recommendation Opposition of ERCOT on NPRR1112, Reduction of Unsecured Credit Limits – URGENT; Background Information; Position Statement of ERCOT; TAC Advocate Presentation of TAC Action; Additional Comments, if Any; Closing Statement of ERCOT (Agenda Items 11.3 and 11.3.1 – 11.3.5)

Kenan Ögelman presented the TAC Recommendation Opposition and position statement of ERCOT on NPRR1112, and Darrell Cline of City of Garland presented the TAC Advocate Presentation of the TAC action, and each responded to questions and comments from Board members. Following Board discussion, Chair Foster entertained a motion on NPRR1112.

Mr. Swainson moved to table NPRR1112 until the June 21, 2022 Board meeting. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

ERCOT Recommendation to PUC Project No. 46304, Oversight Proceeding Regarding ERCOT Matters Arising Out of PUC Docket No. 45624 Relating to DC Tie Project Proposed by Southern Cross Transmission, LLC; Directive 6 – ERCOT Determination regarding Any Needed Transmission Upgrades; Directive 8 – ERCOT Determination regarding Voltage Support (Agenda Items 12, 12.1, and 12.2)

Janice Ayson and John Bernecker presented ERCOT staff’s determinations required by Directives 6 and 8 in regard to PUC Project No. 46304, Oversight Proceeding Regarding ERCOT Matters Arising Out of PUC Docket No. 45624 Relating to DC Tie Project Proposed by Southern Cross Transmission, LLC. There were no questions or comments from Board members. Chair Foster entertained a motion regarding Directives 6 and 8.



Mr. Swainson moved to accept ERCOT staff's determination regarding PUCT Directive 6 that, to accommodate the Southern Cross DC Tie: (1) no transmission system upgrades are necessary to manage congestion resulting from power flows over the Southern Cross DC Tie because ERCOT will curtail assumed DC Tie flows in transmission planning analysis when necessary to meet reliability criteria, as required by approved PGRR77; and (2) ERCOT expects that it may need to redispatch generation and/or limit flows across the Southern Cross DC Tie to manage constraints in real time; and to accept ERCOT staff's determination regarding PUCT Directive 8 that, to accommodate the Southern Cross DC Tie: (1) any DC Tie facility that has an initial energization date after January 1, 2021, and any DC Tie facility that is replaced after that date, should be required to have at least 0.95 power factor leading/lagging reactive power capability, as required by approved NPRR1098 and NOGRR234; and (2) no other necessary changes to Voltage Support Service are needed.. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Revision to 2022 ERCOT Methodologies for Determining Minimum Ancillary Service Methodology Requirements – Recommendation on Minimum Capacity of Non-Spin Required from SCED Dispatchable Resources (Agenda Item 13)

Nitika Mago presented the Revision to 2022 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements – Recommendation on Minimum Capacity of Non-Spin Required from SCED Dispatchable Resources and responded to questions and comments from Board members.

Mr. Smati moved to approve the revised 2022 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements as presented. 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 Chapter 39, Subchapter N (Agenda Item 14)

Mr. Seely presented the Approval of Standard Form Letter of Credit for Satisfying Securitization Default Charge Credit Requirements for PURA Chapter 39, Subchapter N and responded to questions and comments from Board members.

Vice Chair Flores moved to approve the Standard Form Letter of Credit for Satisfying Securitization Default Charge Credit Requirements for PURA Chapter 39, Subchapter N as presented. Mr. Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance and Audit (F&A) Committee Report; Financial Corporate Standard; Investment Corporate Standard; Acceptance of Financial Statements Audit Report (Agenda Items 15 and 15.1 – 15.3)

Vice Chair Flores, F&A Committee Chairman, reported that the F&A Committee met the prior day and highlighted items discussed at the F&A Committee meeting. There were no questions or comments from Board members.



Vice Chair Flores moved to approve the Financial Corporate Standard and Investment Corporate Standard, and to accept the audited financials and Financial Statements Audit Report, each as recommended by the F&A Committee. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources and Governance (HR&G) Committee Report; (Agenda Item 16)

Ms. Heeg, HR&G Committee Chair, reported that the HR&G Committee met the prior day and highlighted items discussed at the HR&G Committee meeting. There were no questions or comments from Board members.

Reliability and Markets (R&M) Committee Report; Market Credit Risk Corporate Standard (Agenda Items 17 and 17.1)

Bob Flexon, R&M Committee Chair, reported that the R&M Committee met the prior day and highlighted items discussed at the R&M Committee meeting. There were no questions or comments from Board members.

Mr. Flexon moved to approve the Market Credit Risk Corporate Standard as recommended by the R&M Committee. Mr. Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Other Business (Agenda Item 18)

Chair Foster entertained discussion of other business.

Vice Chair Flores requested that he be recorded as abstaining from the votes on NPRRs 1092 and 1096 (Agenda Items 11.1.1 and 11.1.2).

Adjournment (Agenda Item 19)

Chair Foster adjourned the meeting at approximately 5:19 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