



**DRAFT GENERAL SESSION MINUTES OF THE
RELIABILITY AND MARKETS COMMITTEE MEETING
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

8000 Metropolis Drive (Building E), Suite 100, Boardroom B
Austin, Texas 78644
August 15, 2022

Pursuant to notice duly given, the meeting of the Reliability and Markets (R&M) Committee of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT), convened on the above-referenced date.

Meeting Attendance:

Committee Members:

Director	Affiliation/Role (if any)	Voting Category
Aguilar, Carlos	N/A	Voting
Ekoh, Chris	Office of Public Utility Counsel, Interim Public Counsel	Voting
England, Julie	N/A	Voting
Flexon, Bob (Chair)	N/A	Voting
Smati, Zin	N/A	Voting
Swainson, John (<i>Via Teleconference</i>)	N/A	Voting

Other Board Members:

Director	Affiliation/Role (if any)	Voting Category
Flores, Bill	N/A	Voting
Foster, Paul	N/A	Voting
Heeg, Peggy	N/A	Voting
Jones, Brad	ERCOT Interim President and Chief Executive Officer (CEO)	Non-Voting
Lake, Peter	Public Utility Commission of Texas (PUCT, Commission), Chairman	Non-Voting

Officers and Guests:

Officer/Guest	Role
Anderson, Troy	ERCOT Senior Manager of Portfolio Management
Bauld, Mandy	ERCOT Senior Director of Project Management Office



Boren, Ann	ERCOT Manager of Market Rules and Stakeholder Support
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Glotfelty, Jimmy (<i>Via Teleconference</i>)	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
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
Rainwater, Kim	ERCOT Corporate Counsel
Rickerson, Woody	ERCOT Vice President of System Planning and Weatherization
Ruane, Mark	ERCOT Senior Director, Settlements Retail and Credit
Rychetsky, Penny	ERCOT Director of Internal Audit
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
Tirupati, Venkat	ERCOT Director of Grid and Market Solutions
Woodfin, Dan	ERCOT Vice President of System Operations

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

Bob Flexon, R&M Committee Chair, determined that a quorum was present and called the R&M Committee to order at approximately 3:42 p.m. Chair Flexon recognized PUCT Chairman Peter Lake. Chairman Lake called back into order the Commission's Open Meeting that recessed earlier in the day. Chair Flexon highlighted the Antitrust Admonition and noted that Committee Member John Swainson had joined the meeting via teleconference for non-voting participation only.

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

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

Chair Flexon announced that on the agenda for the meeting, which was posted publicly on August 8, 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.

June 20, 2022 General Session Meeting Minutes (Agenda Item 3)

Chair Flexon entertained a motion to approve the June 20, 2022 General Session Meeting Minutes (Minutes).



Julie England moved to approve the Minutes as presented. Zin Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Executive Session

Chair Flexon recessed General Session and convened Executive Session at approximately 3:43 p.m. Chair Flexon reconvened General Session at approximately 4:22 p.m.

Update on Committee Charter (Agenda Item 4)

Chair Flexon presented the Update on Committee Charter. He indicated the Committee anticipates Committee and Board votes on the charter in October or December 2022 and invited Committee members to submit feedback regarding the draft charter.

Report on TAC Structural and Procedural Review (Agenda Item 5)

Chair Flexon reported that he and Peggy Heeg, Human Resources and Governance (HR&G) Committee Chair, met with TAC leadership in June 2022 regarding the TAC Structural and Procedural Review, and on July 15, 2022, TAC leadership provided Chair Flexon and Chair Heeg an initial workplan for improving the stakeholder process. Chair Flexon invited Clif Lange, TAC Chair, and Bob Helton, TAC Vice Chair, to present TAC's report regarding the progress of the TAC Structural and Procedural Review and requested feedback from Committee members. Mr. Lange and Mr. Helton presented TAC's report. Committee members and other Board members in attendance discussed TAC's proposal to establish qualification requirements for TAC members and the "shot clock" concept for accelerating TAC review of certain pending requests. Mr. Lange reviewed TAC's target timeline for implementation of changes to the stakeholder process and discussed working with ERCOT staff to ensure there is no overlap of proposed processes. Brad Jones thanked Mr. Lange and Mr. Helton on behalf of TAC, and Mr. Lange thanked the Committee for the opportunity to collaborate.

ERCOT Assessment of Independent Market Monitor (IMM) Recommendations (Agenda Item 6)

Kenan Ögelman presented the ERCOT Assessment of IMM Recommendations from the IMM's 2022 State of the Market report. Committee members and other Board members in attendance discussed the possible benefits and impacts of implementing the IMM's recommendations and proposed that an appendix be added to the Commercial Markets Update Committee Brief to help the Committee and ERCOT staff prioritize issues.

Overview of Aggregated Distributed Energy Resource (DER) Pilot Project (Agenda Item 7)

Mr. Ögelman presented the Overview of Aggregated DER Pilot Project. PUCT Commissioner Will McAdams commented on the proposed PUCT task force that would act as a forum for stakeholder participation and that would work in partnership with ERCOT staff.

Recommendation regarding Regional Planning Group (RPG) Tier 1 Transmission Projects; Bearkat – North McCamey – Sand Lake 345-kV Transmission Line Addition RPG Project; Roanoke Area Upgrades RPG Project (Agenda Items 8 and 8.1 – 8.2)

Woody Rickerson presented the Bearkat – North McCamey – Sand Lake 345-kV Transmission Line Addition RPG Project (Stage 2), which ERCOT staff independently reviewed and which



TAC voted unanimously 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). PUCT Commissioner Jimmy Glotfelty commented on challenges to transmission projects and transmission-related work by the Commission.

Carlos Aguilar moved to recommend that the Board endorse the Bearkat – North McCamey – Sand Lake 345-kv Addition RPG Project (Stage 2), which ERCOT staff independently reviewed, and which TAC voted unanimously to endorse, based on NERC and ERCOT reliability planning criteria and designate the project as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D). Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Rickerson presented the Roanoke Area Upgrades RPG Project, which ERCOT staff independently reviewed and recommended improvements known as Option 2, and which TAC voted unanimously to endorse, based on 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). Chair Flexon commented on capital cost estimates and verification.

Ms. England moved to recommend that the Board endorse the Roanoke Area Upgrades RPG Project (Option 2), which ERCOT staff independently reviewed, and which TAC voted unanimously to endorse, based on NERC and ERCOT reliability planning criteria and designate the project as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D). Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Committee Briefs (Agenda Item 9)

Chair Flexon invited ERCOT staff to present the Committee Briefs.

System Planning and Weatherization Update (Agenda Item 9.1)

Mr. Rickerson and Chair Flexon noted the preceding discussion of system planning projects under Agenda Items 8, 8.1, and 8.2, and there was no separate discussion under Agenda Item 9.1.

System Operations Update (Agenda Item 9.2)

Dan Woodfin presented the System Operations Update. Committee members and other Board members in attendance discussed future System Operations Updates including storage contributions to the ERCOT System on peak days, the duration of storage contributions, along with the cost of generation per day compared to peak costs and dispatch order on different peak days.

Commercial Markets Update (Agenda Item 9.3)

Chair Flexon noted earlier discussion of Commercial Markets under Agenda Items 6 and 7, and there was no separate discussion under Agenda Item 9.3.



Market Credit Update (Agenda Item 9.4)

Mark Ruane presented the Market Credit Update. He also reported that later in the week it was expected that a Counter-Party would default under its Standard Form Market Participant Agreement with ERCOT. He added that the Counter-Party is a small entity that filed for bankruptcy and is expected to leave the market, and if that occurs no loss to the market is expected.

Committee members and ERCOT staff discussed NPPR1126, Default Uplift Allocation Enhancement; how ERCOT analyzes the credit of traders affiliated with Resource Entities; how ERCOT accounts for default in Total Potential Exposure calculations; and how ERCOT defines unsecured guarantees in comparison to the definition of unsecured credit.

Technology and Projects Update (Agenda Item 9.5)

Venkat Tirupati, Mandy Bauld and Troy Anderson presented the Technology and Projects Update. Mr. Tirupati presented an update about the Technology Working Group, for which Mr. Tirupati serves as Chair. Ms. Bauld reviewed project-related Objectives and Key Results (OKRs). Mr. Anderson reported on the status of the overall project portfolio. Committee members discussed cost variances in comparison to duration variances.

Revision Request Status Update (Agenda Item 9.6)

Ann Boren presented the Revision Request Status Update, a new agenda item prepared at the Committee's request to track the progress of pending Revision Requests, including an appendix of Revision Requests tabled for more than four months. Committee members discussed the disposition of Revision Requests that have been tabled for a long period and the process TAC is developing for accelerating the stakeholder process for certain Revision Requests.

Other Business (Agenda Item 10)

No other business was discussed at this time.

Vote on Matters from Executive Session (Agenda Item 11); Adjournment (Agenda Items 11 and 12)

Chair Flexon announced that Executive Session would not reconvene and that there were no voting items from Executive Session earlier. Chair Flexon adjourned the meeting at approximately 7:01 p.m.

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

Jonathan M. Levine
Assistant Corporate Secretary