



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

8000 Metropolis Drive (Building E), Suite 100, Boardroom B
Austin, Texas 78644
August 16, 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 (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	N/A	Voting
Flores, Bill (Vice Chair)	N/A	Voting
Foster, Paul (Chair)	N/A	Voting
Heeg, Peggy	N/A	Voting
Jones, Brad	ERCOT President and Chief Executive Officer (CEO)	Non-Voting
Lake, Peter	Public Utility Commission of Texas (PUCT, Commission), Chairman	Non-Voting
Smati, Zin	N/A	Voting
Swainson, John (<i>Via Teleconference</i>)	N/A	Voting

Officers and Guests:

Officer/Guest	Role
Bigbee, Nathan	ERCOT Deputy General Counsel
Billo, Jeff	ERCOT Director of Operations Planning
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
Gleason, Brandon	ERCOT Deputy General Counsel
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
Jackson, Kathleen	PUCT Commissioner
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
Rychetsky, Penny	ERCOT Director of Internal Audit
San Miguel, Senaida	Texas Sunset Advisory Commission, Policy Analyst
Schein, Chris	ERCOT Interim Head of Communications
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 (Agenda Item 1)

Paul Foster, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 9:08 a.m.

Chair Foster welcomed new PUCT Commissioner Kathleen Jackson to her first Board meeting after being sworn in last week. Chair Foster recognized Peter Lake, Chairman of the PUCT. Chairman Lake called an Open Meeting of the Commission to order to consider matters that had been duly posted with the Texas Secretary of State for August 16, 2022. Chairman Lake also welcomed Commissioner Jackson to the meeting.

Chair Foster reported there were no proxies for the meeting and that Board member John Swainson had joined the meeting via teleconference for non-voting participation only. Chair Foster highlighted the Antitrust Admonition.

Board Ratification and PUC Action on CEO Matters

Chair Foster reported that yesterday (August 15, 2022), the Board held an urgent meeting to address urgent, time-sensitive personnel matters and discussed the reason for holding the urgent meeting. He reported that at the end of the meeting, the Board voted to approve two personnel matters discussed in Executive Session involving the selection of Pablo Vegas as



ERCOT's President and CEO to begin on October 1, 2022 and the execution of an employment agreement with Mr. Vegas. Chair Foster and Board Vice Chair Bill Flores commented on Mr. Vegas' selection. Chair Foster indicated that, consistent with the Public Utility Regulatory Act, ERCOT's Bylaws require that actions taken by the Board on notice of less than seven days be ratified at the Board's next regular meeting. Chair Foster entertained a motion to ratify the action taken at the August 15, 2022 urgent Board meeting to approve the two personnel matters discussed in Executive Session.

Vice Chair Flores moved to ratify the action taken at the August 15, 2022 urgent Board meeting. Julie England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chair Foster recognized Chairman Lake. At Chairman Lake's invitation, the other PUCT Commissioners also commented on Mr. Vegas and thanked Mr. Jones for his service. Following discussion, Chairman Lake entertained a motion. Commissioner Will McAdams moved that the Commission approve Pablo Vegas as CEO of ERCOT and approve his compensation as described in the term sheet delivered to the Commissioners by ERCOT. Commissioner Lori Cobos seconded the motion. The motion for Commission approval passed by unanimous voice vote with no abstentions.

Board members discussed the selection process and Mr. Vegas's background and experience. They also thanked Interim President and CEO Brad Jones for his service.

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

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

Chair Foster announced that on the agenda for the meeting, which was posted publicly on August 9, 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.

Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval (Agenda Items 3, 3.1, 3.1.1 – 3.1.7, and 3.2)

Chair Foster presented the Consent Agenda. Mr. Seely reviewed the cost impacts of the Revision Requests on the Consent Agenda. Chair Foster entertained a motion to approve the Consent Agenda as follows:

- NPRR1085, Ensuring Continuous Validity of Physical Responsive Capability (PRC) and Dispatch through Timely Changes to Resource Telemetry and Current Operating Plans (COPs);
- NPRR1131, Controllable Load Resource Participation in Non-Spin;
- NPRR1133, Clarify Responsibilities for Submission of Planning Model Data for DC Ties;
- NPRR1134, Related to RMGRR168, Modify ERCOT's Mass Transition Responsibilities;
- NPRR1135, Add On-Line Status Check for Resources Telemetering OFFNS for Ancillary Service Imbalance Settlements;



- NPRR1136, Updates to Language Regarding a QSE Moving Ancillary Service Responsibility Between Resources;
- NPRR1137, Updates to Section 1.1 to Modify the OBD List Review Timeline and Other Clarifications;
- OBDRR040, ORDC Changes Related to NPRR1131, Controllable Load Participation in Non-Spin;
- PGRR101, Related to NPRR1133, Clarify Responsibilities for Submission of Planning Model Data for DC Ties;
- RMGRR168, Modify ERCOT's Mass Transition Responsibilities;
- SCR822, Create Daily Energy Storage Integration Report and Dashboard; and
- Reliability Unit Commitment (RUC) Cost Scaling Parameter Change.

Ms. England moved to recommend approval of the Consent Agenda as presented. Bob Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

General Session Meeting Minutes; June 21, 2022 Meeting; July 29, 2022 Urgent Meeting (Agenda Items 4 and 4.1 – 4.2)

Chair Foster entertained a motion to approve the General Session Meeting Minutes (Minutes) from the June 21, 2022 Board meeting and the July 29, 2022 urgent Board meeting.

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

CEO Update (Agenda Item 5)

Brad Jones presented the CEO Update. He recognized ERCOT Operators for their effective work during July's hot weather event. Mr. Jones stated that it was his last Board meeting as Interim President and CEO, though he will assist Mr. Vegas during the transition, and thanked Market Participants, the Board, ERCOT staff, and Texas consumers.

Load Forecasting Overview (Agenda Item 6)

Jeff Billo presented the Load Forecasting Overview, including the various load forecasts that ERCOT uses for operations, transmission planning and financial budget planning. Board members and Mr. Billo discussed the number of models ERCOT staff uses to forecast Load, back-cast analyses, ways to improve forecasting, and forecasting of crypto loads.

Independent Market Monitor (IMM) Report (Agenda Item 7)

Carrie Bivens presented the IMM Report.

TAC Report; Non-Unanimous Revision Requests Recommended by TAC for Approval; NPRR1142, ERS Changes to Reflect Updated PUCT Rule Changes re SUBST. R. 25.507 – URGENT; OBDRR042, Related to NPRR1142, ERS Changes to Reflect Updated PUCT Rule Changes re SUBST. R. 25.507 – URGENT (Agenda Items 8, 8.1 and 8.1.1 – 8.1.2)

Clif Lange, TAC Chair, presented the TAC Report.



Chair Foster entertained a motion to approve the following Non-Unanimous Revision Requests recommended by TAC for approval:

- NPRR1142, ERS Changes to Reflect Updated PUCT Rule Changes re SUBST. R. 25.507 – URGENT; and
- OBDRR042, Related to NPRR1142, ERS Changes to Reflect Updated PUCT Rule Changes re SUBST. R. 25.507 – URGENT.

Carlos Aguilar moved to approve NPRR1142 and OBDRR042, each as presented. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Executive Session; Vote on Matters from Executive Session (Agenda Item 17)

Chair Foster recessed General Session at approximately 10:23 a.m. and convened Executive Session at approximately 10:53 a.m. Chair Foster reconvened General Session at approximately 2:59 p.m.

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

Vice Chair Flores moved to select ERCOT’s 401(k) Savings Plan Auditor as recommended by the F&A Committee and as discussed during Executive Session. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Vice Chair Flores moved to approve the litigation matter discussed during Executive Session under Agenda Item ES 7.2. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Board-Tabled Revision Requests; NPRR1112, Reduction of Unsecured Credit Limits – URGENT; ERCOT Presentation on Information Requested by Board; ERCOT Statement; TAC Advocate Statement; Background Information (Agenda Items 9, 9.1, and 9.1.1 – 9.1.4)

At Chair Foster’s request, Mr. Seely introduced NPRR1112, which the Board tabled at its April 28, 2022 and June 21, 2022 meetings. Chair Foster invited ERCOT staff to present additional information requested by the Board and ERCOT’s position on NPRR1112, and Darrell Cline of City of Garland to present TAC’s position. Kenan Ögelman presented the ERCOT Presentation on Information Requested by Board and ERCOT Statement. Mr. Cline presented the TAC Advocate Statement. Following Board discussion, Chair Foster entertained a motion regarding NPRR1112.

Mr. Flexon moved to reject the TAC Recommendation on NPRR1112; and to recommend approval of NPRR1112 as recommended by TAC in the April 13, 2022 TAC Report as amended by the March 18, 2022 ERCOT comments, and the December 22, 2021 Impact Analysis, with a priority of 2022 and rank of 3630 and a proposed effective date of upon system implementation and October 1, 2023. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.



ERCOT Recommendations 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 1, Registration and Market Segment; Directive 11, Cost Allocation; Directive 12, QSE Costs (Agenda Items 10 and 10.1 – 10.3)

Nathan Bigbee presented ERCOT staff's determinations regarding Directives 1, 11, and 12 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.

Vice Chair Flores moved to accept ERCOT staff's determinations on Commission Directives 1, 11, and 12, each as presented. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Bearkat – North McCamey – Sand Lake 345-kV Transmission Line Addition RPG Project (Agenda Item 11)

Woody Rickerson presented the Bearkat – North McCamey – Sand Lake 345-kV Transmission Line Addition Regional Planning Group (RPG) Project (Stage 2), which ERCOT staff independently reviewed and which TAC and the Reliability and Markets (R&M) Committee each 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). Chair Foster entertained a motion.

Mr. Flexon moved to endorse the need for the Bearkat – North McCamey – Sand Lake 345kV Addition RPG Project, which ERCOT staff independently reviewed and which TAC and the R&M Committee each voted unanimously to endorse, based on NERC and ERCOT reliability planning criteria, and to 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.

Roanoke Area Upgrades RPG Project (Agenda Item 12)

Mr. Rickerson presented the Roanoke Area Upgrades RPG Project, which ERCOT staff independently reviewed and recommended improvements known as Option 2, and which TAC and the R&M Committee each 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 Foster entertained a motion.

Ms. England moved to endorse the need for the Roanoke Area Upgrades RPG Project, which ERCOT staff independently reviewed and which TAC and the R&M Committee each voted unanimously to endorse, based on NERC and ERCOT reliability planning criteria, and to designate the project as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D). Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Finance and Audit (F&A) Committee Report; Acceptance of ERCOT’s 401(k) Savings Plan Audit Report (Agenda Items 13 and 13.1)

Vice Chair Flores, Finance and Audit (F&A) Committee Chair, reported that the F&A Committee met the prior day and highlighted items discussed at the F&A Committee meeting. He presented the F&A Committee’s recommendation regarding the acceptance of ERCOT’s 401(k) Savings Plan Audit Report. **Vice Chair Flores moved to accept the ERCOT 2021 401(k) Savings Plan Audit Report as recommended by the F&A Committee. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Human Resources and Governance (HR&G) Committee Report (Agenda Item 14)

Ms. Heeg, Human Resources and Governance (HR&G) Committee Chair, reported that the HR&G Committee met the prior day and highlighted items discussed at the HR&G Committee meeting, including discussion of amending the company’s Bylaws to give Board ownership of the governance documents without approval by the Corporate Members. Chairman Lake commented on Texas Senate Bill 2, the Legislature’s intent, and the TAC structural redesign. Chair Foster commented on Senate Bill 2, and Mr. Flexon, R&M Committee Chair, discussed the R&M Committee’s work with TAC on structural changes and how the outcome of this work may impact the R&M Committee charter.

Reliability and Markets (R&M) Committee Report (Agenda Item 15)

Mr. Flexon reported that the R&M Committee met the prior day and highlighted items discussed at the R&M Committee meeting.

Other Business (Agenda Item 16)

No other business was discussed.

Adjournment (Agenda Item 18)

Chair Foster adjourned the meeting at approximately 3:52 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