



**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
October 17, 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 (OPUC), Interim Public Counsel	Voting
England, Julie	N/A	Voting
Flexon, Bob (Chair)	N/A	Voting
Smati, Zin	N/A	Voting
Swainson, John	N/A	Voting

Other Board Members:

Director	Affiliation/Role (if any)	Voting Category
Flores, Bill	N/A	Voting
Foster, Paul (<i>Not Present for Agenda Items 1 – 3</i>)	N/A	Voting
Heeg, Peggy	N/A	Voting
Lake, Peter	Public Utility Commission of Texas (PUCT, Commission), Chairman	Non-Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Bauld, Mandy	ERCOT Senior Director of Project Management Office



Boren, Ann	ERCOT Manager of Market Rules and Stakeholder Support
Cobos, Lori	PUCT Commissioner (<i>Not Present for Agenda Items 1 – 3</i>)
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
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 (<i>Not Present for Agenda Items 1 – 8</i>)
Jones, Brad	ERCOT Executive Advisor
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Maggio, David	ERCOT Director of Market Design and Analytics
Mannepalli, Ajay	ERCOT Director of Information Technology Architecture and Strategy
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 of 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
Taylor, Sean	ERCOT Vice President and Chief Financial Officer
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 meeting to order at approximately 9:00 a.m. He 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 October 10, 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.

August 15, 2022 General Session Meeting Minutes (Agenda Item 3)

Chair Flexon entertained a motion to approve the August 15, 2022 General Session Meeting Minutes (Minutes).

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



Break

Chair Flexon recessed General Session for break at approximately 9:06 a.m. and reconvened General Session at approximately 9:30 a.m.

Report on Annual TAC and Subcommittee Structural/Procedural Review (Agenda Item 4)

Bob Helton, TAC Vice Chair, presented the Report on Annual TAC and Subcommittee Structural/Procedural Review. Committee members and other Board members discussed whether existing Market Segments continue to reflect the current state of the market and range of participants. Committee members, other Board members, and Mr. Helton discussed differences between the current Urgent Revision Request process and the proposed Priority Revision Request process; the appropriate time to include stakeholders in the proposed process; the Independent Market Monitor's (IMM's) participation; whether TAC representatives should be required to be employees of Market Participants; and the basis for exempting from TAC Representative qualification requirements Residential Consumer representatives of OPUC. Committee members recommended coordination of TAC structural changes with adoption of an R&M Committee charter.

Retirement of Credit Work Group (Agenda Item 5)

Mr. Seely and Jonathan Levine presented the Retirement of Credit Work Group, highlighting the history of the group's creation and the basis for the anticipated Board vote to disband the group in December 2022.

Committee Charter Update (Agenda Item 6)

Mr. Levine presented the Committee Charter Update, including anticipated Committee and Board votes on a final draft charter in December 2022. Committee members discussed considering the charter a living document that may need to be revised in 2023, and the timeline for charter adoption in relation to retirement of the Credit Work Group. ERCOT Legal staff confirmed that Section IV(A), Committee Oversight Function, of the previous draft charter was revised in subsection (5) to retain the provision that the Committee in performing its duties and responsibilities may consider regional agency and federal agency reports, while other considerations in subsection (5) were integrated into appropriate subsections of Section IV(B), Committee's Reliability and Markets Duties and Responsibilities.

Annual Committee Self-Evaluation Process (Agenda Item 7)

Chair Flexon noted that a memorandum was included in the meeting materials describing a tentative work plan for the Board's development of standard Committee Self-Evaluation surveys beginning in 2023.

Recommendation regarding Aggregate Distributed Energy Resource (DER) Pilot Project (Agenda Item 8)

David Maggio presented the Recommendation regarding Aggregate DER Pilot Project. Committee members and Mr. Maggio discussed rules for participation, whether entities participating are eligible for ERCOT Membership, and whether other Independent System Operators or Regional Transmission Organizations have similar capabilities. They also discussed the function of the pilot project's task force and the importance of a clear pilot project



end date. Committee members requested regular updates throughout Phases 1 and 2 and a full debriefing to the Board regarding Phase 1 prior to undertaking any subsequent phase. PUCT Chairman Peter Lake thanked Commissioners Will McAdams and Jimmy Glotfelty for their work on this initiative.

Chair Flexon entertained a motion to recommend approval of the Aggregate DER Pilot Project. **Julie England moved to recommend that the Board approve the Aggregate DER Pilot Project as presented. John Swainson 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)

Woody Rickerson presented the System Planning and Weatherization Update. Committee members, PUCT Commissioners, and Mr. Rickerson discussed the percentage of transmission projects that are needed for reliability versus economic reasons; assessing the performance of the Seasonal Assessment of Resource Adequacy report; concerns about the sufficiency of the percentage of new Resources that use natural gas; the likelihood that projects in the interconnection queue will be completed and how many projects are moving into advanced stages of interconnection; and inspections of Resources for extreme heat and storm conditions.

During the System Planning and Weatherization Update, PUCT Commissioner Kathleen Jackson arrived, and Chair Flexon 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 October 17, 2022.**

System Operations Update (Agenda Item 9.2)

Dan Woodfin presented the System Operations Update. Committee members, PUCT Commissioners and Mr. Woodfin discussed Energy Storage Resource performance on high Load days; the impact of Nodal Protocol Revision Request (NPRR) 987, BESTF-3 Energy Storage Resource Contribution to Physical Responsive Capability and Real-Time On-Line Reserve Capacity Calculations, on Physical Responsive Capability; and the possibility of studying the impact of NPRR987 on the procurement of Non-Spinning Reserve Service.

Commercial Markets Update (Agenda Item 9.3)

Kenan Ögelman presented the Commercial Markets Update. Committee members and Mr. Ögelman discussed the impact of price corrections on end-use customers and the potential for price corrections to lower or raise retail prices; how the IMM derived its estimate of the cost of additional Ancillary Services procured following Winter Storm Uri; and the cost to end-use customers of additional Reliability Unit Commitments (RUCs) during this period and the potential for Phase 2 Market Redesign to mitigate the need for RUCs.

Market Credit Update (Agenda Item 9.4)

Mark Ruane presented the Market Credit Update.



Technology and Projects Update (Agenda Item 9.5)

Venkat Tirupati and Mandy Bauld presented the Technology and Projects Update. Mr. Tirupati reported on ERCOT application releases, and Ms. Bauld reported on project objectives and key results (OKR). Committee members, PUCT Commissioners, and Ms. Bauld discussed the importance of Fast Frequency Response (FFR) Advancement and ERCOT Contingency Reserve Service (ECRS) Implementation projects.

Revision Request Status Update (Agenda Item 9.6)

Ann Boren presented the Revision Request Status Update, highlighting that five to six months is the average timeline for a Revision Request to move through the stakeholder process to final PUCT approval.

Other Business (Agenda Item 10)

Chair Flexon considered discussion of Other Business. He suggested that at future meetings ERCOT staff provide inputs for the relevant forecast before discussing forecast performance, and Chairman Lake suggested focusing on forecast performance over peak hours. Pablo Vegas commented that it would be useful also to focus on whether key reliability measures are expected to be met going forward.

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

Chair Flexon announced that no voting items from Executive Session were expected; accordingly, he would adjourn the meeting immediately upon conclusion of Executive Session. Chair Flexon recessed General Session at approximately 12:38 p.m. to convene Executive session at approximately 1:00 p.m.

There were no voting items from Executive Session.

Chair Flexon adjourned the meeting upon the conclusion of Executive Session at approximately 2:55 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