



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

8000 Metropolis Drive (Building E), Suite 100, Boardroom B
Austin, Texas 78744
December 19, 2022

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Finance and Audit (F&A) 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
England, Julie	N/A	Voting
Flexon, Bob	N/A (<i>Via Teleconference for Agenda Items 1 – 3; In Person for Remainder</i>)	Voting
Flores, Bill (Chair)	N/A	Voting
Heeg, Peggy	N/A	Voting

Other Board Members:

Director	Affiliation/Role (if any)	Voting Category
Foster, Paul	N/A	Voting
Hjaltman, Courtney	Office of Public Utility Counsel (OPUC), Public Counsel	Voting
Lake, Peter	Public Utility Commission of Texas (PUCT, Commission), Chairman	Non-Voting
Smati, Zin	N/A	Voting
Swainson, John	N/A (<i>Via Teleconference</i>)	Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Black, Robert	ERCOT Vice President of Public Relations
Day, Betty	ERCOT Vice President of Security and Compliance and Chief



	Compliance Officer
George, Brittany	Weaver and Tidwell, LLP (Weaver), Partner
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
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
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
Thompson, Chad	ERCOT Director of Compliance Analysis
Tull, Melanie	Weaver, Senior Manager
Wiley, Leslie	ERCOT Treasurer
Woodfin, Dan	ERCOT Vice President of System Operations

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

Bill Flores, F&A Committee Chair, determined that a quorum was present and called the F&A Committee meeting to order at approximately 11:17 a.m. Chair Flores highlighted the Antitrust Admonition and addressed the following Agenda Items in the order below.

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

Chair Flores announced that on the agenda for the meeting, which was posted publicly on December 12, 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.

October 18, 2022 General Session Meeting Minutes (Agenda Item 3)

Chair Flores reported that after the initial draft of the October 18, 2022 General Session Meeting Minutes (Minutes) was posted on December 12, 2022, the Committee received one comment from a Board member, and a minor revision was made to the language for Agenda Item 5.1. He added that the revised draft Minutes was included with the meeting materials. Chair Flores entertained a motion to approve the Minutes.

Julie England moved to approve the Minutes as revised by the Committee. Peggy Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2022 System and Organization Control Audit; Review of Requirements for Annual System and Organization Control Audit; Results of Examination and Independence Report from the System and Organization Control Auditor (Agenda Items 4 and 4.1 – 4.2)



Chad Thompson presented the Review of Requirements for Annual System and Organization Control Audit and introduced Brittney George and Melanie Tull of Weaver. Ms. George and Ms. Tull presented the Results of Examination and Independence Report from the System and Organization Control Auditor. Ms. George reported that the result of the audit was an unmodified “clean” opinion and that no reportable exceptions were reported during the 2022 examination. She added that the auditor did provide a small number of recommendations for improvements.

Recommendation regarding Acceptance of 2022 System and Organization Control Audit Report (Agenda Item 4.3)

Mr. Thompson presented the Recommendation regarding Acceptance of 2022 System and Organization Control Audit Report (Report). Chair Flores entertained a motion to recommend that the Board accept the Report.

Ms. Heeg moved to recommend that the Board accept the 2022 System and Organization Control Audit Report as presented. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Subchapter M Securitization Update: Redemption of Bonds and Impact on Default Charges (Agenda Item 5)

Sean Taylor presented the Subchapter M Securitization Update: Redemption of Bonds and Impact on Default Charges. He provided details on the partial redemption of the Subchapter M bonds using money received from the bankruptcy settlement with Brazos Electric Power Cooperative and an example of the impact of a partial redemption on default charges.

Committee Briefs (Agenda Item 6)

Chair Flores invited Mr. Taylor and Leslie Wiley to present the Committee Briefs.

Review 2022 Financial Summary (Agenda Item 6.1)

Mr. Taylor presented the 2022 Financial Summary. Mr. Taylor and Committee members discussed how temporary holdings related to the Subchapters M and N bonds are invested and the reasons for the increase over the last several months in Congestion Revenue Right (CRR) auction receipts cash held.

Periodic Report on Investments (Agenda Item 6.2)

Ms. Wiley presented the Periodic Report on Investments and reviewed changes to the format of the report.

Periodic Report on Debt Compliance (Agenda Item 6.3)

Ms. Wiley presented the Periodic Report on Debt Compliance and reviewed changes to the format of the report.

Future Agenda Items (Agenda Item 7)

Mr. Taylor presented the Future Agenda Items. He highlighted items anticipated for the February 27, 2023 Committee meeting.



Other Business (Agenda Item 8)

No other business was discussed at this time.

Executive Session

Chair Flores recessed General Session at approximately 12:06 p.m. and convened Executive Session at approximately 12:19 p.m. Chair Flores reconvened General Session at approximately 1:30 p.m.

Vote on Matters from Executive Session (Agenda Item 9)

Chair Flores entertained a motion for two matters discussed during Executive Session.

Bob Flexon moved to recommend Board selection of the company discussed during Executive Session under Agenda Item ES 3.2 as ERCOT's Independent System and Organization Control Auditor for 2023. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Heeg moved to approve the Internal Audit matter discussed during Executive Session under Agenda Item ES 4.2. Carlos Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 9)

Chair Flores adjourned the meeting at approximately 1:40 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at http://www.ercot.com/committees/board/finance_audit/.

Jonathan M. Levine
Assistant Corporate Secretary