



**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 78744
December 19, 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
England, Julie	N/A	Voting
Flexon, Bob (Chair)	N/A	Voting
Hjaltman, Courtney	Office of Public Utility Counsel (OPUC), Public Counsel	Voting
Smati, Zin	N/A	Voting
Swainson, John	N/A (<i>Via Teleconference</i>)	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
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
Black, Robert	ERCOT Vice President of Public Affairs



Boren, Ann	ERCOT Manager of Market Rules and Stakeholder Support
Dashnyam, Sanchir	ERCOT Manager of Market Credit
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Mago, Nitika	ERCOT Manager of Balancing Operations Planning
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
Tirupati, Venkat	ERCOT Senior Director of Grid and Market Solution
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 1:43 p.m. PUCT Chairman Peter Lake reconvened the Commission's Open Meeting. Chair Flexon welcomed new Public Counsel Courtney Hjaltman to her first Committee meeting.

Chair Flexon highlighted the Antitrust Admonition and reported that one 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 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 17, 2022 General Session Meeting Minutes (Agenda Item 3)

Chair Flexon entertained a motion to approve the October 17, 2022 General Session Meeting Minutes (Minutes).

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



Recommendation regarding Committee Charter (Agenda Item 4)

Chair Flexon indicated the Committee reviewed and discussed a revised draft Charter at its last meeting in October, and based on that feedback, ERCOT staff prepared a new draft with a small number of additional revisions. Chair Flexon entertained a motion to recommend Board approval of the Committee Charter.

Ms. England moved to recommend Board approval of the R&M Committee Charter as presented. Mr. Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Recommendation regarding Retirement of Credit Work Group (Agenda Item 5)

Chair Flexon reported that the Committee discussed retirement of the Credit Work Group at its October 19, 2022 meeting, and was ready now to vote on a recommendation to the Board that the Credit Work Group be retired with the expectation that ERCOT staff will now report on market credit to the Committee and a new Credit Work Group will be formed under the Technical Advisory Committee (TAC), which can raise market credit issues with the Board. Chair Flexon entertained a motion to recommend that the Board retire the Credit Work Group.

Mr. Smati moved to recommend that the Board retire the Credit Work Group. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Recommendation regarding 2023 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements (Agenda Item 6)

Nitika Mago presented the Recommendation regarding 2023 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements. Committee members requested that at the end of 2023 ERCOT staff provide information on the performance of Ancillary Services, particularly ERCOT Contingency Reserve Service (ECRS). Chair Flexon entertained a motion to recommend that the Board approve the 2023 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements.

Mr. Smati moved to recommend the Board approve the 2023 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements as presented. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Committee Briefs (Agenda Item 7)

Chair Flexon invited ERCOT staff to present the Committee Briefs.

System Planning and Weatherization Update (Agenda Item 7.1)

Woody Rickerson presented the System Planning and Weatherization Update. He highlighted the Winter 2022-2023 Seasonal Assessment of Resource Adequacy (SARA) and changes relative to last year's Winter SARA, and he, Pablo Vegas, PUCT Chairman Peter Lake, and Committee members discussed the likelihood of the extreme risk scenarios and future SARA changes that will include probabilities for the different risk scenarios, as well as the use of historical weather data, including from Winter Storm Uri, in system planning. Mr. Rickerson also highlighted the November 2022 Capacity, Demand, and Reserves (CDR) Report, comparisons to the May 2022 CDR Report, and proposed CDR Report modifications. He and Committee



members discussed project delays and the potential impact of the Inflation Reduction Act on the number of delays, and Chairman Lake commented on the importance of the proposed CDR Report changes. Mr. Rickerson and Committee members discussed the switch from past peak-hour contribution determinations to the Effective Load Carrying Capability (ELCC) method to determine the expected capacity contribution of wind, solar, and energy storage Resources during the hours with the highest capacity shortage risk.

Mr. Rickerson reviewed future generation interconnection projects by interconnection status. He and Committee members discussed presenting data on the impact of Resource Integration and Ongoing Operations (RIOO) on generation interconnection process cycle times. They also discussed presenting data on the percentage of projects in the interconnection queue that complete the process, including by fuel type. Mr. Rickerson updated the Committee on weatherization and inspection of Generation Resources and transmission substations and switchyards.

System Operations Update (Agenda Item 7.2)

Dan Woodfin presented the System Operations Update, including data the Committee previously requested comparing the Summer 2022 SARA values to performance during times of peak demand. Mr. Woodfin and Committee members discussed the recent implementation of standalone reporting on Energy Storage Resources in the SARA, and the use of Non-Spinning Reserve on November 26, 2022.

Commercial Markets Update (Agenda Item 7.3)

Kenan Ögelman presented the Commercial Markets Update, including an update on the Aggregate Distributed Energy Resource Pilot Project. Committee members and Mr. Ögelman discussed the use of Peaker Net Margin in the ERCOT market rules.

Market Credit Update (Agenda Item 7.4)

Mr. Ögelman introduced new ERCOT Manager of Market Credit, Sanchir Dashnyam. Mr. Dashnyam presented the Market Credit Update. Committee members, Mr. Dashnyam, Mr. Ögelman, and Jayapal Parakkuth discussed a recent software error that created an issue with the calculation of credit, as well as changes made to consistently use Coordinated Universal Time (UTC) to address the issue.

Technology and Projects Update (Agenda Item 7.5)

Venkat Tirupati and Mandy Bauld presented the Technology and Projects Update. Mr. Tirupati reported on recent ERCOT application release and technology health upgrades. Committee members and Mr. Tirupati discussed adding the percentage of nameplate capacity, possibly including Outage percentages or similar data, to the Fuel Mix Dashboard. Ms. Bauld presented the status of 2022 Objectives and Key Results (OKR) projects.

Revision Request Status Update (Agenda Item 7.6)

Ann Boren presented the Revision Request Status Update, highlighting Revision Requests to be considered at the December 20, 2022 Board meeting or otherwise in process, including those tabled over six months.



Other Business (Agenda Item 8)

No other business was discussed at this time.

Vote on Matters from Executive Session (Agenda Item 11); Adjournment (Agenda Item 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 adjourned General Session at approximately 3:15 p.m.

There were no voting items from Executive Session.

Chair Flexon adjourned the meeting upon the conclusion of Executive Session at approximately 4:28 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