



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

8000 Metropolis Drive (Building E), Suite 100, Boardroom B
Austin, Texas 78744
February 27, 2023

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Human Resources and Governance (HR&G) 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
Heeg, Peggy (Chair)	N/A	Voting
Hjaltman, Courtney	Office of Public Utility Counsel (OPUC), Public Counsel (<i>Not Present for Agenda Item 14</i>)	<i>Ex Officio</i> (voting)
Pokharel, Nabaraj	OPUC, Director of Energy Market and Regulatory Policy (<i>Alternate Representative for Public Counsel Courtney Hjaltman for Agenda Item 14 Only</i>)	<i>Ex Officio</i> (voting)
Swainson, John	N/A	Voting

Other Board 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</i>)	Voting
Flores, Bill	N/A	Voting
Foster, Paul	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
Black, Robert	ERCOT Vice President of Public Affairs
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations
Jackson, Kathleen	PUCT Commissioner
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
McAdams, Will	PUCT Commissioner
Parakkuth, Jayapal	ERCOT Vice President and Chief Information Officer
Rainwater, Kim	ERCOT Corporate Counsel
Rejino, Tara	PUCT Chief of Staff, Chairman Peter Lake
Rickerson, Woody	ERCOT Vice President System Planning and Weatherization
Rychetsky, Penny	ERCOT Director of Internal Audit
Seely, Chad V.	ERCOT Senior 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
Zerwas, Rebecca	ERCOT State Policy Principal and Board Liaison

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

Peggy Heeg, HR&G Committee Chair, determined that a quorum was present and called the HR&G Committee meeting to order at approximately 8:37 a.m.

Chair Heeg announced that since the December 19, 2022 Committee meeting, Board and Committee member Zin Smati had resigned from the Board. She thanked Mr. Smati for his service, and also announced that the ERCOT Board Selection Committee is working on filling the vacancy.

Chair Heeg recognized Peter Lake, Chairman of the PUCT. 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 February 27, 2023. Chair Heeg highlighted the Antitrust Admonition and addressed the following Agenda Items in the order below.

Designation of Committee Secretary (Agenda Item 2)

Chair Heeg entertained a motion for Committee Secretary.

John Swainson moved to designate Chad Seely, ERCOT Senior Vice President, General Counsel and Corporate Secretary, or his designee as Committee Secretary. Courtney Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Notice of Public Comment, if Any (Agenda Item 3)

Chair Heeg announced that on the agenda for the meeting, which was posted publicly on February 20, 2023, 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 Mr. Seely confirmed.

December 19, 2022 General Session Meeting Minutes (Agenda Item 4)

Chair Heeg entertained a motion to approve the December 19, 2022 General Session Meeting Minutes (Minutes).

Mr. Swainson moved to approve the Minutes as presented. Ms. Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Annual Review of Board Committee Charters and Membership (Agenda Item 5)

Chair Heeg reported the HR&G Committee had reviewed the charters of the Board committees and found the scopes to be adequate. She announced Committee membership may be evaluated when the current vacancy on the Board is filled.

Recommendation regarding Committee Charter (Agenda Item 5.1)

Chair Heeg presented the Committee Charter and reported that minor revisions were proposed for 2023 as summarized in the memorandum included with the meeting materials. Chair Heeg entertained a motion to recommended Board approval of the revised HR&G Committee Charter as presented.

Mr. Swainson moved to recommend Board approval of the Committee Charter as presented. Ms. Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Election of Chief Executive Officer and Ratification of Officers for ERCOT and Special Purpose Entities; Recommendation regarding Election of Chief Executive Officer and Ratification of Officers of ERCOT; Recommendation regarding Ratification of Officers of Texas Electric Market Stabilization Funding M LLC; Recommendation regarding Ratification of Officers of Texas Electric Market Stabilization Funding N LLC (Agenda Items 6 and 6.1 – 6.3)

Chair Heeg reported the Bylaws require annual Board election of ERCOT's CEO and ratification of ERCOT's officers. She announced that ERCOT staff had also recommended that the Board ratify the officers of ERCOT's two securitization-related special purpose entities, Texas Electric Market Stabilization Funding M LLC (TEMSFM) and Texas Electric Market Stabilization Funding N LLC (TEMSFN).

Mr. Swainson moved to recommend that the Board (1) elect Pablo Vegas as Chief Executive Officer and ratify the officers of ERCOT; (2) ratify the officers of TEMSFM; and (3) ratify the officers of TEMSFN, each as presented. Ms. Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Annual Review of Form Ethics Agreements for Directors and Employees; Recommendation regarding Proposed Modifications to Form Ethics Agreement for Directors (Agenda Items 7 and 7.1)

Jonathan Levine presented the Annual Review of Form Ethics Agreements for Directors and Employees. Mr. Levine reported that no changes were proposed to the Employee Ethics and Confidentiality Agreement and noted that a copy was included with the meeting materials.

Mr. Levine presented the Recommendation regarding Proposed Modifications to Form Ethics Agreement for Directors (Director Agreement). He reported that revisions were proposed to the Director Agreement and highlighted that the changes were non-substantive. Chair Heeg entertained a motion regarding the Proposed Modifications to Form Ethics Agreement for Directors.

Mr. Swainson moved to recommend Board approval of the Proposed Modifications to Form Ethics Agreement for Directors as presented. Ms. Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources Operations Report (Agenda Item 8)

Mara Spak presented the Human Resources Operations Report.

Review Draft Self-Evaluation Survey for Board Committees (Agenda Item 9)

Chair Heeg presented the Review Draft Self-Evaluation Survey for Board Committees. Chair Heeg welcomed feedback regarding the HR&G Committee's proposed plan to revise and finalize the self-evaluation survey in anticipation of the Committees conducting them later in the year for review at the December meetings. Chair Heeg also announced in 2024, the Committee is expected to oversee an assessment of individual Board members, the entire Board, and the Board Committee structure, which the HR&G Committee Charter requires to be done periodically.

2024 Board Meeting Schedule (Agenda Item 10)

Chair Heeg invited Mr. Seely to present the 2024 Board Meeting Schedule. Mr. Seely announced that ERCOT staff will start polling Board members regarding possible 2024 meeting dates, ahead of Committee discussion and a vote on a recommendation to the Board at the April 17, 2023 Committee meeting. Committee members discussed the scope of pending Board work and meeting frequency, and expressed consensus to recommend that the Board continue the practice of scheduling six regular meetings in 2024.

Strategic Goal Update (Agenda Item 11)

Kristi Hobbs presented the Strategic Goal Update. Committee members, Mr. Vegas and Ms. Hobbs discussed the plan to execute Phase 2 Market Redesign, the Energy Management System (EMS) upgrade, and Real-Time Co-optimization (RTC), as well as the future inclusion of a key result regarding the development of a Reliability Standard. Committee members requested more background information about RTC.



Future Agenda Items (Agenda Item 12)

Chair Heeg reported that Finance and Audit Committee meetings have traditionally included a review of an annual meeting planner and a preview of upcoming agenda items. She announced going forward, Ms. Spak will be presenting a similar item for the HR&G Committee.

Ms. Spak presented the Future Agenda Items. She highlighted items anticipated for the April 17, 2023 Committee meeting, and noted that the meeting planner included with the meeting materials is still in progress.

Other Business (Agenda Item 13)

No other business was discussed at this time.

Executive Session

Chair Heeg recessed General Session at approximately 9:07 a.m. and convened Executive Session at approximately 9:13 a.m. Chair Heeg reconvened General Session at approximately 10:13 a.m.

Vote on Matters from Executive Session (Agenda Item 14)

Chair Heeg announced that Nabaraj Pokharel of OPUC was attending the remainder of the meeting as Alternate Representative in place of Ms. Hjaltman, in accordance with ERCOT Bylaws Section 4.3(d) and the HR&G Committee Charter. Chair Heeg entertained a motion for one matter discussed during Executive Session.

Mr. Swainson moved to approve the contract matter discussed during Executive Session under Agenda Item ES 4.1.1. Mr. Pokharel seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 15)

Chair Heeg adjourned the meeting at approximately 10:14 a.m.

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

Jonathan M. Levine
Assistant Corporate Secretary