



**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 78744
February 28, 2023

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
England, Julie	N/A	Voting
Flexon, Bob	N/A	Voting
Flores, Bill (Vice Chair)	N/A (<i>Not Present for Agenda Items 1 – 3</i>)	Voting
Foster, Paul (Chair)	N/A	Voting
Heeg, Peggy	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
Swainson, John	N/A	Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Bivens, Carrie	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Black, Robert	ERCOT Vice President of Public Affairs
Cobos, Lori	PUCT Commissioner
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Glotfelty, Jimmy	PUCT Commissioner
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations



Lange, Clif	South Texas Electric Cooperative, Inc. (STEC), Technical Advisory Committee (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
Rejino, Tara	Chief of Staff to PUCT Chairman Peter Lake
Rickerson, Woody	ERCOT Vice President of System Planning and Weatherization
Rychetsky, Penny	ERCOT Director of Internal Audit
Seely, Chad V.	ERCOT Senior Vice President, General Counsel and Corporate Secretary
Smith, Caitlin	Jupiter Power LLC, TAC Vice Chair
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)

Paul Foster, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 8:34 a.m.

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 February 28, 2023.

Chair Foster highlighted the Antitrust Admonition. He 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 February 21, 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 Chad Seely confirmed.

Confirmation of Technical Advisory Committee (TAC) Chair and Vice Chair for 2023 (Agenda Item 3)

Chair Foster reported that Clif Lange, STEC, and Caitlin Smith, Jupiter Power LLC, were elected by the TAC Representatives as the 2023 TAC Chair and Vice Chair, respectively. He entertained a motion for the confirmation of the TAC Chair and Vice Chair.



Carlos Aguilar moved to confirm Clif Lange of STEC as 2023 TAC Chair and Caitlin Smith of Jupiter Power LLC as 2023 TAC Vice Chair. Peggy Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval (Agenda Items 4, 4.1 and 4.1.1 – 4.1.9)

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:

- NPPRR1144, Station Service Backup Power Metering;
- NPPRR1147, Update and Improve Notification and Evaluation Processes Associated with Reliability Must-Run (RMR);
- NPPRR1149, Implementation of Systematic Ancillary Service Failed Quantity Charges;
- NPPRR1151, Protocol Revision Subcommittee Meeting Requirement;
- NPPRR1153, ERCOT Fee Schedule Changes;
- NPPRR1158, Remove Sunset Date for Weatherization Inspection Fees;
- NPPRR1159, Related to RMGRR171, Changes to Transition Process that Require Opt-in MOU or EC that are Designating POLR to provide Mass Transition Methodology to ERCOT;
- PGRR102, Dynamic Operation Model Improvement; and
- RMGRR171, Changes to Transition Process that Require Opt-in MOU and EC that are Designating POLR to provide Mass Transition Methodology to ERCOT.

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

December 20, 2022 General Session Meeting Minutes (Agenda Item 5)

Chair Foster entertained a motion to approve the December 20, 2022 General Session Meeting Minutes (Minutes).

Bob Flexon moved to approve the Minutes as presented. Board Vice Chair Bill Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

CEO Update (Agenda Item 6)

Pablo Vegas presented the CEO Update. Board members and PUCT Commissioners discussed Demand growth in Texas and the need to address the long-term Resource Adequacy issue in the ERCOT Region. Commissioners requested that capacity projections include a breakdown of battery capacity according to duration of one, two, and four hours, as well as Demand-response capability. Mr. Vegas recognized ERCOT staff, the Commission, the Railroad Commission of Texas, the Texas Department of Emergency Management, the Texas Energy Reliability Council, and OPUC for their performance during Winter Storms Elliott and Mara.



Review of Winter Storm Elliott (Agenda Item 7)

Dan Woodfin presented the Review of Winter Storm Elliott. Mr. Woodfin and Board members discussed looking at ways to improve Demand response capability.

Independent Market Monitor (IMM) Report (Agenda Item 8)

Carrie Bivens presented the IMM Report, highlighting Real-Time prices during Winter Storm Elliott. Ms. Bivens, Board members, Commissioners, and Kenan Ögelman discussed Firm Fuel Supply Service and the possible need for Protocol revisions to improve price formation during its deployment.

TAC Report (Agenda Item 9)

Clif Lange presented the TAC Report. Mr. Lange and Board members discussed 2023 TAC goals, and Board members requested TAC prioritize discussing and providing TAC's input on options for bridging solutions pending implementation of a Phase 2 Market Redesign long-term solution.

Finance and Audit (F&A) Committee Report; F&A Committee Charter; Financial Corporate Standard; Investment Corporate Standard (Agenda Items 10 and 10.1 – 10.3)

Vice Chair Flores, F&A Committee Chair, reported that the F&A Committee met the prior day and highlighted items discussed at the F&A Committee meeting, including the Committee's recommendations regarding the F&A Committee Charter, Financial Corporate Standard, and Investment Corporate Standard, and approval of the Internal Audit Department Charter.

Vice Chair Flores moved to approve (1) the F&A Committee Charter, (2) the Financial Corporate Standard, and (3) the Investment Corporate Standard, each as recommended by the F&A Committee. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources and Governance (HR&G) Committee Report; HR&G Committee Charter; Election of Chief Executive Officer and Ratification of Officers of ERCOT; Ratification of Officers of Texas Electric Market Stabilization Funding M LLC; Ratification of Officers of Texas Electric Market Stabilization Funding N LLC; Proposed Modifications to Form Ethics Agreement for Directors (Agenda Items 11 and 11.1 – 11.5)

Ms. Heeg, 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 the Committee's recommendations regarding the HR&G Committee Charter, election of CEO and ratification of officers of ERCOT, ratification of officers of Texas Electric Market Stabilization Funding M LLC (TEMSFM) and Texas Electric Market Stabilization Funding N LLC (TEMSFN), and proposed modifications to the Form Ethics Agreement for Directors (Agreement).

Ms. Heeg moved to (1) approve the HR&G Committee Charter; (2) elect Pablo Vegas as CEO and ratify the officers of ERCOT; (3) ratify the officers of TEMSFM; (4) ratify the officers of TEMSFN; and (5) approve the modifications to the Agreement, each as recommended by the HR&G Committee. Courtney Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Reliability and Markets (R&M) Committee Report; R&M Committee Charter; Market Credit Risk Corporate Standard (Agenda Items 12 and 12.1 – 12.2)

Bob Flexon, R&M Committee Chair, reported that the R&M Committee met the prior day and highlighted items discussed at the R&M Committee meeting, including the Committee's recommendations regarding the R&M Committee Charter and Market Credit Risk Corporate Standard.

Mr. Flexon moved to approve (1) the R&M Committee Charter, and (2) the Market Credit Risk Corporate Standard, each as recommended by the R&M Committee. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2022 Internal Revenue Service Form 990 Questionnaire (Agenda Item 13)

Sean Taylor presented the 2022 Internal Revenue Service (IRS) Form 990 Questionnaire and schedule for filing ERCOT's 2022 IRS Form 990. He noted the requested completion deadline of April 18, 2023.

Other Business (Agenda Item 14)

No other business was discussed at this time.

Executive Session; Vote on Matters from Executive Session (Agenda Item 15)

Chair Foster recessed General Session at approximately 9:57 a.m. and convened Executive Session at approximately 10:17 a.m. Chair Foster reconvened General Session at approximately 12:18 p.m.

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

John Swainson moved to approve the contract matter discussed in Executive Session under Agenda Item ES 2.2.1. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

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

Reconvene Executive Session; Adjournment

Chair Foster announced that the Board would now reconvene Executive Session. He noted that no further voting items from Executive Session were expected; accordingly, he would adjourn the meeting immediately upon conclusion of Executive Session. Chair Foster recessed General Session at approximately 12:20 p.m. and reconvened Executive Session at approximately 12:35 p.m. Chair Foster adjourned the meeting upon the conclusion of Executive Session at approximately 1:29 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

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