



**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
February 27, 2023

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, Public Counsel	Voting
Swainson, John	N/A	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
Anderson, Troy	ERCOT Senior Manager of Portfolio Management
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



Cobos, Lori	PUCT Commissioner
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Glotfelty, Jimmy	PUCT Commissioner
Hahne, Cynthia	ERCOT Corporate Counsel
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
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
Parakkuth, Jayapal	ERCOT Vice President and Chief Information Officer
Rainwater, Kim	ERCOT Corporate Counsel
Rejino, Tara	PUCT Chief of Staff, Commission Chairman Peter Lake
Rickerson, Woody	ERCOT Vice President of System Planning and Weatherization
Rosel, Austin	ERCOT Director of Settlements, Retail, and Credit
Rychetsky, Penny	ERCOT Director of Internal Audit
Scott, Shawn	ERCOT Senior Manager of IT Digital Services
Schue, Jamie	ERCOT Senior Corporate Counsel
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
Warnken, Pete	ERCOT Senior Manager of Resource Adequacy
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)

Bob Flexon, R&M Committee Chair, determined that a quorum was present and called the R&M Committee meeting to order at approximately 1:06 p.m. Chair Flexon 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 27, 2023. Chair Flexon highlighted the Antitrust Admonition and addressed the following Agenda Items in the order below.

Designation of Committee Secretary (Agenda Item 2)

Chair Flexon entertained a motion for Committee Secretary.

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



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

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

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

Recommendation regarding Committee Charter (Agenda Item 5)

Chair Flexon presented the Committee Charter. He reported minor revisions were being proposed for 2023 and reviewed them with the Committee. Chair Flexon entertained a motion on the Committee Charter.

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

Recommendation regarding Market Credit Risk Corporate Standard (Agenda Item 6)

Austin Rosel presented the Recommendation regarding the Market Credit Risk Corporate Standard. He reported that minor revisions were being proposed and reviewed them with the Committee. Chair Flexon entertained a motion to recommend that the Board approve the revised Market Credit Risk Corporate Standard as presented.

John Swainson moved to recommend that the Board approve the revised Market Credit Risk Corporate Standard as presented. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Phase 2 Market Redesign – Bridging Solution Options (Agenda Item 7)

Chair Flexon invited Chairman Lake to comment on Phase 2 Market Redesign and possible bridging solutions. Chairman Lake commented on the need for a bridging solution while a long-term solution is being implemented and noted that the PUCT has asked ERCOT for a recommendation. He commented that there will be no decision from the PUCT on a bridging solution until the Texas Legislature has decided on a long-term solution. Chairman Lake and Pablo Vegas commented on the Texas Legislature's interest in a bridging solution and noted that the parties working on bridging solution options understand that any bridging solution must not delay implementation of a long-term solution.

Kenan Ögelman presented Phase 2 Market Redesign – Bridging Solution Options. Committee members, other Board members, PUCT Commissioners and Mr. Ögelman discussed the impact of various options on the implementation of the Performance Credit Mechanism (PCM), and the need for market certainty and the effect of various options on Load Serving Entities' (LSEs')



ability to hedge their obligations. Committee members requested that prior to anticipated Committee and Board votes on a recommendation at their April 2023 meetings, ERCOT staff rank the options relative to Commission goals on incentivizing investment in the types of new Resources that are needed and to help preserve existing Resources' ability to remain in the market. Chairman Flexon invited the Technical Advisory Committee (TAC) to share TAC's perspectives at the April 17, 2023 R&M Committee meeting.

Committee Briefs (Agenda Item 8)

Chair Flexon invited ERCOT staff to present the Committee Briefs.

System Planning and Weatherization Update (Agenda Item 8.1)

Woody Rickerson presented the System Planning and Weatherization Update. He highlighted Large Load interconnection requests in the ERCOT Region, including projects not currently tracked by ERCOT that were identified through a recent request for information. Committee members, Mr. Rickerson and PUCT Commissioners discussed the types and locations of Large Loads under study and current means for them to participate in the wholesale market. Mr. Rickerson reported on improvements achieved through the implementation of Resource Integration and Ongoing Operations (RIOO), and reviewed success rates of planned generation projects in the interconnection queue by fuel type and the history of gas generation submitted to the queue. Mr. Rickerson provided a report on outages resulting from Winter Storm Elliott. He and Committee members and PUCT Commissioners discussed causes and locations of outages, and Pete Warnken commented on outage assumptions contained in the Winter Seasonal Assessment of Resource Adequacy (SARA).

Development of Reliability Standard (Agenda Item 8.1.1)

Mr. Rickerson presented regarding the development of a Reliability Standard for the ERCOT Region, highlighting the proposed process. Committee members, Mr. Rickerson and Dan Woodfin discussed the time needed for analysis and identifying the parameters to be used in the Reliability Standard establishment framework. Committee members requested research on the reliability standards in other Independent System Operator (ISO)/Regional Transmission Organization (RTO) markets.

System Operations Update (Agenda Item 8.2)

Dan Woodfin presented the System Operations Update, including a review of Winter Storm Mara and recent Inverter-Based Resource (IBR) and Large Flexible Load (LFL) data center events in which equipment did not ride-through faults. He reported that he intended to present a more comprehensive report on these events and mitigation activities at the April 17, 2023 Committee meeting.

Commercial Markets Update (Agenda Item 8.3)

Mr. Ögelman presented the Commercial Markets Update, including an update on the Aggregate Distributed Energy Resource Pilot Project. Mr. Ögelman reported that ERCOT staff would bring a price correction to the Committee and Board at their April 2023 meetings.



Market Credit Update (Agenda Item 8.4)

Mr. Rosel presented the Market Credit Update. Committee members requested information about Total Potential Exposure adjusted for Load growth.

Technology and Projects Update (Agenda Item 8.5)

Mandy Bauld, Shawn Scott, and Troy Anderson presented the Technology and Projects Update. Ms. Bauld reported on the status of 2023 Objectives and Key Results (OKR) projects. Mr. Scott presented on recent application release and technology health upgrades related to the ERCOT website. Mr. Anderson presented an update on the Projects Portfolio, and Committee members and Kristi Hobbs discussed the timing for completion of an Impact Analysis on the PCM. Committee members requested future reports to include a breakdown between full-time equivalents (FTEs) and contingent labor.

Revision Request Status Update (Agenda Item 8.6)

Ann Boren presented the Revision Request Status Update.

Revision Request Status Update (Agenda Item 9)

Chair Flexon reported that Finance and Audit Committee meetings have traditionally included a review of an annual meeting planner and a preview of upcoming agenda items. He announced that going forward, Mr. Ögelman will be presenting a similar item for the R&M Committee.

Other Business (Agenda Item 10)

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 4:03 p.m.

There were no voting items from Executive Session.

Chair Flexon adjourned the meeting upon the conclusion of Executive Session at approximately 5:33 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