



**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
April 17, 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 (<i>Not Present for Agenda Items 1 – 3</i>)	Non-Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Arth, Matthew	ERCOT Regulatory Counsel
Bauld, Mandy	ERCOT Senior Director of Project Management Office
Cobos, Lori	PUCT Commissioner



Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Goff, Eric	Residential Consumer Technical Advisory Committee (TAC) Representative
Gordon, David	PUCT Legal Adviser, Commission Chairman Peter Lake
Hahne, Cynthia	ERCOT Corporate Counsel
Huang, Fred	ERCOT Director of Operations Support
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations
Jackson, Kathleen	PUCT Commissioner
Kezell, David	ERCOT Director of Weatherization and Inspection
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, 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
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
Tirupati, Venkat	ERCOT Senior Director of Grid and Market Solutions
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 8:37 a.m. Chair Flexon recognized Will McAdams, Commissioner of the PUCT. Commissioner McAdams called an Open Meeting of the Commission to order to consider matters that had been duly posted with the Texas Secretary of State for April 17, 2023. Chair Flexon highlighted the Antitrust Admonition and 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 April 10, 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.



February 27, 2023 General Session Meeting Minutes (Agenda Item 3)

Chair Flexon entertained a motion to approve the February 27, 2023 General Session Meeting Minutes (Minutes).

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

Recommendation regarding Phase 2 Market Redesign – Bridging Solutions; ERCOT Staff Recommendation to Committee; Technical Advisory Committee (TAC) Recommendation to Committee; Committee Recommendation to Board (Agenda Items 4 and 4.1 – 4.3)

Chair Flexon announced the Board received a letter from OhmConnect Energy, a Market Participant that is not an ERCOT Corporate Member, opposing TAC's endorsement of ERCOT staff's recommendation for a Phase 2 Market Redesign bridge solution.

Kenan Ögelman presented the ERCOT staff recommendation for a Phase 2 Market Redesign bridge solution, which involves certain enhancements to the Operating Reserve Demand Curve (ORDC). Mr. Ögelman answered questions from Committee members, other Board members, and PUCT Commissioners regarding, among other things, methods to measure participation by Energy Storage Resources; contribution to mitigating potential impacts from the Environmental Protection Agency's (EPA's) Cross-State Air Pollution Rule (CSAPR); OhmConnect Energy's letter to the Board and how ERCOT staff's recommended bridge solution could continue to enable Market Participants to hedge energy positions; annual analysis of the bridge solution's features to help address consumer or other concerns; and the impact of the Performance Credit Mechanism (PCM) on resource adequacy and how ERCOT staff's recommendation could leverage existing processes to support resource adequacy as a bridge to that anticipated longer-term solution. Mr. Ögelman and Committee members also discussed how ERCOT staff's recommended bridge solution would be expected to reduce usage of Reliability Unit Commitment (RUC).

Caitlin Smith presented the TAC recommendation to endorse ERCOT staff's recommendation based upon a vote at the April 10, 2023 special TAC meeting, and noted six opposing votes from the Consumer Segment, as well as two abstentions. Ms. Smith summarized the Consumer Segment's concerns with TAC's recommendation and allocated a portion of her time to Eric Goff, who further discussed these concerns. Mr. Goff answered questions from Committee members and other Board members regarding impacts of price volatility on consumers. Ms. Smith, Committee members, and Mr. Ögelman discussed the Independent Market Monitor's recommendations for transparency and monitoring of the bridge solution. Following discussion, ERCOT staff agreed to report to the R&M Committee regarding the ORDC bridge solution, if ultimately approved by the PUCT, at each Committee meeting.

Chair Flexon entertained a vote on a Committee recommendation to the Board.

John Swainson moved to recommend that the Board approve the ERCOT staff-endorsed Phase 2 Market Redesign bridge solution as ERCOT's preferred bridge solution to recommend to the PUCT. Carlos Aguilar seconded the motion. The motion passed by unanimous voice vote with one abstention (Ms. Hjaltman).



Recommendation regarding Real-Time Market Price Correction – Generic Transmission Constraint (GTC) Calculation Error (Agenda Item 5)

Mr. Ögelman presented the ERCOT staff recommendation regarding Real-Time Market Price Correction – GTC Calculation Error, regarding certain Settlement Intervals on Operating Day (OD) February 5, 2023 that were incorrect. Mr. Ögelman, Dan Woodfin, and Committee members discussed the error's connection to a manual process used when the flow on a GTC reverses, and Mr. Ögelman and Jayapal Parakkuth reported that on March 2, 2023, this manual process was replaced with an automated solution. Chair Flexon entertained a motion to recommend that the Board approve the price correction as presented.

Mr. Aguilar moved to recommend that the Board (1) determine that Real-Time Locational Marginal Prices (RTLMPs), Real-Time Settlement Point Prices (RTSPPs), Real-Time Price for Energy Metered for Resources (RTRMPRs), and Real-Time Price for Energy Metered for Settlement Only Generators (RTESOGPRs) for certain Settlement Intervals on Operating Day February 5, 2023, were affected by a software calculation error, and (2) direct ERCOT staff to implement the appropriate price corrections pursuant to Protocol Section 6.3, Adjustment Period and Real-Time Operations Timeline. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Break

Chair Flexon recessed General Session for a break at approximately 9:56 a.m. and reconvened General Session at approximately 10:11 a.m.

Committee Briefs (Agenda Item 6)

Chair Flexon invited ERCOT staff to present the Committee Briefs.

System Planning and Weatherization Update (Agenda Item 6.1)

Woody Rickerson presented the System Planning and Weatherization Update and answered Committee member questions regarding battery projects in the interconnection queue. Mr. Rickerson and Pablo Vegas answered Committee member questions regarding wind forecasting under the Seasonal Assessment of Resource Adequacy (SARA) and the Effective Load Carrying Capability (ELCC) methods.

Weatherization of Wind and Solar Resources (Agenda Item 6.1.1)

David Kezell presented a report on Weatherization of Wind and Solar Resources, and Mr. Kezell and Mr. Woodfin responded to Committee member questions regarding wind forecasting and the variance from ERCOT's forecast during December 2022 and contributing factors. Mr. Kezell, Committee members, other Board members, and PUCT Commissioners discussed potential uses, costs, alternatives, inspections, best practices, and analysis for the ERCOT Region associated with various weatherization methods for new or retrofitted wind turbines. Committee members and ERCOT staff discussed initiating a request for information (RFI) to wind entities regarding weatherization measures in place or planned.



System Operations Update (Agenda Item 6.2)

Fred Huang presented the System Operations Update, and Mr. Huang and Committee members discussed the impact of the level of outages at different times of the year on the Maximum Daily Resource Planned Outage Capacity (MDRPOC).

Commercial Markets Update (Agenda Item 6.3)

Mr. Ögelman presented the Commercial Markets Update, including an update on the Aggregate Distributed Energy Resource (ADER) Pilot Project. Mr. Ögelman and Commissioners discussed ERCOT staff presenting the R&M Committee an estimate of when the first ADERs are anticipated to come online and a draft document regarding implementation of Real-Time Co-optimization (RTC).

Market Credit Update (Agenda Item 6.4)

Austin Rosel presented the Market Credit Update. Mr. Rosel highlighted the impact of load growth and other factors on Total Potential Exposure (TPE) and the impact to ERCOT and the market of recent bank funding and liquidity issues, noting that there have been no defaults or unusual collateral activity stemming therefrom, and answered questions from Committee members and other Board members.

Technology and Projects Update (Agenda Item 6.5)

Venkat Tirupati and Mandy Bauld presented the Technology and Projects Update. Mr. Tirupati presented on recent application releases and technology health upgrades related to the ERCOT website. Ms. Bauld reported on the status of 2023 Objectives and Key Results (OKR) projects. Mr. Parakkuth answered questions from Committee members regarding risks associated with the Data Center 5 (DC5) Infrastructure Refresh Program.

Revision Request Status Update (Agenda Item 6.6)

Kristi Hobbs presented the Revision Request Status Update, highlighting nine Revision Requests that would integrate Commission approval of Revision Requests, which is now required by statute, into the Protocols and Market Guides.

Reports for Q&A; Review of Draft Committee Self-Evaluation Survey; Future Agenda Items (Agenda Items 7 and 7.1 – 7.2)

Chair Flexon invited Committee members and ERCOT staff for questions and answers regarding the Draft Committee Self-Evaluation Survey and Future Agenda Items report in the meeting materials.

Other Business (Agenda Item 8)

No other business was discussed at this time.

Vote on Matters from Executive Session (Agenda Item 9); Adjournment (Agenda Item 10)

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 11:37 a.m. and convened Executive Session at approximately 12:03 p.m.



There were no voting items from Executive Session.

Chair Flexon adjourned the meeting upon the conclusion of Executive Session at approximately 1:26 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

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