



**DRAFT GENERAL SESSION MINUTES OF THE  
FINANCE AND AUDIT COMMITTEE MEETING  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

8000 Metropolis Drive (Building E), Suite 100, Boardroom B  
Austin, Texas 78744  
June 19, 2023

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Finance and Audit (F&A) 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:**

<b>Director</b>	<b>Affiliation/Role (if any)</b>	<b>Voting Category</b>
Aguilar, Carlos	N/A	Voting
England, Julie	N/A	Voting
Flexon, Bob	N/A	Voting
Flores, Bill (Chair)	N/A	Voting
Heeg, Peggy	N/A	Voting

**Other Board Members:**

<b>Director</b>	<b>Affiliation/Role (if any)</b>	<b>Voting Category</b>
Foster, Paul	N/A	Voting
Hjaltman, Courtney	Office of Public Utility Council (OPUC)	Voting
Swainson, John	N/A	Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

**Officers and Guests:**

<b>Officer/Guest</b>	<b>Role</b>
Berlin, Anna	ERCOT Associate Corporate Counsel
Black, Robert	ERCOT Vice President of Public Affairs
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Glotfelty, Jimmy	PUCT Commissioner ( <i>Not Present for Agenda Items 1 – 4</i> )
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations



Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
McAdams, Will	PUCT Commissioner
Ogelman, 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 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)**

Bill Flores, F&A Committee Chair, determined that a quorum was present and called the F&A Committee meeting to order at approximately 8:33 a.m. Chair Flores highlighted the Antitrust Admonition and addressed the following Agenda Items in the order below.

### **Notice of Public Comment, if Any (Agenda Item 2)**

Chair Flores announced that on the agenda for the meeting, which was posted publicly on June 12, 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.

### **April 18, 2023 General Session Meeting Minutes (Agenda Item 3)**

Chair Flores entertained a motion to approve the April 18, 2023 General Session Meeting Minutes (Minutes).

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

### **Committee Briefs (Agenda Item 4)**

Chair Flores invited Sean Taylor to present the Committee Briefs.

### **Review 2023 Financial Summary (Agenda Item 4.1)**

Mr. Taylor presented the 2023 Financial Summary.

### **Periodic Report on Investments (Agenda Item 4.2)**

Mr. Taylor presented the Periodic Report on Investments. He reported ERCOT is in compliance with all investment requirements.



### **Periodic Report on Debt Compliance (Agenda Item 4.3)**

Mr. Taylor presented the Periodic Report on Debt Compliance. He reported ERCOT is in compliance with all debt requirements, including securitization.

### **Recommendation regarding 2024-2025 Budget and Fee (Agenda Item 5)**

Chair Flores commented on the efforts of Board members, ERCOT staff, and others in preparing a recommended 2024-2025 Budget and Fee and invited Mr. Taylor to lead ERCOT staff's presentation of its recommendation. Mr. Taylor presented the 2024-2025 Budget and Fee. He summarized changes from the draft proposal presented at the April 18, 2023 Committee meeting. Pablo Vegas commented on the proposed system administration fee rate increase and its overall drivers. Mr. Taylor summarized projected department-level net expenditures and budget drivers and presented the assumptions used in preparing the budget. Mr. Taylor and Board members discussed progress in hiring needed incremental employees; budgeting for relocation expenses, signing bonuses, and other human resources expenses; and budget allowances for limited amounts of unexpected work.

Mr. Taylor invited members of the Executive Team to comment on departmental expenditures and associated drivers for their departments. Jayapal Parakkuth, Jeyant Tamby, Mr. Seely, Dan Woodfin, Kenan Ögelman, Woody Rickerson, and Robert Black each presented, for their departments, the principal budget drivers according to each of the three Strategic Objectives in the 2024-2028 Strategic Plan, efficiencies and savings from the last budget cycle, items deferred from the prior budget cycle, items previously cut in this budget cycle, and planned improvements and risk management. Discussion included the flexibility in the budget to handle unexpected increases in Aggregate Distributed Energy Resource (ADER) Pilot Project participation; efficiencies gained from implementation of the Resource Integration and Ongoing Operations (RIOO) system; projected personnel increases associated with software quality, the market rules team, and the ERCOT Reliability Monitor (ERM) function; priorities among anticipated system operations needs; and challenges associated with training employees on new responsibilities while also keeping up with ongoing work. At the Committee's request, Mr. Taylor summarized how the last system administration fee rate increase effective 2016 was communicated to the public, and Board members discussed the importance of an effective communications plan in regard to the proposed increase.

**Peggy Heeg moved to recommend that the Board approve the 2024-2025 Budget and Fee as presented. Carlos Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Future Agenda Items (Agenda Item 6)**

Mr. Taylor presented the Future Agenda Items. He highlighted items anticipated for the August 30, 2023 Committee meeting.

### **Other Business (Agenda Item 7)**

No other business was discussed at this time.



**Vote on Matters from Executive Session; Adjournment (Agenda Items 8 – 9)**

Chair Flores announced that no voting items from Executive Session were expected; accordingly, he would adjourn the meeting immediately upon conclusion of Executive Session. Chair Flores adjourned General Session at approximately 11:04 a.m. and convened Executive Session at approximately 11:17 a.m.

There were no voting items from Executive Session.

Chair Flores adjourned the meeting upon the conclusion of Executive Session at approximately 11:55 a.m.

Committee materials and presentations from the meeting are available on ERCOT's website at [http://www.ercot.com/committees/board/finance\\_audit/](http://www.ercot.com/committees/board/finance_audit/).

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Jonathan M. Levine  
Assistant Corporate Secretary