



**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
June 20, 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	Voting
Foster, Paul (Chair)	N/A	Voting
Heeg, Peggy	N/A	Voting
Hjaltman, Courtney	Office of Public Utility Counsel (OPUC), Public Counsel	Voting
Jackson, Kathleen	Public Utility Commission of Texas (PUCT, Commission), Interim Chair	Non-Voting
Swainson, John	N/A	Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Berlin, Anna	ERCOT Associate Corporate Counsel
Bivens, Carrie	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
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
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
Ögelman, 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
Smith, Caitlin	Jupiter Power LLC, Technical Advisory Committee (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
Zerwas, Rebecca	ERCOT State Policy Principal and Board Liaison

Call General Session to Order (Agenda Item 1)

Paul Foster, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 10:38 a.m.

Chair Foster welcomed new PUCT Interim Chair and *ex officio* Board member Kathleen Jackson to her first Board meeting. Interim Chair Jackson called an Open Meeting of the Commission to order to consider matters that had been duly posted with the Texas Secretary of State for June 20, 2023.

Chair Foster and Pablo Vegas thanked PUCT Commissioner and former PUCT Chair and *ex officio* Board member Peter Lake for his contributions as both PUCT Chair and a member of the Board.

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 June 13, 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.

Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval (Agenda Items 3, 3.1 and 3.1.1 – 3.1.9)

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:



- NPRR1161, Clarify AVR Notification Requirements for IRRs;
- NPRR1166, Protected Information Status of DC Tie Schedule Information;
- NPRR1167, Improvements to Firm Fuel Supply Service Based on Lessons Learned;
- NPRR1168, Related to RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes;
- NPRR1177, Enhance Exceptional Fuel Cost Process – URGENT;
- NPRR1178, Expectations for Resources Providing ERCOT Contingency Reserve Service – URGENT;
- NOGRR246, Related to NPRR1161, Clarify AVR Notification Requirements for IRRs;
- NOGRR253, Related to NPRR1178, Expectations for Resources Providing ERCOT Contingency Reserve Service – URGENT; and
- RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes.

Board Vice Chair Bill Flores moved to recommend approval of the Consent Agenda as presented. Bob Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

April 18, 2023 General Session Meeting Minutes (Agenda Item 4)

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

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

CEO Update (Agenda Item 5)

Pablo Vegas reported that a Voluntary Conservation Notice would be issued today pursuant to the Texas Advisory Notification System (TXANS) requesting that Texans voluntarily reduce electricity use, if safe to do so, due to extreme temperatures and forecasted record demand. Mr. Vegas presented the CEO Update. He recognized ERCOT employees for their work on both the launch of TXANS and 88th Regular Session of the Texas Legislature.

2023 Summer Outlook (Agenda Item 6)

Chair Foster invited Woody Rickerson and Kenan Ögelman to present the 2023 Summer Outlook (Agenda Items 6.1 and 6.2).

2023 Summer Weather and Operations (Agenda Item 6.1)

Mr. Rickerson presented the 2023 Summer Weather and Operations. In response to questions, Mr. Rickerson commented on the wetter conditions compared to 2022 and how this impacts temperatures, and the potential impact of battery Energy Storage Resources (ESRs) on the peak load hour as it shifts later in the day.

2023 Summer Markets and Credit (Agenda Item 6.2)

Mr. Ögelman presented the 2023 Summer Markets and Credit. Mr. Ögelman, Board members, and PUCT Commissioners discussed ERCOT Contingency Reserve Service (ECRS) price formation and how it compares with Non-Spinning Reserve Service (Non-Spin), the mix of



Resource types participating in ECRS, and the minimum Resource run-time requirement for ECRS of two hours compared to four hours for Non-Spin.

Update on EPA Regulations Impacting Dispatchable Thermal Resources (Agenda Item 7)

Mr. Seely presented the Update on EPA Regulations Impacting Dispatchable Thermal Resources, highlighting several new rules the Environmental Protection Agency (EPA) is in the process of adopting that will impact gas and coal generating facilities in the near- and longer-terms. Mr. Seely, Board members, and PUCT Commissioners discussed the impact of regulatory uncertainty on the incentivization of new generation, as well as the potential impact of the proposed Texas Regional Haze Federal Implementation Plan (FIP) on the existing ERCOT Region thermal generation fleet. Mr. Rickerson commented on the potential impact of generation retirements on local transmission and inertia, ERCOT's efforts to monitor the impacts of the Proposed Tailpipe Rule, and the expected rate of load growth attributable to electric vehicles. Mr. Seely commented on the EPA's methodology for considering the reliability impacts of proposed regulations.

Independent Market Monitor (IMM) 2022 State of the Market Report for the ERCOT Electricity Markets (Agenda Item 8)

Carrie Bivens presented the Independent Market Monitor (IMM) 2022 State of the Market Report for the ERCOT Electricity Markets. Ms. Bivens and Board members discussed Ancillary Service revenues; growth projections for new natural gas Combustion Turbine (CT) units; and the IMM's top priority recommendations for a multi-interval Real-Time Market (RTM), a 100 percent Reliability Unit Commitment (RUC) claw back, and implementation of an uncertainty product. Ms. Bivens commented that a multi-interval RTM and Real-Time Co-optimization (RTC) are complimentary, but between them RTC should be a higher priority.

TAC Report; Non-Unanimous and Other Selected Revision Requests Recommended by TAC for Approval; NPRR1143, Provide ERCOT Flexibility to Determine When ESRs May Charge During an EEA Level 3; NPRR1169, Expansion of Generation Resources Qualified to Provide Firm Fuel Supply Service in Phase 2 of the Service – URGENT; VCMRR031, Clarification Related to Variable Costs in Fuel Adders; Reliability and Markets (R&M) Committee Recommendations on Non-Unanimous Revision Requests (Agenda Items 9, 9.1, 9.1.1 – 9.1.3, and 9.2)

Caitlin Smith, TAC Vice Chair, presented the TAC Report, including TAC's recommendations regarding NPRR1143, NPRR1169 and VCMRR031. Mr. Flexon, R&M Committee Chair, commented on the R&M Committee's recommendations regarding NPRR1143, NPRR1169 and VCMRR031. **Mr. Flexon moved to recommend that the Board recommend approval of NPRR1143 and VCMRR031 as recommended by TAC, and NPRR1169 as recommended by TAC in the May 23, 2023 TAC Report as amended by the June 12, 2023 ERCOT comments. Mr. Swainson seconded the motion. The motion passed my unanimous voice vote with no abstentions.**

Legislative Update (Agenda Item 10)

Robert Black and Mr. Seely presented the Legislative Update, regarding the 88th Regular Session of the Texas Legislature, ERCOT analysis of legislation, and work with the PUCT to develop implementation timelines. Mr. Seely commented that ERCOT staff would prepare a



status report similar to the one prepared for the 87th Regular Session, and summarized the impacts of House Bill 1500 on the Board.

Finance and Audit (F&A) Committee Report; 2024-2025 Budget and Fee (Agenda Items 11 and 11.1)

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 recommendation that the Board approve the 2024-2025 Budget and Fee.

Vice Chair Flores moved to approve the 2024-2025 Budget and Fee as recommended by the F&A Committee. Peggy Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources and Governance (HR&G) Committee Report; 2024-2028 Strategic Plan; Board Compensation (Agenda Items 12 and 12.1-12.2)

Ms. Heeg, HR&G Committee Chair, reported that the HR&G Committee met earlier in the day and highlighted items discussed at the HR&G Committee meeting, including the Committee's recommendations regarding the 2024-2028 Strategic Plan and Board Compensation. Ms. Hobbs reviewed a proposed revision to the Strategic Objective 2 of the 2024-2028 Strategic Plan in response to the HR&G Committee's comments.

Ms. Heeg moved to approve the objectives and high-level priorities for the 2024-2028 ERCOT Strategic Plan, as revised by the Board consistent with the HR&G Committee's direction. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Heeg moved to approve an increase to Director compensation levels as recommended by Meridian, as reflected in *Attachment A* to the Board Decision Template, to be effective July 1, 2023, subject to the review and approval of the PUCT. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Reliability and Markets (R&M) Committee Report; Day-Ahead Market Price Correction for Certain Days in February-March 2023 – Inclusion of ESR CLRs in Load Zone Pricing (Agenda Items 13 and 13.1)

Mr. Flexon, R&M Committee Chair, reported the Committee met the previous day and highlighted items discussed at the R&M Committee meeting, including the R&M Committee's recommendation regarding the Day-Ahead Market Price Correction for Certain Days in February-March 2023 – Inclusion of ESR CLRs in Load Zone Pricing.

Mr. Flexon moved that the Board (1) determine Day-Ahead Settlement Point Prices and Day-Ahead Market Clearing Prices for Capacity for certain Operating Days in February and March 2023 were significantly affected by incorrect data being used in the calculation of Day-Ahead Market Load Distribution Factors and should be corrected, and (2) direct ERCOT staff to correct the impacted prices for the Operating Days at issue. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Other Business (Agenda Item 14)

No other business was discussed at this time.

Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Item 15 and 16)

Chair Foster announced that no 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 12:27 p.m. and convened Executive Session at approximately 1:00 p.m.

There were no voting items from Executive Session.

Chair Foster adjourned the meeting upon conclusion of Executive Session at approximately 4:50 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