



**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
August 30, 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:

Director	Affiliation/Role (if any)	Voting Category
Aguilar, Carlos	N/A (<i>Not Present for Agenda Item 3</i>)	Voting
England, Julie	N/A	Voting
Flexon, Bob	N/A	Voting
Flores, Bill (Chair)	N/A	Voting
Heeg, Peggy	N/A (<i>Not Present for Vote on Agenda Item 4</i>)	Voting

Other Board Members:

Director	Affiliation/Role (if any)	Voting Category
Capuano, Linda	N/A	Voting
Foster, Paul	N/A	Voting
Hjaltman, Courtney	Office of Public Utility Council (OPUC), Public Counsel	Voting
Jackson, Kathleen	Public Utility Commission of Texas (PUCT, Commission), Interim Chair	Non-Voting
Swainson, John	N/A (<i>Present for Agenda Items 8 – 9 Only</i>)	Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
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
Gendreau, Jeff	Baker Tilly US, LLP (Baker Tilly), Partner
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
Slaughter, Sarah	Baker Tilly, Senior Manager
Spak, Mara	ERCOT Vice President of Human Resources
Tamby, Jeyant	ERCOT Senior Vice President, Chief Administrative Officer and Chief of Staff (<i>Via Teleconference</i>)
Taylor, Sean	ERCOT Vice President and Chief Financial Officer
Woodfin, Dan	ERCOT Vice President of System Operations

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 10:30 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 August 23, 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.

June 19, 2023 General Session Meeting Minutes (Agenda Item 3)

Chair Flores entertained a motion to approve the June 19, 2023 General Session Meeting Minutes (Minutes).

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

Recommendation regarding Acceptance of 2022 ERCOT 401(k) Savings Plan Audit Report (Agenda Item 4)

Mara Spak (ERCOT) and Sarah Slaughter (Baker Tilly) presented the 2022 ERCOT 401(k) Savings Plan Audit Report. Ms. Spak reviewed 2022 plan performance against benchmarks. Ms. Slaughter reviewed the scope and results of the audit and reported that there were no findings indicating material issues with the administration of the 401(k) Savings Plan. Ms. Slaughter and Jeff Gendreau of Baker Tilly reviewed the scope and nature of audits performed pursuant to



Section 103(a)(3)(c) of the Employee Retirement Income Security Act of 1974 (ERISA), and they and Committee members discussed the nature of common collective trusts, and that “net depreciation of fair value of investments,” as used in the audited financial statements, refers to a mark-to-market value over the audited period rather than a realized value, reflecting a depreciation of investment holdings.

Carlos Aguilar moved to recommend that the Board accept the 2022 ERCOT 401(k) Savings Plan Audit Report as presented. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Committee Briefs (Agenda Item 5)

Chair Flores invited Sean Taylor to present the Committee Briefs.

Review 2023 Financial Summary (Agenda Item 5.1)

Mr. Taylor presented the 2023 Financial Summary. Mr. Taylor, Mr. Seely, Committee members, and other Board members discussed the variance to budget for personnel-related costs, the company’s practice of limiting spending in an area to what is budgeted even when currently under budget in other areas, and the expected timeline for the Commission’s review and approval of the 2024/2025 Biennial Budget submission.

Periodic Report on Investments (Agenda Item 5.2)

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 5.3)

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

Future Agenda Items (Agenda Item 6)

Mr. Taylor presented the Future Agenda Items. He highlighted items anticipated for the October 16, 2023 and December 18, 2023 Committee meetings.

Other Business (Agenda Item 7)

No other business was discussed at this time.

Executive Session (Agenda Item 8)

Chair Flores recessed General Session at approximately 11:01 a.m. and convened Executive Session at approximately 11:15 a.m. Chair Flores reconvened General Session at approximately 1:05 p.m.

Vote on Matters from Executive Session (Agenda Item 8)

Chair Flores entertained motions for three matters discussed during Executive Session.

Julie England moved to recommend that the Board select the ERCOT 401(k) Savings Plan Auditor for calendar year 2023 as discussed in Executive Session under Agenda Item ES



2.3. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Heeg moved to approve the Preapproval of Non-Audit Services as discussed in Executive Session under Agenda Item ES 2.4. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Heeg moved to recommend that the Board approve the Contract Matter as discussed in Executive Session under Agenda Item ES 2.7. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 9)

Chair Flores adjourned the meeting at approximately 1:06 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at http://www.ercot.com/committees/board/finance_audit/.

Jonathan M. Levine
Assistant Corporate Secretary

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