



**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
August 31, 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
Capuano, Linda	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
Barnes, Bill	Reliant Energy Retail Services
Berlin, Anna	ERCOT Associate Corporate Counsel
Bigbee, Nathan	ERCOT Deputy General Counsel
Bivens, Carrie	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Black, Robert	ERCOT Vice President of Public Affairs
Cobos, Lori	PUCT Commissioner <i>(Not Present for Agenda Items 1 – 4)</i>



Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
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
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
Schue, Jamie	ERCOT Senior Corporate Counsel
Seely, Chad V.	ERCOT Senior Vice President, General Counsel and Corporate Secretary
Smith, Caitlin	Jupiter Power LLC, Technical Advisory Committee (TAC) Vice Chair (<i>Via Teleconference</i>)
Smith, Stephanie	Eolian, LP
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 (Agenda Item 1)

Paul Foster, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 9:05 a.m. Chair Foster highlighted the Antitrust Admonition and welcomed new Board member Linda Capuano, who joined the Board on July 1, 2023, to her first Board meeting and thanked the ERCOT Board Selection Committee.

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

Chair Foster announced that on the agenda for the meeting, which was posted publicly on August 24, 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 – 3.1.27)

Chair Foster presented the Consent Agenda, including unopposed Revision Requests recommended by TAC for approval. Chair Foster highlighted that for NOGRR215, ERCOT requested a recommended effective date of November 1, 2023 for all sections except grey-boxed paragraph (3) of Section 11.1 and paragraph (1) of Section 11.2, which will be effective upon system implementation; for NOGRR249, ERCOT requested a recommended effective date of April 1, 2024; and for OBDRR047, ERCOT requested a recommended effective date of upon Commission approval. Mr. Seely reviewed the cost impacts of the Revision Requests. Chair Foster entertained a motion to recommend approval of the Consent Agenda as follows:

- NPRR1150, Related to NOGRR230, WAN Participant Security;

- NPPRR1163, Related to LPGRR070, Discontinuation of Interval Data Recorder (IDR) Meter Weather Sensitivity Process;
- NPPRR1164, Black Start and Isochronous Control Capable Identification;
- NPPRR1171, Requirements for DGRs and DESRs on Circuits Subject to Load Shedding;
- NPPRR1173, Changes Consistent With the Options Available to an MOU and EC Entering Retail Competition in the ERCOT Market;
- NPPRR1174, Market Participant's Return of Settlement Funds to ERCOT Following Receipt of Overpayment;
- NPPRR1175, Revisions to Market Entry Financial Qualifications and Continued Participation Requirements;
- NPPRR1176, Update to EEA Trigger Levels;
- NPPRR1182, Inclusion of Controllable Load Resources and Energy Storage Resources in the Constraint Competitiveness Test Process;
- NPPRR1183, ECEII Definition Clarification and Updates to Posting Rules for Certain Documents without ECEII;
- NPPRR1185, HDL Override Payment Provisions for Verbal Dispatch Instructions;
- NPPRR1189, Updates to Language to Clarify the Allowable Regulation Ancillary Service Trades;
- LPGRR070, Discontinuation of Interval Data Recorder (IDR) Meter Weather Sensitivity Process;
- NOGRR215, Limit Use of Remedial Action Schemes;
- NOGRR230, WAN Participant Security;
- NOGRR247, Change UFLS Stages and Load Relief Amounts;
- NOGRR249, Communication of System Operating Limit Exceedances;
- NOGRR250, Related to NPPRR1171, Requirements for DGRs and DESRs on Circuits Subject to Load Shedding;
- NOGRR251, Add Cold Weather Conditions to Template for Emergency Operations Plan;
- NOGRR252, Related to NPPRR1176, Update to EEA Trigger Levels;
- OBDRR045, Additional Revisions to Demand Response Data Definitions and Technical Specifications;
- OBDRR047, Revision to ERS Procurement Methodology regarding Unused Funds from Previous Terms;
- PGRR103, Establish Time Limit for Generator Commissioning Following Approval to Synchronize;
- PGRR108, Related to NPPRR1183, ECEII Definition Clarification and Updates to Posting Rules for Certain Documents without ECEII;
- RMGRR174, Related to NPPRR1173, Changes Consistent With the Options Available to an MOU and EC Entering Retail Competition in the ERCOT Market;
- RRGRR033, Related to NPPRR1164, Black Start and Isochronous Control Capable Identification; and
- RRGRR035, Related to NPPRR1171, Requirements for DGRs and DESRs on Circuits Subject to Load Shedding.



Board Vice Chair Bill Flores moved to recommend approval of the Consent Agenda as presented, including, for NOGRR215, a recommended effective date of November 1, 2023 for all sections except grey-boxed paragraph (3) of Section 11.1 and paragraph (1) of Section 11.2, which will be effective upon system implementation; for NOGRR249, a recommended effective date of April 1, 2024; and for OBDRR047, a recommended effective date of upon Commission approval. John Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

June 20, 2023 General Session Meeting Minutes (Agenda Item 4)

Chair Foster entertained a motion to approve the June 20, 2023 General Session Meeting Minutes (Minutes).

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

CEO Update (Agenda Item 5)

Chair Foster recognized Kathleen Jackson, Interim Chair of the PUCT. 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 August 31, 2023.

Pablo Vegas presented the CEO Update, noting a full report of summer performance would be planned for the Board's meeting in October and thanking Texans for their response to recent Conservation Appeals. Mr. Vegas invited questions or comments before discussing ERCOT's timeline for market design key initiatives. Board members, Commissioners, Mr. Vegas, and Woody Rickerson discussed whether ERCOT's Cost of New Entry (CONE) study would contemplate comprehensive costs to consumers for long-term transmission planning, as well as plans to work with consultants and the Independent Market Monitor (IMM) during development of the study. Board members, Commissioners, Mr. Vegas, and Mr. Seely discussed ERCOT's filing of comments in response to rules proposed by the Environmental Protection Agency (EPA), particularly regarding the combined impact on the existing fleet of thermal Resources and new resource investment as well as on overall reliability in the ERCOT Region. Discussion also included the Commission's Aggregated Distributed Energy Resource (ADER) pilot project; collaboration with Texas A&M University on analyzing the impact of energy efficiency, demand response and energy storage on the ERCOT System; collaboration with the Commission to prioritize various initiatives and identify metrics, benchmarks, and milestones for each initiative; and the possible formation of a task force following Governor Greg Abbott's recent directive for Commission Interim Chair Jackson, along with Commissioner Jimmy Glotfelty, to develop a working group to formulate recommendations for advancing nuclear energy in Texas.

Independent Market Monitor (IMM) Report (Agenda Item 6)

Carrie Bivens presented the Independent Market Monitor (IMM) Report. Discussion with Board members included price trends related to ERCOT Contingency Reserve Service (ECRS) and the impact of ECRS on the need for Reliability Unit Commitment (RUC); the relationship between CONE and the variety of resources in ERCOT's interconnection queue; and potential impacts on capital costs of rules proposed by the EPA.



TAC Report; Non-Unanimous and Other Selected Revision Requests Recommended by TAC for Approval; NPRR1165, Revisions to Requirements of Providing Audited Financial Statements and Providing Independent Amount; OBDRR048, Implementation of Operating Reserve Demand Curve (ORDC) Multi-Step Price Floor; VCMRR034, Excluding RUC Approved Fuel Costs from Fuel Adders; Reliability and Markets (R&M) Committee Recommendations on Non-Unanimous Revision Requests (Agenda Items 7 – 7.1.1 and 7.1.3 – 7.1.4)

Caitlin Smith, TAC Vice Chair, presented the TAC Report, including the first three of four Revision Requests TAC non-unanimously recommended for approval: NPRR1165, OBDRR048, and VCMRR034. Bob Flexon, R&M Committee Chair, commented on the R&M Committee's recommendations regarding NPRR1165, OBDRR048, and VCMRR034.

Mr. Flexon moved to recommend that the Board approve NPRR1165, OBDRR048, and VCMRR034 as recommended by TAC. Mr. Flores seconded the motion. The motion passed by unanimous voice vote with one abstention on OBDRR048 (Courtney Hjaltman).

NPRR1186, Improvements Prior to the RTC+B Project for Better ESR State of Charge Awareness, Accounting, and Monitoring – URGENT; TAC Recommendation Opposition on NPRR1186 of Eolian, LP; TAC Advocate Presentation of TAC Action on NPRR1186; ERCOT Comments on NPRR1186 (Agenda Items 7.1.2 – 7.1.2.3)

Ms. Smith presented the TAC recommendation on NPRR1186, which TAC also non-unanimously recommended for approval. Bill Barnes of Reliant Energy Retail Services presented the TAC Advocate Presentation of the TAC action. Stephanie Smith of Eolian, LP presented the TAC Recommendation Opposition. Dan Woodfin summarized the ERCOT Comments on NPRR1186 and invited questions. Board members, Mr. Rickerson, Ms. Smith, Mr. Vegas, and Mr. Woodfin discussed NPRR1186 as an interim solution pending RTC+B to identify and account for Resource State of Charge (SOC) sufficiency to meet Ancillary Service obligations for which payment is received and the need to ensure a Resource can deliver energy when committed. Mr. Flexon commented on the R&M Committee's discussions during yesterday's R&M Committee meeting and subsequent recommendation that the Board remand NPRR1186 to TAC to address the limited issue of scarcity deployment discussed by ERCOT staff in its presentation and comments, and that TAC present an updated recommendation to the Board at the October 17, 2023 Board meeting.

Mr. Flexon moved to remand NPRR1186 to TAC to address the limited scarcity deployment issue discussed by ERCOT staff in its presentation, and to direct TAC to present an updated recommendation to the Board at the October 17, 2023 Board meeting, as recommended by the R&M Committee. Carlos Aguilar seconded the motion. The motion passed my unanimous voice vote with no abstentions.

Formation of Technology and Security (T&S) Committee (Agenda Item 8)

Chair Foster presented the Formation of Technology and Security (T&S) Committee and summarized the memorandum included in the meeting materials. He reported that the Board would take up Committee assignments later under the HR&G Report.



Ms. Heeg moved to establish and appoint a committee to be known as the Technology and Security (T&S) Committee, which shall oversee technology and security functions, such as information technology, project delivery, and physical and cyber security, and perform such other functions required by law or otherwise as are necessary or appropriate to further the committee's purposes or as may from time to time be delegated to the committee by the Board, and whose membership shall be decided upon by the Board. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance and Audit (F&A) Committee Report; Acceptance of 2022 ERCOT 401(k) Savings Plan Audit (Agenda Items 9 and 9.1)

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. He presented the F&A Committee's recommendation regarding the acceptance of ERCOT's 401(k) Savings Plan Audit Report.

Vice Chair Flores moved to accept the ERCOT 2022 401(k) Savings Plan Audit Report as recommended by the F&A Committee. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources and Governance (HR&G) Committee Report; Date Change for 2023 Annual Meeting of Members; Ratification of Officers; Board Committee Assignments (Agenda Items 10 – 10.3)

Peggy Heeg, HR&G Committee Chair, reported the HR&G Committee met the prior day and highlighted items discussed at the HR&G Committee meeting, including the HR&G Committee's recommendations regarding the date change for the 2023 Annual Meeting of Corporate Members; ratification of Officer title changes for Woody Rickerson and Kristi Hobbs; and Board Committee assignments.

Ms. Heeg moved (1) that the date for the 2023 Annual Meeting of Members be changed December 19, 2023 to December 18, 2023; (2) to approve the ratification of Woody Rickerson as Senior Vice President and Chief Operating Officer and Kristi Hobbs as Vice President of System Planning and Weatherization, effective September 1, 2023; and (3) to approve the Board Committee assignments; each as recommended by the HR&G Committee. Ms. Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Reliability and Markets (R&M) Committee Report; CPS Energy – San Antonio South Reliability Regional Planning Group Project; Recommendation regarding Modifications to Letter of Credit and Surety Bond Standard Forms and Repeal of Guarantee Agreement Standard Forms (Agenda Items 11 – 11.2)

Mr. Flexon, R&M Committee Chair, reported the R&M Committee met the previous day and highlighted items discussed at the R&M Committee meeting, including the R&M Committee's recommendation regarding modifications to the Letter of Credit standard form and Surety Bond standard form and repeal of Guarantee Agreement forms, as well as the R&M Committee's



recommendation to endorse the CPS Energy – San Antonio South Reliability Regional Planning Group Project.

Mr. Flexon moved that the Board (1) approve the proposed modifications to the Letter of Credit and Surety Bond standard forms and repeal of the Guarantee Agreement standard forms; and (2) endorse the need for the Tier 1 CPS Energy – San Antonio South Reliability RPG Project (Option 5), which ERCOT staff has independently reviewed and which TAC has voted unanimously to endorse, based on NERC and ERCOT reliability planning criteria, and designate the project as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D); each as recommended by the R&M Committee. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Other Business (Agenda Item 12)

No other business was discussed at this time.

Executive Session; Vote on Matters from Executive Session (Agenda Item 13)

Chair Foster recessed General Session at approximately 11:45 a.m. and convened Executive Session at approximately 12:15 p.m. Chair Foster reconvened General Session at approximately 2:54 p.m.

Chair Foster entertained motions for two matters discussed during Executive Session.

Mr. Flores moved to select Baker Tilly US, LLP as the 2023 ERCOT 401(k) Savings Plan Auditor, as recommended by the F&A Committee and as discussed during Executive Session. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Flores moved to approve the contract matter discussed in Executive Session under Agenda Item ES 2.1.2, as recommended by the F&A Committee. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 14)

Chair Foster adjourned the meeting at approximately 2:55 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