



**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
October 17, 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
Jackson, Kathleen	Public Utility Commission of Texas (PUCT, Commission), Interim Chair	Non-Voting
Pokharel, Nabaraj	Office of Public Utility Counsel (OPUC), Director of Energy Market and Regulatory Policy (<i>Alternate Representative for Public Counsel Courtney Hjaltman</i>)	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
Cobos, Lori	PUCT Commissioner



Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Glottfelty, Jimmy	PUCT Commissioner (<i>Via Teleconference</i>)
Hobbs, Kristi	ERCOT Vice President of System Planning and Weatherization
Lange, Clif	South Texas Electric Cooperative, Inc. (STEC), Technical Advisory Committee (TAC) Chair
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 Senior Vice President and Chief Operating Officer
Rychetsky, Penny	ERCOT Director of Internal Audit
Seely, Chad V.	ERCOT Senior Vice President, General Counsel and Corporate Secretary
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
Taylor, Sean	ERCOT Vice President and Chief Financial Officer
Woodfin, Dan	ERCOT Vice President of System Operations
Zerwas, Rebecca	ERCOT Director of State Policy and PUC Relations 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 9:00 a.m.

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 October 17, 2023.

Chair Foster highlighted the Antitrust Admonition and 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 October 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.

Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval (Agenda Items 3 – 3.1.2)

Chair Foster presented the Consent Agenda, including unopposed Revision Requests recommended by TAC for 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:

- NPRR1184, Update to Procedures for Managing Interest on Cash Collateral; and
- SCR824, Increase File Size and Quantity Limits for RIOO Attachments.

John Swainson moved to recommend approval of the Consent Agenda as presented. Julie England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

August 31, 2023 General Session Meeting Minutes (Agenda Item 4)

Chair Foster entertained a motion to approve the August 31, 2023 General Session Meeting Minutes (Minutes).

Peggy Heeg moved to approve the Minutes as presented. Board Vice Chair Bill Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

CEO Update (Agenda Item 5)

Pablo Vegas presented the CEO Update. He highlighted the Energy Emergency Alert (EEA) event on September 6, 2023, factors contributing to high energy costs during summer 2023, key development focus areas, and preparations for winter 2023-2024. Board members, Commissioners, and ERCOT staff discussed responsiveness of loads to recent high prices and requests for energy conservation as well as offering behavior during high-priced intervals; summer electricity prices, including the impact of ERCOT Contingency Reserve Service (ECRS) as well as other factors not included in certain reporting on the causes of higher-priced periods, and the impact to retail customers. Discussion also included ERCOT's annual procurement methodology and actual usage of Ancillary Services; market design and legislative priorities; demand growth in the region; the potential impact of proposed Environmental Protection Agency (EPA) regulations; publishing guidance to help signal to the market the types of Resources that are needed for reliability; the importance of leveraging demand-side management and energy efficiency in addition to incentivizing the appropriate types of Resources on the supply-side of the market; and winter preparations. Board members and Mr. Vegas discussed projected timelines for completion of ERCOT key development focus areas. Mr. Vegas recognized employee contributions to summer control room operations and in developing the new Monthly Outlook for Resource Adequacy (MORA) report.

Summer 2023 Operational and Market Review (Agenda Item 6)

Dan Woodfin and Kenan Ögelman presented the Summer 2023 Operational and Market Review. Board members and Mr. Woodfin discussed a recent news article regarding ERCOT's summer review, manual actions this summer to manage the grid, and compliance with North American Electric Reliability Corporation (NERC) requirements to balance the risk of load shed on opposite sides of a transmission constraint. Mr. Ögelman reported on the potential triggering of the \$2,000 per MWh Low System-Wide Offer Cap (LCAP), with winter approaching, if the Peaker Net Margin (PNM) threshold is achieved. Discussion among Commissioners, Mr. Ögelman, and Mr. Woodfin included the ongoing need for Reliability Unit Commitments (RUC) in light of the implementation of ECRS and changes to the Operating Reserve Demand Curve (ORDC); Dispatchable



Reliability Reserve Service (DRRS); and ERCOT's ongoing Reliability Standard Study. Mr. Ögelman and Board members discussed pricing variability of renewable Resources.

Notice of Additional Capacity Request for Winter 2023-2024 Load Season (Agenda Item 7)

Woody Rickerson and Mr. Seely presented the Notice of Additional Capacity Request for Winter 2023-2024 Load Season. Mr. Rickerson summarized the request for proposal (RFP) ERCOT issued for up to 3,000 MW of additional capacity, and Mr. Seely reviewed the procurement timeline and other upcoming steps. Board members, Mr. Seely, and Mr. Rickerson discussed the different types of Resources that have submitted questions on the RFP and the consequences for non-performance.

Independent Market Monitor (IMM) Report (Agenda Item 8)

Carrie Bivens presented the Independent Market Monitor (IMM) Report, including the IMM's recent analysis of ECRS costs and summer 2023 Ancillary Services prices. Ms. Bivens and Mr. Rickerson discussed timing of ERCOT's Reliability Standard study and the interplay between the Reliability Standard and the annual ERCOT Methodologies for Determining Minimum Ancillary Service Requirements. Board members and Ms. Bivens discussed capacity losses since September 2021, due to retirements for example; how Ancillary Services relate to system reliability; and the value of avoiding load shed. Board members requested further education on the different Ancillary Service products and associated rules, possibly as a discussion item for the Reliability and Markets (R&M) Committee.

TAC Report; Non-Unanimous and Other Selected Revision Requests Recommended by TAC for Approval; NPRR1186, Improvements Prior to the RTC+B Project for Better ESR State of Charge Awareness, Accounting, and Monitoring – URGENT (Agenda Items 9 – 9.1.1)

Clif Lange, TAC Chair, presented the TAC Report, including TAC's recommendation regarding NPRR1186, which the Board, at its October 17, 2023 meeting, remanded to TAC to address the limited scarcity deployment issue discussed by ERCOT staff in its presentations to the R&M Committee and Board in October. Bob Flexon, R&M Committee Chair, commented on the R&M Committee's recommendation regarding NPRR1186.

Ms. England moved to recommend approval of NPRR1186 as recommended by TAC and to direct ERCOT to file one or more Nodal Protocol Revision Requests to strengthen the compliance and financial penalties to mitigate the reliability risk from the proposed change to NPRR1186, and to designate these as Board Priority Revision Requests pursuant to Protocols Section 21.5. Mr. Flexon seconded the motion. The motion passed my unanimous voice vote with no abstentions.

Load Zone Changes – Request of Lower Colorado River Authority (Agenda Item 10)

Mr. Seely presented Load Zone Changes – Request of Lower Colorado River Authority. Chair Foster entertained a motion regarding the addition of the Hamilton County Electric Cooperative load to Lower Colorado River Authority's (LCRA's) Load Zone.



Mr. Swainson moved to approve the addition of the Hamilton County Electric Cooperative load to LCRA's Load Zone as recommended by ERCOT staff. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance and Audit (F&A) Committee Report (Agenda Item 11)

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 2023 Financial Summary, which reported that since the June 20, 2023 Board approval of ERCOT's proposed 2024/2025 budget and system administration fee rate, the full-year 2023 favorable financial variance has increased by approximately \$36 million more than shown in the Board-approved 2024/2025 budget request. Vice Chair Flores reported that he had requested ERCOT staff submit to the Commission a revised calculation for the system administration fee rate that includes the latest forecast as discussed during yesterday's F&A Committee meeting, in anticipation of the Commission addressing ERCOT's 2024/2025 budget request at its November 2, 2023 Open Meeting. Board Chair Foster invited comments or questions, and no Board member commented. Mr. Seely indicated that based on Vice Chair Flores' request, ERCOT staff will shortly file additional materials into the PUCT docket for ERCOT budget proposals and system administration fee requests. Interim Chair Jackson thanked ERCOT staff for its additional analysis and the planned filing of supplemental materials.

Human Resources and Governance (HR&G) Committee Report (Agenda Item 12)

Ms. Heeg, HR&G Committee Chair, reported the HR&G Committee met the prior day and highlighted items discussed at the HR&G Committee meeting.

Reliability and Markets (R&M) Committee Report; R&M Committee Charter (Agenda Items 13 – 13.1)

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 the R&M Committee Charter and potential future revisions to the Charter, Board Policies and Procedures, and the Protocols.

Mr. Flexon moved to approve the R&M Committee Charter as recommended by the R&M Committee. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Technology and Security (T&S) Committee Report (Agenda Item 14)

John Swainson, T&S Committee Chair, reported the T&S Committee met the previous day and highlighted items discussed at the T&S Committee meeting, including discussions on Committee scope and the development of a T&S Committee Charter.

Annual Membership Meeting Announcement (Agenda Item 15)

Chair Foster and Mr. Seely presented the Annual Membership Meeting Announcement, reporting that the meeting would be held at the Austin Marriott Downtown on December 18, 2023 from 4:30 to 7:00 p.m., to potentially include comments by Board members, the ERCOT President and CEO, a keynote speaker, and Corporate Members.



Other Business (Agenda Item 16)

Chair Foster entertained discussion of other business.

Vice Chair Flores commented that the quantity of dispatchable generation retirements since September 2021 is 1.259 GW, which had been inquired about during the IMM Report (Agenda Item 8).

Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 17 and 18)

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 11:49 a.m. and convened Executive Session at approximately 12:15 p.m.

There were no voting items from Executive Session.

Chair Foster adjourned the meeting upon conclusion of Executive Session at approximately 2:30 p.m.

Board materials and presentations from the meeting are available on ERCOT's website at <https://www.ercot.com/committees/board>.

A handwritten signature in blue ink, appearing to read "Jonathan M. Levine".

Jonathan M. Levine
Assistant Corporate Secretary