



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

8000 Metropolis Drive (Building E), Suite 100, Boardroom B
Austin, Texas 78744
December 2, 2024

Pursuant to notice duly given, the meeting of the Reliability and Markets (R&M) 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	Voting
England, Julie (Chair)	N/A	Voting

Other Board Members:

Director	Affiliation/Role (if any)	Voting Category
Cobos, Lori	Public Utility Commission of Texas (PUCT) Commissioner	Non-Voting
Gleeson, Thomas	PUCT Chair	Non-Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Boren, Ann	ERCOT Senior Manager of Market Rules and Stakeholder Support
Collins, Keith	ERCOT Vice President of Commercial Operations
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Drake, Gordon	ERCOT Director of Market Design and Analysis
Duggirala, Ravi	ERCOT Director of Enterprise Risk Management
English, Barksdale	PUCT Deputy Executive Director
Hjaltman, Courtney	PUCT Commissioner
Hobbs, Kristi	ERCOT Vice President of System Planning and Weatherization
Jackson, Kathleen	PUCT Commissioner
Martinez, Adam	ERCOT Vice President of Enterprise Risk and Strategy
McDonald, Jeff	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director



Mereness, Matt	ERCOT Senior Director of Strategic Market Design Programs and Delivery
Parakkuth, Jayapal	ERCOT Senior Vice President and Chief Information Officer
Rainwater, Kim	ERCOT Senior Corporate Counsel
Rickerson, Woody	ERCOT Senior Vice President and Chief Operating Officer
Rosel, Austin	ERCOT Director of Settlements, Retail, and Credit
Rychetsky, Penny	ERCOT Director of Internal Audit
Rydell, Brandt	ERCOT Assistant General Counsel
Scheel, Richard	ERCOT Senior Vice President, Chief Financial Officer, and Chief Risk Officer
Woodfin, Dan	ERCOT Vice President of System Operations
Zerwas, Rebecca	ERCOT Director State Policy and PUC Relations Board Liaison

Call General Session to Order (Agenda Item 1)

Julie England, the Chair of the R&M Committee, determined that a quorum was present and called the meeting to order at approximately 1:00 p.m. Chair England confirmed a quorum was present and reminded the Committee that an Office of Public Utility Counsel (OPUC) Director has not been appointed and the Committee is a Committee of two since Bob Flexon is no longer a Board member.

Chair England recognized Thomas Gleeson, Chair of the PUCT. Chair Gleason convened an Open Meeting of the Commission to order to consider matters that had been duly posted with the Texas Secretary of State for December 2, 2024.

Chair England highlighted the Antitrust Admonition and addressed the following Agenda Items in the order below.

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

Chair England announced that on the agenda for the meeting, which was posted publicly on November 21, 2024, ERCOT had provided instructions for members of the public who were interested in commenting in person, and to date no members of the public had signed up to comment, which Kim Rainwater confirmed.

October 9, 2024 General Session Meeting Minutes (Agenda Item 3)

Chair England entertained a motion to approve the October 9, 2024, General Session Meeting Minutes (Minutes).

Carlos Aguilar moved to approve the Minutes as presented. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Annual Committee Self-Evaluation Results (Agenda Item 4)

Following the October 9, 2024 R&M Committee meeting, Board members who served on the Committee during 2024 were asked to complete a Committee Self-Evaluation Survey. Committee members discussed the Annual Committee Self-Evaluation Results. Discussion included need for more Committee members.



TAC Report regarding R&M Committee Charter Revision Requests Recommended for Board Approval; NPRR1247, Incorporation of Congestion Cost Savings Test in Economic Evaluation of Transmission Projects – URGENT; ERCOT Comments on NPRR1247; Other Comments on NPRR1247, if any (Agenda Items 5 and 5.1.2)

Caitlin Smith presented the Technical Advisory Committee (TAC) Report regarding R&M Committee Charter Revision Requests Recommended for Board Approval. TAC non-unanimously recommended NPRR1247 for approval on November 20, 2024, following Protocol Revision Subcommittee (PRS) approval of Urgent status for NPRR1247. Three TAC Representatives opposed the recommendation to approve NPRR1247 (Independent Generators Calpine Corporation and Luminant Generation, and Independent Power Marketer (IPM) Shell Energy North America). One TAC Representative abstained (Reliant, an Independent Generator). Ms. Smith discussed bases for the opposing votes.

Kristi Hobbs presented ERCOT comments on NPRR1247. Current planning criteria define tests to measure reliability and economic benefits. NPRR1247 provides an additional economic test based on congestion cost savings to consumers. Committee members and Ms. Hobbs discussed production costs savings tests compared to congestion costs savings tests, as well as the timeline for use of NPRR1247 following Commission approval.

Hearing no other comments, Chair England entertained a motion to recommend Board approval of NPRR1247.

Mr. Aguilar moved to recommend that the Board recommend approval of NPRR1247, Incorporation of Congestion Cost Savings Test in Economic Evaluation of Transmission Projects – URGENT. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Recommendations regarding Regional Planning Group (RPG) Tier 1 Transmission Projects; AEPSC Brownsville Area Improvements Transmission Project; Oncor Delaware Basin Stages 3 and 4 Project (Agenda Items 6 – 6.2)

Ms. Hobbs presented the American Electric Power Service Corporation (AEPSC) Project that would address thermal and voltage violations in the Brownsville area in Cameron County to meet reliability under North American Electric Reliability Corporation (NERC) and ERCOT Planning Guide criteria.

Mr. Aguilar moved to recommend that the Board endorse the need for the Tier 1 AEPSC Brownsville Area Improvements Transmission Regional Planning Group Project (Option 2A), which ERCOT staff has independently reviewed and which TAC has voted to endorse. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Ms. Hobbs presented Stages 3 and 4 of the Oncor Delaware Basin Project that would address voltage violations in the Culberson, Loving, Reeves, and Ward Counties in the Far West Weather Zone to meet reliability under NERC and ERCOT Planning Guide criteria. Committee members and Ms. Hobbs discussed that the Stages 3 and 4 upgrades were first identified in the 2019 Delaware Basin Load Integration Study and ERCOT did additional analysis this year to confirm that Stages 3 and 4 still met relevant reliability criteria and the Permian Basin Reliability Plan that the PUCT approved this year.

Mr. Aguilar moved to recommend that the Board endorse the need for the Tier 1 Oncor Delaware Basin Stages 3 and 4 Regional Planning Group Project, which ERCOT staff has independently reviewed and which TAC has voted to endorse. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Recommendation regarding Real-Time Market Price Correction – Incomplete Weekly Database Load (Agenda Item 7)

Gordon Drake presented the Recommendation regarding Real-Time Market Price Correction – Incomplete Weekly Database Load. For Operating Day November 1, 2024, prices met the Protocols standard of significance for correction. During a routine weekly database load update at 12:00 AM, a data transfer process experienced an issue. As a result, a few modeling components from the NOV_ML1 Network Operations Model were not added into the Market system. Committee members and Keith Collins discussed the granularity of ERCOT price corrections compared to other Independent System Operators (ISOs) / Regional Transmission Operators (RTOs). Committee members and Jayapal Parakkuth discussed corrective actions that ERCOT staff have taken to prevent future need for a similar correction.

Mr. Drake discussed an ongoing investigation of a separate, forthcoming price correction impacting a more significant number of days.

Mr. Aguilar moved to recommend the Board (1) determine that Real-Time Locational Marginal Prices (RTLMPs), Real-Time Settlement Point Prices (RTSPPs), Real-Time Price for Energy Metered for Resources (RTRMPRs), and Real-Time Price for Energy Metered for Settlement Only Generators (RTESOGPRs) for Operating Day (OD) November 1, 2024, were affected by the incomplete weekly database load update, and (2) direct ERCOT staff to implement the appropriate price corrections pursuant to Protocol Section 6.3. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

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

IMM Director Jeff McDonald presented the IMM Report. Committee members and Mr. McDonald discussed annual Energy Storage Resource (ESR) supply offers by price during the years 2022 to 2024. Mr. McDonald discussed a set of Ancillary Services Demand Curves the IMM developed to consider aspects of the ERCOT market, including software in development for Real-Time Co-optimization (RTC), that don't accommodate a purely nested approach and, based on a Commission memo from 2019 when RTC was being developed, to match the existing Operating Reserve Demand Curve (ORDC).



Committee Briefs (Agenda Item 9)

Chair England invited ERCOT staff to present the Committee Briefs.

System Planning and Weatherization Update (Agenda Item 9.1)

Kristi Hobbs presented the System Planning and Weatherization Update. Committee members and Ms. Hobbs discussed development of the Reliability Standard for the ERCOT Region, including the process to define an order of magnitude consistently across Transmission Service Providers (TSPs) of how much Load could be safely rotated in a Load shed event.

System Operations Update (Agenda Item 9.2)

Dan Woodfin presented the System Operations Update. Committee members, Ms. Hobbs, and Mr. Rickerson discussed the likelihood and lead time for studies to interconnect Large Loads. Mr. Rickerson and Mr. Woodfin discussed calculation of the Maximum Daily Resource Planned Outage Capacity (MDRPOC) and the impacts of Planned Outages that become Forced Outages when a Planned Outage extends beyond its end date. Discussion also included the frequency of updating of the Inertia Whitepaper in the Trending Topics of the ERCOT website.

Commercial Markets Update (Agenda Item 9.3)

Keith Collins presented the Commercial Markets Update. Committee members and Mr. Collins discussed pending NPRR1255, Introduction of Mitigation of ESRs, and the outlook for natural gas prices in 2025.

Real-Time Co-optimization Update (Agenda Item 9.3.1)

Matt Mereness presented the Real-Time Co-optimization (RTC) Update. Commissioners, Committee members, Barksdale English, and Mr. Mereness discussed the timeline for RTC Revision Requests to be fully approved by May to start market trials on May 5, 2025, and the extent to which IMM proposals for Ancillary Service Demand Curves could be integrated into a Revision Request for parameter/policy changes expected to be filed in January 2025.

Market Credit Update (Agenda Item 9.4)

Austin Rosel presented the Market Credit Update.

Revision Request Status Update (Agenda Item 9.5)

Ann Boren and Rebecca Zerwas co-presented the Revision Request Status Update, including a new series of slides regarding High-Impact Policy Issues in the Stakeholder Process.

Future Agenda Items (Agenda Item 10)

Woody Rickerson presented the Future Agenda Items.

Other Business (Agenda Item 12)

Chair England thanked Commissioner Cobos for service on the Board, especially in the R&M Committee. This would be Commissioner Cobos' last meeting of the R&M Committee in her current role as a Commissioner.

Executive Session; Vote on Matters from Executive Session; Adjournment (Agenda Items 13-14)



Chair England announced that no Executive Session was expected; accordingly, she would adjourn the meeting.

Chair England adjourned General Session and the meeting at approximately 3:11 p.m.

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

Chad V. Seely
Corporate Secretary

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