



**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  
February 3, 2025

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:

| <b>Director</b>                               | <b>Affiliation/Role (if any)</b> | <b>Voting Category</b> |
|---|----------------------------------|------------------------|
| Aguilar, Carlos ( <i>via Teleconference</i> ) | N/A                              | Voting                 |
| England, Julie (Chair)                        | N/A                              | Voting                 |

Other Board Members:

| <b>Director</b>   | <b>Affiliation/Role (if any)</b>                                   | <b>Voting Category</b> |
|-------------------|--|------------------------|
| Cornelius, Sig    | N/A  | Voting                 |
| Hernandez, Alex   | N/A  | Voting                 |
| Jackson, Kathleen | Public Utility Commission of Texas (PUCT, Commission) Commissioner | Non-Voting             |
| Vegas, Pablo      | ERCOT President and Chief Executive Officer (CEO)                  | Non-Voting             |

Officers and Guests:

| <b>Officer/Guest</b> | <b>Role</b>  |
|----------------------|--|
| Boren, Ann           | ERCOT Senior Manager of Market Rules and Stakeholder Support           |
| Billo, Jeff          | ERCOT Director of Operations Planning                                  |
| Collins, Keith       | ERCOT Vice President of Commercial Operations                          |
| English, Barksdale   | PUCT Deputy Executive Director   |
| Hobbs, Kristi        | ERCOT Vice President of System Planning and Weatherization             |
| 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 Deputy 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, confirmed that a quorum was present and called the meeting to order at approximately 1:00 p.m. Chair England indicated Committee member Carlos Aguilar was participating in the meeting via teleconference.

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 January 27, 2025, 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.

#### **December 2, 2024 General Session Meeting Minutes (Agenda Item 3)**

Chair England entertained a motion to approve the December 2, 2024, General Session Meeting Minutes (Minutes).

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

#### **Review of Committee Charter (Agenda Item 4)**

Chair England presented the Review of Committee Charter. Chair England indicated there are no revisions to the Charter of the R&M Committee currently proposed, and once Committee membership for 2025 is in place there may be an opportunity to re-visit potential recommendations regarding the Charter.

#### **Recommendation regarding Market Credit Risk Corporate Standard (Agenda Item 5)**

Austin Rosel presented the Recommendation regarding Market Credit Risk Corporate Standard and the proposed change to add the Chief Operating Officer to the list of oversight staff for the standard.

**Ms. England moved to recommend the Board approve the revised Market Credit Risk Corporate Standard. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

#### **Recommendation regarding 2025 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements (Agenda Item 6)**

Jeff Billo presented the Recommendation regarding 2025 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements, proposing to limit to 157 megawatts (MW) the Responsive Reserve Service (RRS) that a Resource provides using Primary



Frequency Response (PFR). The Technical Advisory Committee (TAC) unanimously endorsed the update along with corresponding *Nodal Protocol Revision Request 1257, Limit on Amount of RRS a Resource can Provide Using Primary Frequency Response* (NPRR1257), which was slated for the consent agenda at the regularly scheduled meeting of the Board of Directors (Board) on February 4, 2025. Committee members and Mr. Billo discussed calculation of the 157 MW RRS limit considering frequency, worst-case conditions, and requirements of the North American Electric Reliability Corporation (NERC). Discussion also included upcoming analysis of Ancillary Services for 2026 based on operational needs, and Committee discussion with Woody Rickerson and Barksdale English included the PUCT Reliability Standard for resource adequacy.

**Ms. England moved to recommend that the Board recommend the PUCT to authorize and approve ERCOT to implement the updated 2025 Ancillary Service Methodology, as endorsed by TAC, to be effective upon implementation of NPRR1257. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Recommendations regarding Regional Planning Group (RPG) Projects; Oncor Forney 345/138-kV Switch Rebuild Project; Oncor Venus Switch to Sam Switch 345-kV Line Project; Oncor Wilmer 345/138-kV Switch Project (Agenda Items 7 – 7.3)**

Ms. Hobbs presented the Oncor Forney 345/138-kV Switch Rebuild Project in order to meet the reliability requirements for the ERCOT System and address a thermal overload in the Kaufman County in the North Central Weather Zone. Committee members and Ms. Hobbs discussed considering the three Tier 1 projects on the agenda for today's meeting of the R&M Committee as regarding a single region of the state, and Chair England suggested Ms. Hobbs present all three projects prior to Committee votes on the recommendations. Ms. Hobbs presented Oncor Venus Switch to Sam Switch 345-kV Line Project in order to meet the reliability requirements for the ERCOT System and to address thermal overloads in the Ellis and Hill Counties in the North Central Weather Zone. Ms. Hobbs presented Oncor Wilmer 345/138-kV Switch Project in order to meet the reliability requirements for the ERCOT System and to address thermal and voltage violations in the Dallas, Kaufman, and Ellis Counties in the North Central Weather Zone.

**Ms. England moved to recommend that (1) the Board endorse the need for the Tier 1 Oncor Forney 345/138-kV Switch Regional Planning Group Project (Option 1A), which ERCOT staff has independently reviewed, and which TAC has voted to endorse based on North American Electric Reliability Corporation (NERC) and ERCOT reliability planning criteria; (2) the Board endorse the need for the Tier 1 Oncor Venus Switch to Sam Switch 345-kV Line Regional Planning Group Project (Option 1), which ERCOT staff has independently reviewed, and which TAC has voted to endorse based on NERC and ERCOT reliability planning criteria; and (3) the Board endorse the need for the Tier 1 Oncor Wilmer 345/138-kV Switch Regional Planning Group Project (Option 1), which ERCOT staff has independently reviewed, and which TAC has voted to endorse based on NERC and ERCOT reliability planning criteria. Mr. Aguilar seconded the motions. The motions passed by unanimous voice vote with no abstentions.**



### **Committee Briefs; System Planning and Weatherization Update (Agenda Items 9 – 9.1)**

Kristi Hobbs presented the System Planning and Weatherization Update. Ms. Hobbs summarized four Transmission Planning studies, including the Regional Transmission Plan (RTP) and ERCOT's filing on January 24, 2025, of a document comparing the costs and benefits of the 345-kilovolt (kV) RTP and the Texas 765-kV Strategic Transmission Expansion Plan (TX 765-kV STEP). Committee members and Ms. Hobbs discussed additional linear miles compared to additional square miles that would be needed to accommodate Right of Way for 765-kV. Discussion with Board members also included risks of adopting 765 kV; constructability of a complete buildout of 345 kV compared to 765 kV; and lessened risk of adoption considering other regions that have adopted 765 kV. May 1, 2025, was discussed as a deadline for a decision by the Commission regarding voltage for the Permian Basin. Committee members, Mr. Rickerson, and Ms. Hobbs discussed staff workload for requests to interconnect Generation to the ERCOT System. Mr. Rickerson discussed ERCOT's development of a probabilistic model to account for resource adequacy impacts due to generation deliverability constraints across the ERCOT grid.

### **System Operations Update (Agenda Item 9.2)**

Dan Woodfin presented the System Operations Update, including a January 2025 winter storms review. Committee members and Mr. Woodfin discussed the roles of wind and Battery Energy Storage during peak demand during Winter Storm Enzo, when there was relatively high wind output.

### **Commercial Markets Update (Agenda Item 9.3)**

Keith Collins presented the Commercial Markets Update, including notable outcomes in the ERCOT market for 2024. Committee members and Mr. Collins discussed comparison of the Peaker Net Margin for years other than 2021 between the years 2014 and 2024. Comparisons also included Generation retirement in the years between 2022 and 2024, and the extent to which Load Resources and Aggregate Distributed Energy Resources (ADER) could contribute to shorter-term solutions to help address Generation needs. Mr. Collins indicated ERCOT expects to file a Report on Phase 2 of the ADER Pilot Project and bring a proposed Phase 3 Governing Document for approval at the regularly-scheduled meetings of the Board of Directors in April 2025.

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

Matt Mereness presented the Real-Time Co-optimization (RTC) Update. Committee members and Mr. Mereness discussed incorporation of lessons learned and the extent to which Market Participants have prior experience with real-time co-optimization in connection with other Regional Transmission Operators / Independent System Operators (RTOs/ISOs). Discussion also included alignment between the PUCT, ERCOT, the Independent Market Monitor (IMM), and Market Participants prior to go-live of RTC plus Batteries (RTC+B) in December 2025.

### **Market Credit Update (Agenda Item 9.4)**

Austin Rosel presented the Market Credit Update, including a forthcoming Revision Request to propose changing a credit equation, the Estimated Aggregate Liability Equation, to address over-collateralization by fixing the equation's mechanics to better reflect underlying actual risk during periods of increased volatility.



#### **Revision Request Status Update (Agenda Item 9.5)**

Rebecca Zerwas and Ann Boren co-presented the Revision Request Status Update, including high-impact policy issues in the stakeholder process: RTC+B; Dispatchable Reliability Reserve Service (DRRS); and Large Load issues. Committee members, Mr. Rickerson, Dan Woodfin, and Ms. Zerwas discussed ongoing dialogue at the R&M Committee to manage forward-looking risks regarding the high-impact policy issues and other issues including State of Charge.

#### **Future Agenda Items (Agenda Item 10)**

Woody Rickerson presented the Future Agenda Items. Committee members and Mr. Rickerson discussed adding color coding to reflect changes to items on the table of future agenda items.

#### **Other Business (Agenda Item 11)**

Chair England discussed that the R&M Committee is going to begin to request increased involvement by TAC Segment Leaders on more important topics and on specific areas of interest. The October 9, 2024, R&M Committee Executive Session meeting minutes were deemed approved without a vote, in accordance with Roberts' Rules of Order (Newly Revised, 12<sup>th</sup> ed. 41:11).

#### **Vote on Matters from Executive Session; Adjournment (Agenda Items 12-13)**

Chair England announced that no Executive Session was expected. Chair England adjourned General Session and the meeting at approximately 3:08 p.m.

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

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Brandon Gleason  
Assistant Corporate Secretary