



**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
February 4, 2025

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 (<i>via Teleconference</i>)	N/A	Voting
Capuano, Linda	N/A	Voting
Cornelius, Sig	N/A	Voting
England, Julie	N/A	Voting
Flores, Bill (Chair)	N/A	Voting
Gleeson, Thomas	PUCT Chair	Non-Voting
Heeg, Peggy (Vice Chair)	N/A	Voting
Hernandez, Alex	N/A	Voting
Jackson, Kathleen	Public Utility Commission of Texas (PUCT, Commission) Commissioner	Non-Voting
Swainson, John	N/A	Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Bigbee, Nathan	ERCOT Chief Regulatory Counsel
Bonser, Drew	ERCOT Vice President and Chief Information Security Officer
Boren, Ann	ERCOT Senior Manager of Market Rules and Stakeholder Support
Collins, Keith	ERCOT Vice President of Commercial Operations
Gleason, Brandon	ERCOT Vice President, Legal and Compliance, and Assistant Corporate Secretary
Hjaltman, Courtney	PUCT Commissioner



Hobbs, Kristi	ERCOT Vice President of System Planning and Weatherization
Hughes, Gilbert	ERCOT Vice President of Public Affairs
Martinez, Adam	ERCOT Vice President of Enterprise Risk and Strategy
Parakkuth, Jayapal	ERCOT Senior Vice President and Chief Digital Officer
Rainwater, Kim	ERCOT Senior Corporate Counsel
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
Seely, Chad V.	ERCOT Senior Vice President, Regulatory Policy, General Counsel, Chief Compliance Officer, and Corporate Secretary
Smith, Caitlin	Jupiter Power LLC, Technical Advisory Committee (TAC) Chair
Spak, Mara	ERCOT Vice President of Human Resources
Urrutia, Rick	CPS Energy, Vice President of Generation Operations
Woodfin, Dan	ERCOT Vice President of System Operations

Call General Session to Order (Agenda Item 1)

Bill Flores, Board Chair, determined that a quorum was present and called the meeting of the ERCOT Board of Directors (Board) to order at approximately 10:00 a.m. Chair Flores indicated that Board member Carlos Aguilar was participating in the meeting via teleconference.

Chair Flores recognized Thomas Gleeson, Chairman of the PUCT. Chair Gleeson called an Open Meeting of the Commission to order to consider matters that had been duly posted with the Texas Secretary of State for February 4, 2025.

Chair Flores welcomed two new Board members, Sig Cornelius and Alex Hernandez, who were selected by the ERCOT Board Selection Committee to serve initial 3-year terms on the Board beginning January 27, 2025. Chair Flores welcomed back to the Board PUCT Commissioner Kathleen Jackson for a 1-year term as the rotating second PUCT Board member for 2025.

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 January 28, 2025, 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.

Committee of Technical Advisory Committee (TAC) Chair and Vice Chair for 2025 (Agenda Item 3)

Chair Flores indicated that Caitlin Smith of Jupiter Power LLC and Martha Henson of Oncor Electric Delivery Company LLC were elected by the TAC Representatives as the 2025 TAC Chair and Vice Chair, respectively. Chair Flores entertained a motion for the confirmation of the TAC Chair and Vice Chair.



Julie England moved to confirm Caitlin Smith of Jupiter Power LLC as 2025 TAC Chair and Martha Henson of Oncor Electric Delivery Company LLC as 2025 TAC Vice Chair. John Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval (Agenda Items 4 – 4.1.17)

Chair Flores took up the Consent Agenda, including unopposed Revision Requests recommended by TAC for approval. Mr. Seely reviewed the cost impacts of the Revision Requests as follows:

- NPRR1243, Revision to Requirements for Notice and Release of Protected Information or ECEI to Certain Governmental Authorities;
- NPRR1246, Energy Storage Resource Terminology Alignment for the Single-Model Era;
- NPRR1250, RPS Mandatory Program Termination;
- NPRR1251, Updated FFSS Fuel Replacement Costs Recovery Process;
- NPRR1252, Pre-notice for Sharing of Some Information, Addition of Research and Innovation Partner, Clarifying Notice Requirements;
- NPRR1253, Incorporate ESR Charging Load Information into ICCP;
- NPRR1257, Limit on Amount of RRS a Resource can Provide Using Primary Frequency Response;
- NPRR1258, TSP Performance Monitoring Update;
- NPRR1259, Update Section 15 Level Response Language;
- NPRR1260, Corrections for CLR Requirements Inadvertently Removed;
- NPRR1261, Operational Flexibility for CRR Auction Transaction Limits;
- NOGRR268, Related to NPRR1246, Energy Storage Resource Terminology Alignment for the Single-Model Era;
- NOGRR271, Related to NPRR1257, Limit on Amount of RRS a Resource can Provide Using Primary Frequency Response;
- OBDRR052, Related to NPRR1246, Energy Storage Resource Terminology Alignment for the Single-Model Era;
- PGRR117, Addition of Resiliency Assessment and Criteria to Reflect PUCT Rule Changes;
- PGRR118, Related to NPRR1246, Energy Storage Resource Terminology Alignment for the Single-Model Era; and
- SCR828, Increase the Number of Resource Certificates Permitted for an Email Domain in RIOO.

Chair Flores entertained a motion to recommend approval of the Consent Agenda as presented.

Sig Cornelius moved to recommend approval of the Consent Agenda. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

December 3, 2024 General Session Meeting Minutes (Agenda Item 5)

Chair Flores entertained a motion to approve the December 3, 2024 General Session Meeting Minutes (Minutes).



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

CEO Update (Agenda Item 6)

Pablo Vegas presented the CEO Update, including the Capacity, Demand and Reserves (CDR) Report that ERCOT would release the week of February 10, 2025. Board members and Mr. Vegas discussed parameter changes to the CDR Report, including changes from NPRR1219, methodology revisions and use of Effective Load Carrying Capability (ELCC) to account for wind, solar, and battery energy storage contributions. Board members and Mr. Vegas discussed comparisons between a 345-kilovolt (kV) Regional Transmission Plan (RTP) and the Texas 765-kV Strategic Transmission Expansion Plan (TX 765-kV STEP) regarding safety, annual savings, supply chain, stability, and value. Discussion also included a timeline for electrification and benefit to the grid of any decision on the voltage level for the Permian Basin approved by the PUCT by May 1, 2025. Board members and Mr. Vegas discussed that synchronous interregional connection to other grids is not implicated by either plan.

TAC Report (Agenda Item 7)

Caitlin Smith, TAC Chair, presented the TAC Report. Board members and Ms. Smith discussed the benefits of ongoing Board-Stakeholder engagement.

Update on CPS Energy Braunig Unit 3 RMR Agreement and Life Cycle Power Mobile Generation Solutions as Alternative to Braunig Units 1 and 2 (Agenda Item 8)

Mr. Seely presented the Update on CPS Energy (CPS) Braunig Unit 3 Reliability Must Run (RMR) Agreement, which the Board previously authorized ERCOT to enter in December 2024. Nathan Bigbee discussed an addendum to the CPS negotiations to address Texas Commission on Environmental Quality (TCEQ) policy for enforcing new limits, beginning in January 2025, on 30-day rolling average NOx emissions during the summer season from June to September. Mr. Bigbee also discussed uncertainty of costs associated with inspections of the CPS Unit 3 as well as Units 1 and 2. Board members and Mr. Seely discussed the capacities of the Braunig Units and discussed the first week of March 2025 being the earliest date that CPS could inspect Unit 3. Board members and Rick Urrutia discussed discovery of additional cost during outage planning as a basis for the CPS update to the budget for Unit 3 as of yesterday.

Mr. Seely presented the CenterPoint Energy (CNP) / Life Cycle Power (LCP) Mobile Generation Solution as an alternative to Braunig Units 1 and 2, which would require CNP release of mobile generation units for approximately two years and relocation of the units from the Houston area to the San Antonio area. Board members and Mr. Seely discussed the lease agreement between CNP and LCP that is a separate bilateral arrangement outside of ERCOT work. Discussion also included the need for additional discussions with TCEQ on the permitting process and emissions issues associated with the mobile generation solution. A Special Board Meeting would be needed within the next couple of weeks, including to evaluate the reliability assessment and to consider permitting and emissions issues and a final decision on either Braunig Units 1 and 2 or the LCP mobile generation solution.



Committee Reports; Finance and Audit (F&A) Committee Report; Financial Corporate Standard; Investment Corporate Standard (Agenda Items 9.1 – 9.1.2)

Chair Flores, who is also 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 Committee's recommendations regarding its approval of the Financial Corporate Standard and Investment Corporate Standard.

Mr. Flores moved to approve the revised Financial Corporate Standard and the revised Investment Corporate Standard. Ms. Heeg. seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources and Governance (HR&G) Committee Report; HR&G Committee Charter; Election of Chief Executive Officer and Ratification of Officers of ERCOT; Ratification of Officers of Texas Electric Market Stabilization Funding M LLC; Ratification of Officers of Texas Electric Market Stabilization Funding N LLC; 2026 ERCOT Board Meeting Schedule and Annual Meeting of Members (Agenda Items 9.2 – 9.2.4)

Vice Chair 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. Ms. Heeg also discussed the HR&G Committee recommendations to ratify officers of ERCOT and of the two securitization special purpose entities, Texas Electric Market Stabilization Funding M LLC (TEMSFM) and Texas Electric Market Stabilization Funding N LLC (TEMSFN). Ms. Heeg also discussed the Committee recommendation for a 2026 ERCOT Board Meeting Schedule and Annual Meeting of Members. Ms. Heeg discussed ongoing work related to HR&G Committee review of the charters and membership of all of the Board's Committees.

Ms. Heeg moved the Board to elect Pablo Vegas to serve as ERCOT President and CEO for a term while employed not to exceed one year and to ratify the other ERCOT officers for the 2025 year for a term while employed not to exceed one year; to ratify the officers of TEMSFM; to ratify the officers of TEMSFN; and to approve the 2026 ERCOT Board Meeting Schedule and Annual Meeting of Members. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Reliability and Markets (R&M) Committee Report; Market Credit Risk Corporate Standard; 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; Recommendation regarding 2025 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements (Agenda Items 9.3 – 9.3.5)

Ms. England, Chair of the R&M Committee, reported the Committee considered five Board voting items. Before discussing staff updates, Ms. England made the following motions as recommended by the R&M Committee:

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



Ms. England moved the Board to endorse: (1) the need for the Tier 1 Forney 345/138-kV Switch RPG Project (Option 1A), which ERCOT staff has independently reviewed and which the Technical Advisory Committee has voted to endorse based on North American Electric Reliability Corporation (NERC) and ERCOT reliability planning criteria; (2) the need for the Tier 1 Venus Switch to Sam Switch 345-kV Line RPG Project (Option 1), which ERCOT staff has independently reviewed and which the Technical Advisory Committee has voted to endorse based on NERC and ERCOT reliability planning criteria; and (3) the need for the Tier 1 Oncor Wilmer 345/138-kV Switch RPG Project (Option 1), which ERCOT staff has independently reviewed and which the Technical Advisory Committee has voted to endorse based on NERC and ERCOT reliability planning criteria. Ms. Capuano seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. England moved the Board to 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. Cornelius seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Technology and Security (T&S) Committee Report (Agenda Item 9.4)

John Swainson, T&S Committee Chair, reported the T&S Committee met the prior day and highlighted items discussed at the T&S Committee meeting, including a speaker from Georgia Institute of Technology regarding Artificial Intelligence as it pertains to grid networks. Mr. Swainson also discussed progress of the Real-Time Co-optimization plus Batteries (RTC+B) implementation project and risk mitigation.

2024 Internal Revenue Service Form 990 Questionnaire (Agenda Item 10)

Richard Scheel discussed the annual process for filing ERCOT's 2024 Internal Revenue Service (IRS) Form 990 Questionnaire and requested prompt return of completed questionnaires to ERCOT staff.

Other Business (Agenda Item 11)

There was no Other Business.

Executive Session; Vote on Matters from Executive Session (Agenda Item 12)

Chair Flores recessed General Session at approximately 11:29 a.m. and convened Executive Session at approximately 11:55 a.m. Chair Flores recessed Executive Session at approximately 4:16 p.m. for the Board to vote on matters discussed in Executive Session and reconvened General Session at approximately 4:18 p.m.

Ms. Capuano moved to approve the Litigation Matter discussed during Executive Session under Agenda Item ES 2.8.4. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Heeg moved to approve the Personnel Matters discussed in Executive Session under Agenda Items ES 2.9.5, ES 2.9.6, ES 2.9.7, and ES 2.9.8. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Adjournment (Agenda Item 13)

Chair Flores adjourned the meeting at approximately 4:20 p.m.

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

Brandon Gleason
Assistant Corporate Secretary

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