



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

8000 Metropolis Drive (Building E), Suite 100, Boardroom A
Austin, Texas 78744
June 23, 2025

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Finance and Audit (F&A) 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
Flores, Bill (Committee Chair)	N/A	Voting
Barkley, Ben	Office of Public Utility Counsel (OPUC), Chief Executive and Public Counsel	Voting
England, Julie	N/A	Voting

Other Board Members:

Director	Affiliation/Role (if any)	Voting Category
Gleeson, Thomas	Public Utility Commission of Texas (PUCT) Chairman	N/A
Heeg, Peggy	N/A	Voting
Jackson, Kathleen	PUCT Commissioner	Non-Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Gleason, Brandon	ERCOT Vice President, Legal and Compliance, and Assistant Corporate Secretary
Herms, Dawn	ERCOT Director Human Resources Operations
Horvath, Laurie	Partner, Not-for-Profit and Health Care Practice Leader, Baker Tilly US, LLP
Hjaltman, Courtney	PUCT Commissioner
Kremer, Barbara	ERCOT Internal Auditor Lead
Martinez, Adam	ERCOT Vice President of Enterprise Risk and Strategy
Rainwater, Kim	ERCOT Senior Corporate Counsel
Rydell, Brandt	ERCOT Deputy General Counsel



Rychetsky, Penny	ERCOT Director of Internal Audit
Scheel, Richard	ERCOT Senior Vice President, Chief Financial Officer, and Chief Risk Officer
Schue, Jamie	ERCOT Senior Corporate Counsel
Seely, Chad V.	ERCOT Senior Vice President, Regulatory Policy, General Counsel, Chief Compliance Officer, and Corporate Secretary
Spak, Mara	ERCOT Vice President of Human Resources
Swanson, Leslie	ERCOT Controller and Treasurer

Call General Session to Order (Agenda Item 1)

Bill Flores, Board Chair, confirmed a quorum and started the F&A Committee meeting at 11:00 a.m. He resumed the role of Committee Chair after two Directors resigned after the April meeting. PUCT Commissioner Kathleen Jackson then convened an Open Meeting of the Commission. Chair Flores also mentioned the Antitrust Admonition.

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

Chair Flores noted that the agenda, posted on June 16, 2025, included instructions for public comments, but no one expressed interest, as confirmed by Chad Seely.

April 7, 2025, General Session Meeting Minutes (Agenda Item 3)

Chair Flores entertained a motion to approve the April 7, 2025, General Session Meeting Minutes (Minutes).

Motion by Ben Barkley, seconded by Mr. Flores, to approve the Minutes as presented. Motion passed by unanimous voice vote with no abstentions.

Annual Audit of 401(k) Savings Plan; Review of Requirements for Annual Audit of Financial Statements and Annual Servicer's Certificate; Results of Examination and Independence Report from the 401(k) Savings Plan Auditor; Recommendation regarding Acceptance of 2024 ERCOT 401(k) Savings Plan Audit Report (Agenda Items 4 – 4.3)

Dawn Herms reviewed the Annual Audit Requirements and Servicer's Certificate. Laurie Horvath, Audit Principal at Baker Tilly US, LLP, presented the 401(k) Savings Plan Auditor's Results and Independence Report. Chair Flores noted the Committee would vote on the report after Executive Session and reiterated Baker Tilly's anticipated unmodified opinion. Ms. Herms recommended accepting the 2024 ERCOT 401(k) Savings Plan Audit Report.

Committee Briefs; Review 2025 Financial Summary (Agenda Items 5 – 5.1)

Richard Scheel presented the 2025 Financial Summary. Committee members and Mr. Scheel discussed modeling the net impact of Real-Time Co-optimization Plus Batteries (RTC+B) on Congestion Revenue Rights (CRR) auction receipt funds. Discussion included variance between Load forecast and budget for October 2025.

Periodic Report on Investments (Agenda Item 5.2)

Leslie Swanson presented the Periodic Report on Investments.



Periodic Report on Debt Compliance (Agenda Item 5.3)

Ms. Swanson presented the Periodic Report on Debt Compliance.

Timing of Subchapter M Refinancing (Agenda Item 6)

Chair Flores invited Mr. Scheel to present the Timing of Subchapter M Refinancing and noted a vote would follow the Executive Session. Mr. Scheel recommended refinancing Subchapter M Bonds through a 144A offering by September 1, 2025, for a lower interest rate.

Recommendation regarding 2026 – 2027 Budget and Fee (Agenda Item 7)

Mr. Scheel presented the 2026 – 2027 Budget and Fee recommendation, reviewed in April. Committee members discussed spending on data reporting, regulatory, the Independent Market Monitor (IMM), and training, emphasizing the need to focus on core operations. They noted improved data quality and volume from ERCOT over the past three years and expected investments to enhance service levels beyond the next budget cycle. Chair Flores reiterated the April budget discussion and the proposed reduction in the System Administration Fee rate, potentially extending beyond the 2026 – 2027 budget cycle.

Motion by Mr. Barkley, seconded by Julie England, to recommend the Board accept, adopt, and approve the 2026 – 2027 Biennial Budget and System Administration Fee, as presented, and to authorize ERCOT to file the budget for Commission approval pursuant to Commission rules. Motion passed by unanimous voice vote with no abstentions.

Future Agenda Items (Agenda Item 8)

Mr. Scheel presented the Future Agenda Items.

Other Business (Agenda Item 9)

No other business was discussed.

Executive Session

Chair Flores recessed General Session at 11:44 a.m., and PUC Chair Thomas Gleeson recessed the Commission meeting. Chair Flores convened Executive Session at 11:55 a.m. and reconvened General Session at 1:14 p.m. PUC Chair Gleeson reconvened the Open Meeting of the Commission.

Vote on Matters from Executive Session; Recommendation regarding Acceptance of 2024 ERCOT 401(k) Savings Plan Audit Report (Agenda Items 10 – 10.1)

Chair Flores entertained a motion to recommend that the Board accept the 2024 ERCOT 401(k) Savings Plan Audit Report.

Motion by Mr. Barkley, seconded by Ms. England, to recommend that the Board accept the 2024 ERCOT 401(k) Savings Plan Audit Report. Motion passed by unanimous voice vote with no abstentions.

Recommendation regarding Selection of 2025 ERCOT 401(k) Savings Plan Auditor (Agenda Item 10.2)



Chair Flores entertained a motion to recommend Board approval for ERCOT to engage the Auditor from Agenda Item ES 2.3.1 for the 2025 401(k) Savings Plan audit.

Motion by Mr. Barkley, seconded by Ms. England, to recommend that the Board authorize and approve ERCOT to engage the Auditor discussed during Agenda Item ES 2.3.1 to perform ERCOT's 401(k) Savings Plan audit for the year ending December 31, 2025. Motion passed by unanimous voice vote with no abstentions.

Recommendation regarding Subchapter M Securitization Refinancing – 144A (Agenda Item 10.3)

Chair Flores took up Agenda Item 10.3 and, consistent with discussions in Agenda Items 6 and ES 2.2, entertained a motion to recommend the Board approve ERCOT's continued efforts to prepare, document, and complete an early redemption of the current Subchapter M Bonds series and refinance the 2025 Series under U.S. Securities and Exchange Commission (SEC) Rule 144A, including engaging an underwriter.

Motion by Ms. England, seconded by Mr. Barkley, to recommend the Board approve the continued engagement of ERCOT in efforts to prepare, document, and consummate an early redemption of the current series of Subchapter M Bonds, and refinancing pursuant to SEC Rule 144A of a 2025 Series of the Subchapter M Bonds; such efforts will include the engagement of an underwriter. Motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 11)

Chair Flores adjourned General Session and the meeting at approximately 1:16 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at http://www.ercot.com/committees/board/finance_audit/.

Brandon Gleason
Assistant Corporate Secretary