



**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
April 23, 2024

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
Cobos, Lori	Public Utility Commission of Texas (PUCT, Commission), Commissioner	Non-Voting
England, Julie	N/A	Voting
Flexon, Bob	N/A (<i>Via Teleconference; Not Present for Agenda Item 13</i>)	Voting
Flores, Bill (Vice Chair)	N/A	Voting
Foster, Paul (Chair)	N/A	Voting
Gleeson, Thomas	PUCT Chair	Non-Voting
Heeg, Peggy	N/A	Voting
Hjaltman, Courtney	Office of Public Utility Counsel (OPUC), Public Counsel	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
Black, Robert	ERCOT Vice President of Public Affairs
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Gallo, Andy	ERCOT Assistant General Counsel



Hobbs, Kristi	ERCOT Vice President of System Planning and Weatherization
Horton, Shana	ERCOT Corporate Counsel
Jackson, Kathleen	PUCT Commissioner
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Martin, Collin	Oncor Electric Delivery Company LLC, Technical Advisory Committee (TAC) Vice Chair
Martinez, Adam	ERCOT Vice President of Enterprise Risk and Strategy
Parakkuth, Jayapal	ERCOT Senior 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
Schue, Jamie	ERCOT Senior Corporate Counsel
Seely, Chad V.	ERCOT Senior Vice President, General Counsel and Corporate Secretary
Spak, Mara	ERCOT Vice President of Human Resources
Taylor, Sean	ERCOT Senior Vice President, Chief Financial Officer and Chief Risk Officer

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 10:00 a.m.

Chair Foster 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 April 23, 2024.

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 April 16, 2024, 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:

- NPRR1205, Revisions to Credit Qualification Requirements of Banks and Insurance Companies; and



- RMGRR177, Switch Hold Removal Clarification.

Julie England moved to recommend approval of the Consent Agenda as presented. Board Vice Chair Bill Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

February 27, 2024 General Session Meeting Minutes (Agenda Item 4)

Chair Foster entertained a motion to approve the February 27, 2024 General Session Meeting Minutes (Minutes).

Peggy Heeg moved to approve the Minutes as presented. Vice Chair 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, highlighting forecasts for rapid electric demand growth in Texas in the next five to seven years that could exceed the pace at which transmission capacity can be built to support it, including growth attributable to the new House Bill 5066 (88th Texas Legislature) requirement to consider Load for which an electric utility has yet to sign an interconnection agreement, which led to significant increases in large Loads considered in studies. Mr. Vegas and Board members discussed improving and accelerating planning processes to meet the pace of forecasted growth, such as by integrating into Regional Transmission Plans (RTPs) the concept of generation hubs that identify the optimal locations for generation in order to support future Load growth needs and optimize transmission investments, as well as studying 765 kV transmission lines and multi-year transmission outage scheduling.

Reliability Monitor Update (Agenda Item 6)

Andy Gallo presented the Reliability Monitor Update. Mr. Gallo summarized the ERCOT Reliability Monitor (ERM) function, which the Commission appointed ERCOT to perform in November 2022, to support the PUCT Enforcement Division on compliance with PUCT and ERCOT reliability rules. Mr. Gallo reviewed the background of the PUCT's appointment of ERCOT to the ERM role, the team involved, the initial policies and processes that have been developed, and outreach efforts to employees and Market Participants. Mr. Gallo reviewed the distinction between ERCOT's role generally with respect to compliance as compared with the ERM role, ERCOT's core ERM responsibilities, and the budget for the ERM function. Board members and Mr. Gallo discussed the statutory authority for ERCOT's performance of the ERM function and the transition of ERM responsibilities from Texas Reliability Entity, Inc. (Texas RE) to ERCOT; processes and controls in place to ensure independence, objectivity, and protection of confidential information; and the use of funds collected as fines for compliance violations.



TAC Report; Non-Unanimous and Other Selected Revision Requests Recommended by TAC for Approval; NPRR1197, Optional Exclusion of Load from Netting at ERCOT-Polled Settlement (EPS) Metering Facilities which Include Resources; NOGRR245, Inverter-Based Resource (IBR) Ride-Through Requirements; Reliability and Markets (R&M) Committee Recommendations on Non-Unanimous and Other Selected Revision Requests; Comments on Non-Unanimous and Other Selected Revision Requests Recommended by TAC for Approval; ERCOT Comments on NOGRR245; Stakeholder Comments on NOGRR245, if any (Agenda Items 7 – 7.3.2)

Collin Martin, TAC Vice Chair, presented the TAC Report, including TAC's recommendations regarding NPRR1197 and NOGRR245.

Reliability and Markets (R&M) Committee Chair Bob Flexon reported that the Committee considered NPRR1197 at its meeting the prior day and recommended approval as recommended by TAC.

Ms. England moved to recommend approval of NPRR1197 as recommended by TAC. John Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Flexon reported that the R&M Committee considered NOGRR245 at its meeting the prior day and recommended that the Board remand NOGRR245 to TAC and that TAC bring NOGRR245 back to the Board in June. Mr. Flexon commented that as R&M Committee Chair, he would like TAC to return with a more detailed set of comments that explain the policy rationale on why TAC did or did not address the key concerns ERCOT laid out in its presentation to the R&M Committee.

Ms. Heeg moved to remand NOGRR245 to TAC with direction to bring NOGRR245 back for the Board's consideration at its June 2024 regular meeting. Carlos Aguilar seconded the motion. The motion passed by voice vote with one abstention (Courtney Hjaltman).

Finance and Audit (F&A) Committee Report; Acceptance of ERCOT Consolidated Financial Statements Audit Report; Acceptance of Texas Electric Market Stabilization Funding M LLC Financial Statements Audit Report; Acceptance of Texas Electric Market Stabilization Funding N LLC Financial Statements Audit Report (Agenda Items 8 – 8.3)

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 Committee's recommendation that the Board accept the audited financials and Financial Statements Audit Reports for ERCOT, Inc. consolidated, Texas Electric Market Stabilization Funding M LLC (TEMSFM), and Texas Electric Market Stabilization Funding N LLC (TEMSFN).

Mr. Flores moved to accept the audited financials and Financial Statements Audit Reports for (1) ERCOT, Inc. consolidated; (2) TEMSFM; and (3) TEMSFN, each as recommended by the F&A Committee. Mr. Swainson seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Human Resources and Governance (HR&G) Committee Report (Agenda Item 9)

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, including reports on retirement benefits and health and welfare benefits.

Reliability and Markets (R&M) Committee Report; San Antonio South Reliability II Regional Planning Group (RPG) Project; Real-Time Market Price Correction – Incorrect Line, Series Device, and Transformer Ratings Impacting the Real-Time and Day-Ahead Markets; Real-Time Market Price Correction – Incorrect Constraint Data for GTCs impacting Real-Time Market (Agenda Items 10 – 10.3)

Mr. Flexon reported the R&M Committee met the prior day and highlighted items discussed at the R&M Committee meeting, including the Committee's recommendations regarding the San Antonio South Reliability II RPG Project; Real-Time Market Price Correction – Incorrect Line, Series Device, and Transformer Ratings Impacting the Real-Time and Day-Ahead Markets; and Real-Time Market Price Correction – Incorrect Constraint Data for GTCs impacting Real-Time Market.

Mr. Flexon moved to (1) endorse the need for the Tier 1 San Antonio South Reliability II RPG Project (Option 14), which ERCOT staff has independently reviewed and which TAC has voted unanimously to endorse based on ERCOT reliability planning criteria, and (2) designate the San Antonio South Reliability II Project (Option 14) as critical to the reliability of the ERCOT System pursuant to PUCT Substantive Rule 25.101(b)(3)(D), each as recommended by the R&M Committee. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Flexon moved to (1) determine that Day-Ahead Market Clearing Prices for Capacity (DAMCPCs), Day-Ahead Settlement Point Prices (DASPPs), Real-Time Market Locational Marginal Prices (RTLMPs), Real-Time Market 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 certain Operating Days (ODs) in January 2024 were significantly affected by incorrect transmission element ratings, and (2) direct ERCOT staff to implement the appropriate price corrections pursuant to Protocol Sections 4.5.3 and 6.3, each as recommended by the R&M Committee. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Flexon moved to (1) determine that RTLMPs, RTSPPs, RTRMPRs, and RTESOGPRs for OD February 28, 2024, were significantly affected by incorrect Generic Transmission Constraint (GTC) Shift Factors, and (2) direct ERCOT staff to implement the appropriate price corrections pursuant to Protocol Section 6.3, each as recommended by the R&M Committee. Ms. Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Technology and Security (T&S) Committee Report (Agenda Item 11)

Mr. Swainson, T&S Committee Chair, reported the T&S Committee met the prior day and highlighted items discussed at the T&S Committee meeting.



Other Business (Agenda Item 12)

No other business was discussed at this time.

Executive Session; Vote on Matters from Executive Session (Agenda Item 13)

Chair Foster recessed General Session at approximately 11:19 a.m. and convened Executive Session at approximately 11:40 a.m. Chair Foster reconvened General Session at approximately 2:20 p.m.

Chair Foster entertained motions for four matters discussed during Executive Session.

Vice Chair Flores moved to select Baker Tilly US, LLP as the qualified public accounting firm to perform the following for the year ending December 31, 2024: (1) the financial statements audit, servicer's certificate report, and Form 990 review for ERCOT, Inc.; (2) the financial statements audit and consolidation procedures for TEMSFM; and (3) the financial statements audit and consolidation procedures for TEMSFN. Ms. Hjaltman seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Heeg moved to approve the risk management matter discussed during Executive Session under Agenda Item ES 2.2.1. Vice Chair Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 14)

Chair Foster adjourned the meeting at approximately 2:22 p.m.

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

Jonathan M. Levine
Assistant Corporate Secretary