



**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
August 19, 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 (<i>via Teleconference</i>)	N/A	Voting
Flexon, Bob (Chair)	N/A	Voting

Other Board Members:

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

Officers and Guests:

Officer/Guest	Role
Collins, Keith	ERCOT Vice President of Commercial Operations
Boren, Ann	ERCOT Senior Manager of Market Rules and Stakeholder Support
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Drake, Gordon	ERCOT Director of Market Design and Analysis
Gallo, Andy	ERCOT Assistant General Counsel
Hobbs, Kristi	ERCOT Vice President of System Planning and Weatherization



Hjaltman, Courtney	PUCT Commissioner
Jackson, Kathleen	PUCT Commissioner
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
Rydell, Brandt	ERCOT Assistant General Counsel
Seely, Chad V.	ERCOT Senior Vice President, General Counsel and Corporate Secretary
Tirupati, Venkat	ERCOT Vice President of Development Operations and Grid Transformation
Woodfin, Dan	ERCOT Vice President of System Operations
Zerwas, Rebecca	ERCOT Director of State Policy and PUC Relations, Board Liaison

Call General Session to Order (Agenda Item 1)

Bob Flexon, R&M Committee Chair, determined that a quorum was present and called the R&M Committee meeting to order at approximately 12:32 p.m. Chair Flexon announced Committee member Julie England was attending the meeting via Webex and noted there was no Office of Public Utility Counsel (OPUC) Director for this meeting cycle and therefore the Committee was composed of three members for the meeting.

Chair Flexon recognized Thomas Gleeson, Chair of the PUCT. Chair Gleeson convened an Open Meeting of the Commission to order to consider matters that had been duly posted with the Texas Secretary of State for August 19, 2024.

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

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

Chair Flexon observed the meeting agenda was posted publicly on August 12, 2024 and provided instructions to the public for commenting in person. Chair Flexon indicated to date, no one had expressed interest in commenting, which Chad Seely confirmed.

June 17, 2024 General Session Meeting Minutes (Agenda Item 3)

Chair Flexon entertained a motion to approve the June 17, 2024 General Session Meeting Minutes (Minutes).

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

Staff Response to Independent Market Monitor (IMM) 2023 State of the Market Report for the ERCOT Electricity Markets (Agenda Item 4)

Chair Flexon invited Keith Collins to present ERCOT staff's response to the IMM 2023 State of the Market Report for the ERCOT Electricity Markets, which the IMM presented to the full Board



of Directors during the Board's meeting in June 2024. Board members and Mr. Collins discussed potential for multi-year delay for ERCOT's Real-Time Co-optimization plus Batteries (RTC+B) project if IMM recommendations were currently integrated to redesign the Real-Time Market. Discussion also included making associated changes to the Day-Ahead Market to incorporate IMM recommendations. Committee members and Mr. Collins discussed prior stakeholder work to design RTC in 2019 and the potential to consider integration of IMM recommendations into RTC in the future. Board members, Mr. Collins, and Matt Mereness discussed developing the shape of Ancillary Service Demand Curves ahead of market trials in May 2025, as well as ERCOT's approach to Ancillary Services compared to other Independent System Operators (ISOs) / Regional Transmission Operators (RTOs). Chair Flexon invited Jeff McDonald to discuss the IMM's position. Committee members and Mr. McDonald discussed forthcoming IMM analysis over the next month and the extent to which IMM recommendations for RTC could be implemented in phases.

Board-Tabled Revision Request; NOGRR245, Inverter-Based Resource (IBR) Ride-Through Requirements – URGENT; ERCOT Comments on NOGRR245; Other Comments on NOGRR245, if any (Agenda Items 5 – 5.1.2)

Chair Flexon introduced NOGRR245. In June, the Technical Advisory Committee (TAC) recommended approval of NOGRR245 and, following comments during the R&M Committee meeting, the Board tabled NOGRR245 for further development of consensus among ERCOT staff and certain stakeholders who had concerns with the NOGRR. Mr. Seely updated the Committee on the progress, including two sets of comments ERCOT filed in the last week – one set on 8/12/24 and one set on 8/16/24. Joint Commenters who previously raised concerns regarding NOGRR24 also filed comments on 8/16/24, which included no objection to ERCOT's Comments. Andy Gallo delivered a presentation to walk the Committee through ERCOT Comments. No commenters requested to speak for Agenda Item 5.1.2, Other Comments on NOGRR245, if any. Mr. Seely discussed how a Board Priority Revision Request subsequent to NOGRR245 could address remaining details of the exemption process. Committee members and Mr. Seely discussed quantitative data to show reduced risk to grid operations. Troy Anderson discussed the Impact Analysis for NOGRR245, explaining the cost and budgetary impacts. Chair Flexon entertained a motion on NOGRR245.

Mr. Aguilar moved to recommend the Board recommend approval of NOGRR245 as recommended by TAC in the 6/7/24 TAC Report as amended by the 8/16/24 ERCOT comments with a recommended priority of 2025 and rank of 3515. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.



TAC Report regarding R&M Committee-Charter Revision Requests; NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs (Agenda Item 5.2 – 5.2.1)

TAC Chair Caitlin Smith presented the TAC Report and the TAC recommendation regarding NPRR1190. Austin Rosel discussed the ERCOT Comments on NPRR1190. Chair Flexon entertained a motion on NPRR1190. Mr. Aguilar expressed concerns that there were six opposing votes to NPRR1190 at TAC. Ms. England asked Commissioners on the Board for any input. Hearing no comments and no motion, Chair Flexon took up the next agenda item, Agenda Item 5.2.1. Chair Flexon entertained further discussion and a motion on NPRR1190 later in the meeting, following Agenda Item 5.2.4.

NPRR1215, Clarifications to the Day-Ahead Market (DAM) Energy-Only Offer Calculation; ERCOT Comments on NPRR1215 (Agenda Items 5.2 – 5.2.2.1)

Ms. Smith presented the TAC Report and the TAC recommendation regarding NPRR1215. Austin Rosel discussed the ERCOT Comments on NPRR1215. Chair Flexon entertained a motion on NPRR1215.

Mr. Aguilar moved to recommend the Board remand NPRR1215 to TAC. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

NPRR1219, Methodology Revisions and New Definitions for the Report on Capacity, Demand and Reserves in the ERCOT Region (CDR) – URGENT (Agenda Item 5.2.3)

Ms. Smith presented the TAC Report and the TAC recommendation regarding NPRR1219. Kristi Hobbs discussed the ERCOT Comments on NPRR1219. Board members and Ms. Smith discussed application of Effective Load Carrying Capability (ELCC) to different technologies and capturing availability of Switchable Generation Resources in the CDR Report. Chair Flexon entertained a motion on NPRR1219.

Mr. Aguilar moved to recommend the Board recommend approval of NPRR1219 as recommended by TAC. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

NPRR1230, Methodology for Setting Transmission Shadow Price Caps for an IROL in SCED – URGENT (Agenda Item 5.2.4)

Ms. Smith presented the TAC Report and the TAC recommendation regarding NPRR1230. Woody Rickerson discussed the ERCOT Comments on NPRR1230, including that NPRR1230 Shadow Prices in Security Constrained Economic Dispatch (SCED) would mitigate need for the proposed High Dispatch Limit Override provision proposed in NPRR1190. Dan Woodfin discussed efficient management of Interconnection Reliability Operating Limits (IROLs). Chair Flexon entertained a motion on NPRR1230.

Mr. Aguilar moved to recommend the Board recommend approval of NPRR1230 as recommended by TAC. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.



NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs (Agenda Item 5.2.1)

Chair Flexon again took up Agenda Item 5.2.1 regarding NPRR1190. Mr. Collins discussed ERCOT Comments, including that NPRR1190 is anticipated to result in expanding opportunity for out-of-market compensation in relatively few instances. Chair Flexon and Mr. Collins discussed the changes in the NPRR by summer 2025. Chair Flexon suggested the Committee recommend the Board table NPRR1190 until the Board's meeting in October.

Mr. Aguilar moved to recommend the Board table NPRR1190 until the Board's meeting in October. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Recommendation regarding Oncor Temple Area Regional Planning Group (RPG) Project (Agenda Item 6)

Kristi Hobbs presented ERCOT staff's recommendation regarding the Oncor Temple Area Regional Planning Group (RPG) Project 2028 to address thermal overloads on transmission lines and transformers, as well as voltage violations, in Bell County to meet NERC and ERCOT reliability planning criteria. Committee members requested additional information regarding Option 5A costs compared to other options. Ms. Hobbs provided additional information later in the meeting, during Agenda Item 8.1.

Mr. Aguilar moved to recommend the Board endorse the need for the Tier 1 Oncor Temple Area RPG Project (Option 5A), which ERCOT staff has independently reviewed, and which TAC has voted unanimously to endorse based on NERC and ERCOT reliability planning criteria. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Independent Market Monitor (IMM) Report (Agenda Item 7)

Jeff McDonald presented the Independent Market Monitor (IMM) Report.

Break

Chair Flexon recessed the meeting for a break at approximately 2:10 p.m. and reconvened the meeting at approximately 2:21 p.m.

Committee Briefs (Agenda Item 8)

Chair Flexon invited ERCOT staff to present the Committee Briefs.

System Planning and Weatherization Update (Agenda Item 8.1)

Ms. Hobbs presented additional information for Agenda Item 6, regarding other options considered by RPG for the Oncor Temple Area RPG project. Ms. Hobbs confirmed that Option 5A was the least cost option that met the planning criteria, improved long term load serving capability for future load growth, and required the least amount of needed Right-of-Way miles. Ms. Hobbs then presented the System Planning and Weatherization Update. Committee members and Ms. Hobbs discussed ERCOT's Extra High Voltage (EHV) studies and getting technical feedback from the RPG on the study prior to completion. Discussion also included supply chains.



System Operations Update (Agenda Item 8.2)

Dan Woodfin presented the System Operations Update. Committee members and Mr. Woodfin discussed analysis for the October meeting of the R&M Committee of summer 2023 Ancillary Services performance compared to summer 2024.

Commercial Markets Update (Agenda Item 8.3)

Gordon Drake presented the Commercial Markets Update. Committee members and Mr. Drake discussed the potential implementation time for a proposed Performance Credit Mechanism (PCM).

Real-Time Co-optimization Update (Agenda Item 8.3.1)

Matt Mereness presented the Real-Time Co-optimization Update. Committee members and Mr. Mereness discussed sequence, potential dates, and scorecards for RTC market trials.

Market Credit Update (Agenda Item 8.4)

Austin Rosel presented the Market Credit Update.

Revision Request Status Update (Agenda Item 8.5)

Ann Boren presented the Revision Request Status Update.

Future Agenda Items (Agenda Item 9)

Mr. Rickerson presented the Future Agenda Items.

Other Business (Agenda Item 10)

No other business was discussed at this time.

Voting on Matters from Executive Session (Agenda Item 11)

The Committee did not meet in Executive Session.

Adjournment (Agenda Item 12)

Chair Flexon adjourned the meeting at approximately 3:31 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