



**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
August 19, 2024

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
Flexon, Bob	N/A	Voting
Flores, Bill (Chair)	N/A	Voting
Heeg, Peggy	N/A	Voting

Other Board Members:

Director	Affiliation/Role (if any)	Voting Category
England, Julie (<i>via Teleconference</i>)	N/A	Non-Voting
Gleeson, Thomas	Public Utility Commission of Texas (PUCT, Commission), Chair	Non-Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Gleason, Brandon	ERCOT Deputy General Counsel
Herms, Dawn	ERCOT Director of Human Resources Operations
Rainwater, Kim	ERCOT Senior Corporate Counsel
Rychetsky, Penny	ERCOT Director of Internal Audit
Scheel, Richard	ERCOT Controller
Seely, Chad V.	ERCOT Senior Vice President, General Counsel and Corporate Secretary
Spak, Mara	ERCOT Vice President of Human Resources
Sutter, Franci	Baker Tilly US, LLP, Principal
Taylor, Sean	ERCOT Senior Vice President, Chief Financial Officer and Chief Risk Officer
Wiley, Leslie	ERCOT Treasurer



Call General Session to Order (Agenda Item 1)

Bill Flores, F&A Committee Chair, determined that a quorum was present and called the F&A Committee meeting to order at approximately 8:30 a.m. Chair Flores highlighted the Antitrust Admonition.

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

Chair Flores announced that on the agenda for the meeting, which was posted publicly on August 12, 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.

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

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

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

Recommendation regarding Acceptance of 2023 ERCOT 401(k) Savings Plan Audit Report (Agenda Item 4)

Dawn Herms introduced the Recommendation regarding Acceptance of 2023 ERCOT 401(k) Savings Plan Audit Report.

Due to technical difficulties with live broadcasting of the meeting, Chair Flores recessed the meeting at approximately 8:41 a.m. At approximately 9:32 a.m., broadcasting resumed, and Chair Flores summarized the morning's proceedings of Agenda Item 1 through Agenda Item 3.

Ms. Herms re-introduced the Recommendation regarding Acceptance of 2023 ERCOT 401(k) Savings Plan Audit Report. Franci Suter presented Baker Tilly's draft report of ERCOT's 2023 audited financial statements containing no findings indicating material issues with the administration of the ERCOT 401(k) Savings Plan. Committee members and Ms. Suter discussed requirements for non-attest services. Ms. Herms recommended the Committee accept the audited financial statements of the 401(k) Savings Plan.

Mr. Flexon moved to accept the audited financial statements of ERCOT's 401(k) Savings Plan, as of December 31, 2023, as presented in draft form by Baker Tilly. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Committee Briefs (Agenda Item 5)

Chair Flores invited ERCOT staff to present the Committee Briefs.

Review 2023 Financial Summary (Agenda Item 5.1)

Richard Scheel presented the 2024 Financial Summary. ERCOT's year-end 2024 forecasted revenues net of expenditures are \$84.2 million favorable to budget, driven by interest income forecasted to be favorable by \$61.0 million and by staffing management to be favorable by \$10.6



million. Committee members and Mr. Scheel discussed factors contributing to the favorable variance attributable to staffing. Discussion also included examples of Common Infrastructure and Mr. Scheel's expectation to present a revised forecast on Common Infrastructure at the Committee's October 2024 meeting.

Periodic Report on Investments (Agenda Item 5.2)

Leslie Wiley presented the Periodic Report on Investments. ERCOT's Money Market Mutual Fund (MMMF) investment yields were consistent with the April yields reported at the prior F&A Committee meeting. ERCOT was out of compliance with a component of investment requirements on May 14, 2024 when one MMMF was beyond the 10% threshold at 10.28%. The non-compliant MMMF was brought back into compliance the following day. ERCOT is in compliance with all investment requirements for June.

Periodic Report on Debt Compliance (Agenda Item 5.3)

Ms. Wiley presented the Periodic Report on Debt Compliance. ERCOT is in compliance with all debt requirements, including securitization.

Review Commission-Ordered Operating Budget Reconciliation (Agenda Item 6)

Per Commission order during approval of the 2024/2025 ERCOT budget, Mr. Scheel presented the operating budget reconciliation for the 12 months ending June 30, 2024. For ERCOT's 12 months ending June 30, 2024, actual revenues net of expenditures were \$111.0 million favorable to budget, driven by interest income being favorable by \$96.5 million and by system administration fee revenue being favorable by \$8.3 million. Committee members and Mr. Scheel discussed the Market Design Project components of the budget, as well as the Commission process for reviewing the budget reconciliation. Committee members and Mr. Seely discussed additional reports required by the Commission's order approving the 2024/2025 ERCOT budget, including a report on Federal Energy Regulatory Commission (FERC) performance metrics for other Independent System Operators (ISOs) / Regional Transmission Operators (RTOs) as applicable to ERCOT.

Future Agenda Items (Agenda Item 7)

Mr. Taylor presented the Future Agenda Items. Mr. Taylor indicated staff will begin internal development of ERCOT's 2026/2027 budget proposal that would be presented to the Committee in 2025.

Other Business (Agenda Item 8)

No other business was discussed at this time.

Executive Session

Chair Flores recessed General Session at approximately 10:01 a.m. and convened Executive Session at approximately 10:02 a.m. Chair Flores reconvened General Session at approximately 12:08 p.m.

Vote on Matters from Executive Session (Agenda Item 9)

Chair Flores entertained a motion for a recommendation to the Board on selection of the 2024 Savings Plan auditor discussed during Executive Session.

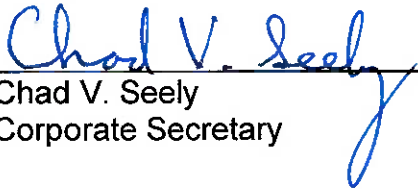


Ms. Heeg moved to recommend that the Board select the 2024 ERCOT 401(k) Savings Plan auditor discussed during Executive Session under Agenda Item ES 2.3. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 10)

Chair Flores adjourned General Session and the meeting at approximately 12:08 p.m.

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


Chad V. Seely
Corporate Secretary