



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
October 10, 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 (<i>via Teleconference</i>)	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	Voting
Flores, Bill (Chair)	N/A	Voting
Gleeson, Thomas	PUCT Chair	Non-Voting
Heeg, Peggy (Vice Chair)	N/A	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
Billo, Jeff	ERCOT Director of Operations Planning
Bonser, Drew	ERCOT Director of Cyber Security
Boren, Ann	ERCOT Senior Manager of Market rules and Stakeholder Support
Collins, Keith	ERCOT Vice President of Commercial Operations
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer
Hobbs, Kristi	ERCOT Vice President of System Planning and Weatherization



Hjaltman, Courtney	PUCT Commissioner
Hughes, Gilbert	ERCOT Vice President of Public Affairs
Jackson, Kathleen	PUCT Commissioner
Martinez, Adam	ERCOT Vice President of Enterprise Risk and Strategy
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
Rychetsky, Penny	ERCOT Director of Internal Audit
Rydell, Brandt	ERCOT Assistant General Counsel
Scheel, Richard	ERCOT Senior Vice President, Chief Financial Officer, and Chief Risk Officer
Seely, Chad V.	ERCOT Senior Vice President, General Counsel, 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
Zerwas, Rebecca	ERCOT Director of State Policy and PUC Relations, Board Liaison

Call General Session to Order (Agenda Item 1)

Bill Flores, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 10:03 a.m. Chair Flores noted Board member Carlos Aguilar was attending the meeting via Webex and recognized that the Board was without one voting Member – the vacant seat of Office of Public Utility Counsel (OPUC) until a designation is made by the Governor.

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 October 10, 2024.

Chair Flores informed any members of the public participating in the meeting via telecast that the ERCOT Board Selection Committee appointed Chair Flores as Board Chair and Peggy Heeg as Board Vice Chair, effective September 30, 2024, and noted Chair Flores and Vice Chair Heeg would complete their first 3-year terms as ERCOT Board members on Nov. 1 and Dec. 31, respectively, and would begin their second 3-year terms the following day, which the Board Selection Committee had also confirmed.

Chair Flores also indicated the Board Selection Committee had selected Directors Carlos Aguilar, John Swainson, and Julie England to serve second 3-year terms and that the details of their second term effective dates were contained in the Board Selection Committee letter and ERCOT Press Release.

Vice Chair Heeg thanked the Board Selection Committee. Chair Flores invited Board member Bob Flexon to discuss Mr. Flexon’s Board tenure. Mr. Flexon informed the Board and the public that Mr. Flexon did not intend to seek a second term as he planned to pursue new opportunities in which he would no longer be eligible to be a Director going forward. The October meeting



would likely be Mr. Flexon's last as a Board Director. Chair Flores thanked Mr. Flexon for having served as Chair of the Board's Reliability and Markets (R&M) Committee.

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 October 3, 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. Mr. Seely noted that a representative from CPS Energy was available to comment during Agenda Item 6, regarding Reliability Must Run (RMR).

Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval (Agenda Items 3 – 3.1.11)

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

- NPRR1188, Implement Nodal Dispatch and Energy Settlement for Controllable Load Resources;
- NPRR1215, Clarifications to the Day-Ahead Market (DAM) Energy-Only Offer Calculation;
- NPRR1221, Related to NOGRR262, Provisions for Operator Controlled Manual Load Shed;
- NPRR1227, Related to RMGRR181, Alignment of Defined Term Usage and Resolution of Inconsistencies;
- NPRR1236, RTC+B Modifications to RUC Capacity Short Calculations;
- NPRR1237, Retail Market Qualification Testing Requirements;
- NPRR1244, Clarification of Controllable Load Resource Primary Frequency Response Responsibilities;
- NOGRR262, Provisions for Operator-Controlled Manual Load Shed;
- NOGRR263, Related to NPRR1244, Clarification of Controllable Load Resource Primary Frequency Response Responsibilities;
- OBDRR046, Related to NPRR1188, Implement Nodal Dispatch and Energy Settlement for Controllable Load Resources; and
- RMGRR181, Alignment of Defined Term Usage and Resolution of Inconsistencies.

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

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

August 20, 2024 General Session Meeting Minutes (Agenda Item 4)

Chair Flores entertained a motion to approve the August 20, 2024, General Session Meeting Minutes (Minutes).



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

CEO Update (Agenda Item 5)

Pablo Vegas presented the CEO Update, including that the Southern Spirit Direct Current (DC) tie recently reported by various media outlets would not affect the ERCOT grid's independence, and DC ties the Federal Energy Regulatory Commission (FERC) approved under Sections 210 and 211 of the Federal Power Act do not pose a risk to the independent jurisdiction of ERCOT over electric wholesale markets and transmission. Board members and Mr. Vegas discussed a similar statement issued by the Commission. Board members and Mr. Vegas also discussed ERCOT's work that helped complete the plan for Permian Basin Reliability and Extra-High Voltage (EHV) to serve the Western grid in Texas, as well as the capacity benefits to result from installing 765-kv import paths.

Update on CPS Energy Reliability Must-Run (RMR) and Must-Run Alternative (MRA) Process (Agenda Item 6)

Mr. Seely and Woody Rickerson presented the Update on CPS Energy Reliability Must-Run (RMR) and Must-Run Alternative (MRA) Process. Mr. Seely reported ERCOT and CPS Energy continue to negotiate terms of potential RMR Service by CPS Energy's V.H. Braunig Generation Resources, Units 1-3 (the Braunig Resources). Mr. Seely indicated a change to CPS Energy's Notification of Suspensions of Operation (NSO) date for Braunig Unit 3 from March 31, 2025 to March 2, 2025 resolved pre-RMR policy issues. ERCOT issued a Request for Proposals (RFP) seeking MRAs, with the RFP having a deadline of October 7th for receipt of proposals. ERCOT received no proposals for MRA service in 2025 and only one offer for MRA service to start in 2026. Mr. Rickerson discussed the reliability analysis conducted for the Braunig Resources as well as RMR and MRA impacts on the South Texas Interconnection Reliability Operating Limits (IROLs). Rick Urrutia of CPS Energy and Board members discussed CPS's analysis of the 2-year RMR window showing that pre-RMR maintenance outages would be needed to keep the Braunig Resources operational. CPS also identified possible supply chain delays for steam turbine parts with average lead time of 12 weeks with maximum lead time of 41 weeks. Board members and Mr. Urrutia discussed risk of uncertainty whether unit inspections may identify additional needed repairs or that a unit may not be able to be brought back online. Discussion also included the maintenance history for Unit 3 that would require inspection at the beginning of the outage of repaired steam turbine rotors, as well as boilers nearing end of life and decades-old piping metal. Board members and Mr. Seely discussed policy issues of the MRA process that could need to be addressed to make possible eliciting industry response. Discussion included the need to incentivize transmission projects as an exit solution. ERCOT staff intends to bring recommendations to the ERCOT Board at the December 3, 2024 meeting.

Summer 2024 Operational and Market Review (Agenda Item 7)

Dan Woodfin and Keith Collins presented Summer 2024 Operational and Market Review. Board members and Mr. Woodfin discussed price-responsiveness of Large Loads during summer peak demand. Discussion also included the performance of the thermal fleet during the summer. Board members, Mr. Rickerson, and Mr. Woodfin discussed Energy Storage Resource (ESR)



behavior on days with the highest System Lambda. Mr. Rickerson discussed impact of the changing Generation mix on analysis of the Physical Responsive Capability (PRC) metric on the ERCOT website. Board members and Mr. Collins discussed summer price signals for dispatchable thermal investment, Generation mix, and Load forecasts. Discussion also included forward prices trading on exchanges and reductions in forward price curves over the past few months compared to earlier in 2024 as well as potential impacts of Real-Time Co-optimization plus Batteries (RTC+B).

TAC Report (Agenda Item 8)

Caitlin Smith, TAC Chair, presented the TAC Report on recent TAC activities. Board members, Ms. Smith, and Kristi Hobbs discussed the status at the Reliability and Operations Subcommittee of Transmission planning, particularly when the Commission could expect to receive a recommendation on NPRR1247, Incorporation of Congestion Cost Savings Test in Economic Evaluation of Transmission Projects. Discussion included the work ERCOT staff has done with E3 Consulting to develop a cost-savings test and staff's use of an interim process – the Generation Revenue Reduction (GRR) Test – for economic evaluation of Transmission planning projects. Board members and Ms. Smith encouraged stakeholders to submit comments in writing to develop a record of positions regarding Revision Requests.

Break

Chair Flores recessed the Board meeting and PUCT Chair Gleeson recessed the Open Meeting of the Commission at 12:04 p.m. Chair Flores reconvened the Board meeting and PUCT Chair Gleeson reconvened the Open Meeting of the Commission at 12:10 p.m.

Committee Reports; Finance and Audit (F&A) Committee Report (Agenda Items 9 – 9.1)

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.

Human Resources and Governance (HR&G) Committee Report; Proposed Amendments to the Board Policies and Procedures; Ratification of Officer; Appointment of Non-Independent Manager and Officer for Texas Electric Market Stabilization Funding M LLC (TEMSFM); and Appointment of Non-Independent Manager and Officer for Texas Electric Market Stabilization Funding N LLC (TEMSFN) (Agenda Items 9.2 – 9.2.3)

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 moved to ratify Richard Scheel as an ERCOT Officer, as recommended by the Human Resources and Governance Committee, effective October 2, 2024; to appoint Richard Scheel as non-independent manager and officer of Texas Electric Market Stabilization Funding M, LLC (TEMSFM), to fill the vacancy created by the resignation and departure of Sean Taylor; and to appoint Richard Scheel as non-independent manager and officer of Texas Electric Market Stabilization Funding N, LLC (TEMSFN), to fill the vacancy created by the resignation and departure of Sean Taylor. Ms. England seconded the motion. The motions passed by unanimous voice vote with no abstentions.



Reliability and Markets (R&M) Committee Report; Recommendation regarding 2025 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements; NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs; Real-Time Market Price Correction – Incorrect Recall of ERCOT Contingency Reserve Service; Real-Time Market Price Corrections – Incorrect Resource Data Impacting the Real-Time Market (Agenda Items 9.3 – 9.3.4)

Mr. Flexon, Chair of the R&M Committee, reported that in addition to standing Briefs, the Committee yesterday considered four Board voting items.

Mr. Flexon moved to recommend the PUC authorize and approve ERCOT to implement the ERCOT Methodologies for Determining Minimum Ancillary Service Requirements, as recommended by ERCOT staff and the R&M Committee, and as endorsed by TAC, to be effective on January 1, 2025. Ms. Heeg seconded the motion. The motions passed by unanimous voice vote with no abstentions.

Mr. Flexon moved to remand NPRR1190, as recommended by the R&M Committee. Mr. Swainson seconded the motion. The motions passed by unanimous voice vote with no abstentions.

As recommended by ERCOT staff and the R&M Committee, Mr. Flexon moved the Board to (1) determine that Real-Time Locational Marginal Prices, Real-Time Settlement Point Prices, Real-Time Price for Energy Metered for Resources, and Real-Time Price for Energy Metered for Settlement Only Generators for Operating Day August 20, 2024 were affected by the incorrect recall of ECRS, and (2) direct ERCOT staff to implement the appropriate price corrections pursuant to Protocol Section 6.3. Ms. Heeg seconded the motion. The motions passed by unanimous voice vote with no abstentions.

As recommended by ERCOT staff and the R&M Committee, Mr. Flexon moved the Board to (1) determine that Real-Time Locational Marginal Prices, Real-Time Settlement Point Prices, Real-Time Price for Energy Metered for Resources, and Real-Time Price for Energy Metered for Settlement Only Generators for Operating Days August 9-10, 2024, were affected by incorrect Resource data, and (2) direct ERCOT staff to implement the appropriate price corrections pursuant to Protocol Section 6.3. Ms. England seconded the motion. The motions passed by unanimous voice vote with no abstentions.

Mr. Flexon also reported that Ancillary Services Demand Curves were discussed by staff and the Independent Market Monitor (IMM) during the standing update RTC+B, noting that ERCOT staff had drafted and posted an Ancillary Services Demand Curves whitepaper to TAC and that the IMM discussed their work to develop Ancillary Services Demand Curves that would not delay implementation of RTC.

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 presentation on Phasor Measurement Units (PMUs) and Wide-Area Monitoring Systems by invited guest Dr. Jim Follum



of the Pacific Northwest National Laboratory. ERCOT staff discussed current use of PMUs and ways to grow and leverage their usage. Mr. Swainson reported a target go-live date for RTC is set for December 5, 2025. The Committee's Future Agenda Items discussion included plans for a presentation in December on small modular nuclear development in Texas.

Annual Membership Meeting Announcement (Agenda Item 10)

Mr. Seely presented the Annual Membership Meeting Announcement, including the event location at the Austin Marriott Downtown on December 2, 2024 from 4:30 to 7:30 p.m. The meeting will be in person, with an opportunity for ERCOT Members, the ERCOT Board, ERCOT staff, and invited guests to engage with guest speakers and attend a post-meeting social reception.

Other Business (Agenda Item 11)

No other business was discussed at this time.

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

Chair Flores recessed General Session at approximately 12:24 p.m. and convened Executive Session at approximately 12:55 p.m. Chair Flores recessed Executive Session at approximately 3:39 p.m. for the Board to vote on matters discussed in Executive Session and reconvened General Session at approximately 4:41 p.m.

Chair Flores entertained motions for two matters discussed during Executive Session.

Mr. Flexon moved to approve the contract matter discussed in Executive Session under Agenda Item ES 2.1.1. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Heeg moved to approve the contract matter discussed in Executive Session under Agenda Item ES 2.1.2. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chair Flores announced that the Board designated Ms. England to serve as Chair of the R&M Committee.

Adjournment (Agenda Item 13)

Chair Flores adjourned the meeting at approximately 4:43 p.m.

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

Chad V. Seely
Corporate Secretary