



**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  
December 2, 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:

<b>Director</b>	<b>Affiliation/Role (if any)</b>	<b>Voting Category</b>
Flores, Bill (Chair)	N/A	Voting
Heeg, Peggy	N/A	Voting

Officers and Guests:

<b>Officer/Guest</b>	<b>Role</b>
Day, Betty	ERCOT Vice President Security & Compliance and Chief Compliance Officer
George, Brittany	Weaver and Tidwell, LLP (Weaver), Partner
Gleason, Brandon	ERCOT Deputy General Counsel
James, Michelle	ERCOT Senior Manager of Critical Infrastructure Protection (CIP) and Corporate Compliance
Martinez, Adam	ERCOT Vice President of Enterprise Risk and Strategy
Rainwater, Kim	ERCOT Senior Corporate Counsel
Rychetsky, Penny	ERCOT Director of Internal Audit
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
Spak, Mara	ERCOT Vice President of Human Resources
Swanson, Leslie	ERCOT Treasurer and Controller
Tull, Melanie	Weaver Senior Manager

**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 9:30 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 November 21, 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.

### **October 9, 2024 General Session Meeting Minutes (Agenda Item 3)**

Chair Flores entertained a motion to approve the October 9, 2024 General Session Meeting Minutes (Minutes).

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

### **Annual Committee Self-Evaluation Survey Results (Agenda Item 4)**

Following the October 9, 2024 F&A Committee meeting, Board members who served on the Committee during 2024 were asked to complete a Committee Self-Evaluation Survey. Chair Flores and Ms. Heeg discussed the Annual Committee Self-Evaluation Survey Results.

### **2024 System and Organization Control Audit Report; Review of Requirements for Annual System and Organization Control Audit; Results of Examination and Independence Report from the System and Organization Control Auditor; Recommendation regarding Acceptance of 2024 System and Organization Control Audit Report (Agenda Items 5 and 5.1 – 5.3)**

Betty Day presented the Review of Requirements for Annual System and Organization Control (SOC) Audit of market settlements operations. Brittany George and Melanie Tull from Weaver and Tidwell, LLP (Weaver), the 2024 SOC Auditor, presented the Results of Examination, including that Weaver's opinion is unmodified, and also presented the report on Auditor independence. Committee members and Weaver discussed global and industry standards, the hours required to perform the ERCOT SOC audit, and the clean results of tests of ERCOT Treasury functions. Ms. Day presented ERCOT staff's recommendation that the Board accept Weaver's 2024 System and Organization Control Audit Report. The Committee planned to review the confidential report in Executive Session and then return to General Session for a vote on the recommendation in Agenda Item 9.1.

### **Committee Briefs (Agenda Item 6)**

Chair Flores invited ERCOT staff to present the Committee Briefs.

### **Review 2024 Financial Summary (Agenda Item 6.1)**

Richard Scheel presented the 2024 Financial Summary. Committee members and Mr. Scheel discussed the portion of the forecasted year-end 2024 favorable variance from the ERCOT Budget attributable to lower than budgeted healthcare costs in 2024. Discussion included the Company's self-insured program and resuming a prior practice of calculating a 3-year rolling average of healthcare costs to check the forecasts of the Company's outside vendor.



### **Periodic Report on Investments (Agenda Item 6.2)**

Leslie Swanson presented the Periodic Report on Investments. Committee members and Ms. Swanson discussed the interest income forecast includes approximately \$46 million (M) locked in for 2025 and approximately \$12M locked in for 2026.

### **Periodic Report on Debt Compliance (Agenda Item 6.3)**

Ms. Swanson presented the Periodic Report on Debt Compliance.

### **Future Agenda Items (Agenda Item 7)**

Mr. Scheel presented the Future Agenda Items. Committee members and Mr. Scheel discussed the process timeline for the 2026 / 2027 ERCOT Budget proposal and lessons learned from the 2024 / 2025 budget cycle.

### **Other Business (Agenda Item 8)**

No other business was discussed at this time.

### **Executive Session**

Chair Flores recessed General Session at approximately 9:57 a.m. and convened Executive Session at approximately 10:00 a.m. Chair Flores reconvened General Session at approximately 11:47 a.m.

### **Vote on Matters from Executive Session (Agenda Item 9)**

Chair Flores entertained motions on Matters from Executive Session.

**Ms. Heeg moved to recommend that the Board approve the Contract Matter discussed during Executive Session under Agenda Item ES 2.5. Mr. Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Ms. Heeg moved the Committee to approve the Risk Management Matter discussed during Executive Session under Agenda Item ES 2.7.2. Mr. Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Recommendation regarding Acceptance of 2024 System and Organization Control Audit Report (Agenda Item 9.1)**

Chair Flores entertained a motion to recommend the Board accept the 2024 System and Organization Audit Report discussed during General Session Agenda Items 5 – 5.3 and reviewed in Agenda Item ES 2.2.1.

**Ms. Heeg moved to recommend that the Board accept the 2024 SOC Audit Report. Mr. Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Recommendation regarding Selection of 2025 Independent System and Organization Control Auditor (Agenda Item 9.2)**

Chair Flores entertained a motion to recommend the Board select the 2025 Independent SOC Auditor discussed during Agenda Item ES 2.2.2.



**Ms. Heeg moved to recommend that the Board select the auditor discussed in Agenda Item ES 2.2.2 as 2025 Independent System and Organization Control Auditor. Mr. Flores 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 11:48 a.m.

Committee materials and presentations from the meeting are available on ERCOT's website at [http://www.ercot.com/committees/board/finance\\_audit/](http://www.ercot.com/committees/board/finance_audit/).

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Chad V. Seely  
Corporate Secretary

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