



**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  
February 3, 2025

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

**Other Board Members:**

<b>Director</b>	<b>Affiliation/Role (if any)</b>	<b>Voting Category</b>
Jackson, Kathleen	Public Utility Commission of Texas (PUCT, Commission) Commissioner	Non-Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

**Officers and Guests:**

<b>Officer/Guest</b>	<b>Role</b>
Gleason, Brandon	ERCOT Vice President, Legal and Compliance
Rainwater, Kim	ERCOT Senior Corporate Counsel
Ramirez, Jimmy	ERCOT Director of Supply Chain Management
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 Regulatory Policy, General Counsel, Chief Compliance Officer, and Corporate Secretary
Spak, Mara	ERCOT Vice President of Human Resources
Swanson, Leslie	ERCOT Treasurer and Controller

**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 9:32 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 January 27, 2025, 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.

### **December 2, 2024 General Session Meeting Minutes (Agenda Item 3)**

Chair Flores entertained a motion to approve the December 2, 2024, General Session Meeting Minutes (Minutes).

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

### **Annual Charter Review and Approval; Review of Committee Charter (Agenda Items 4 and 4.1)**

Chair Flores presented the Review of Committee Charter and indicated that no revisions were currently proposed to the Charter of the F&A Committee.

### **Internal Audit Department Charter (Agenda Item 4.2)**

Penny Rychetsky presented the Internal Audit Department Charter and proposed revisions required by new Global Internal Audit Standards. Committee members and Ms. Rychetsky discussed consistent use of the term “the Committee” in the Charter. Chair Flores entertained a motion to approve the Charter. The Committee approved the clean version of the Charter in the meeting materials.

**Peggy Heeg moved to approve the revised Internal Audit Department Charter. Mr. Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Annual Policy Review; Handling of Complaints Regarding Financial Matters; Policy on Hiring Former Employees of the Independent Auditor; Policy on Independent Auditor Selection (Agenda Items 5 – 5.3)**

Richard Scheel presented the Handling of Complaints regarding Financial Matters; the Policy on Hiring Former Employees of the Independent Auditor; and the Policy on Independent Auditor Selection. Mr. Scheel reported the policies are consistent with those in 2024. Committee members and Mr. Scheel discussed the required partner rotation for the 2025 financial statements audit, and the next required request for proposal (RFP) for independent audit services will be in 2026.

### **Annual Risk Assessments; Forecast Adequacy of the Budgeted System Administration Fee Rate (Agenda Items 6 - 6.1)**

Mr. Scheel presented the Forecast Adequacy of the Budgeted System Administration Fee (SAF) Rate. The budgeted SAF rate is currently forecast to not increase for 2026.



### **Review of Financial Institutions that are Market Participants (Agenda Item 6.2)**

Leslie Swanson presented the Review of Financial Institutions that are Market Participants, the purpose of the review, and that there have been no changes since last year.

### **Annual Corporate Standards Review and Approval; Recommendation regarding Financial Corporate Standard (Agenda Items 7 – 7.1)**

Ms. Swanson presented the Recommendation regarding Financial Corporate Standard including the proposal to update the Moody's debt rating for ERCOT from A1 to Aa3.

**Ms. Heeg moved to recommend that the Board approve the revised Financial Corporate Standard. Mr. Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Recommendation regarding Investment Corporate Standard (Agenda Item 7.2)**

Ms. Swanson presented the Recommendation regarding Investment Corporate Standard (Standard) and proposed to revise the standard as presented in the meeting materials.

**Ms. Heeg moved to recommend that the Board approve the revised Investment Corporate Standard. Mr. Flores seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Committee Briefs; Review 2024 Financial Summary (Agenda Items 8 – 8.1)**

Mr. Scheel presented the 2024 Financial Summary. Committee members and Mr. Scheel discussed elaborating on recommendations for how to approach the ERCOT original Blue Building on the campus of the ERCOT Facility in Taylor, Texas. Discussion also included accounting for the recovery of legal expenses and offset to the Legal Department's expenses.

### **Periodic Report on Investments (Agenda Item 8.2)**

Ms. Swanson presented the Periodic Report on Investments, including that ERCOT is following the Investment Corporate Standard.

### **Periodic Report on Debt Compliance (Agenda Item 8.3)**

Ms. Swanson presented the Periodic Report on Debt Compliance, including that ERCOT follows debt compliance requirements and ERCOT renewed its revolver effective December 31, 2024.

### **Future Agenda Items (Agenda Item 9)**

Mr. Scheel presented the Future Agenda Items.

### **Other Business (Agenda Item 10)**

No other business was discussed.

### **Vote on Matters from Executive Session; Adjournment (Agenda Item 11 and 12)**

Chair Flores announced that no voting items were expected from Executive Session; accordingly, he adjourned General Session at approximately 9:50 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/).

---

Brandon Gleason  
Assistant Corporate Secretary

DRAFT