



Date: January 12, 2010
To: Board of Directors
From: H.B. “Trip” Doggett, Interim President and Chief Executive Officer (CEO)
Subject: Election of Interim CEO and Ratification of Officers

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: January 19, 2010

Agenda Item No.: 4

Issue:

Election of the Interim CEO, ratification of the Interim Chief Financial Officer (CFO), and ratification of other Officers of the Electric Reliability Council of Texas, Inc. (ERCOT).

Background/History:

Section 8.2 (Tenure) of the ERCOT Bylaws (Bylaws) requires that the Board of Directors (Board) elect the CEO of ERCOT and ratify the remaining ERCOT Officers for terms not to exceed one year. Officers may be re-elected or re-ratified for consecutive terms without limitation. Section 7.1 (CEO) of such Bylaws provides that “[t]he CEO shall serve as President of ERCOT.”

Key Factors Influencing Issue:

- The Bylaws specifically contemplate and mandate the election of the ERCOT CEO and ratification of other Officers at least annually.
- ERCOT must have officers to perform its statutory and other functions.
- ERCOT is currently performing a CEO search and the election of an Interim CEO to fill this officer position temporarily (that is, until the CEO position is filled) is desirable to avoid any disruption in the operations of ERCOT until the CEO position is filled.
- ERCOT is currently performing a CFO search and the ratification of an Interim CFO to fill this officer position temporarily (that is, until the CFO position is filled) is desirable to avoid any disruption in the operations of ERCOT until the CFO position is filled.

Alternatives:

- Approve the proposed resolution as presented, that is:
 - Elect the Interim CEO with all of the powers, duties and responsibilities as ERCOT’s President and CEO until the earlier of the employment of a CEO by ERCOT or further Board action with regard to this position;
 - Ratify the Interim CFO with all of the powers, duties and responsibilities as ERCOT’s CFO until the earlier of the employment of a CFO by ERCOT or the termination of the independent contractor engagement with the employer of the person currently approved as ERCOT’s Interim CFO; and
 - Ratify other Officers as presented; or
- Take other action (that is, deny officer status) with regard to each of the Officers as the Board believes to be appropriate and provide instruction to ERCOT staff as needed.



Conclusion/Recommendation:

- Election of H.B. “Trip” Doggett as Interim President and CEO of ERCOT with all of the powers, duties and responsibilities as ERCOT’s President and CEO until the earlier of the employment of a CEO by ERCOT or further Board action with regard to this position;
- Ratification of Roy Bowman as Interim Vice President and CFO with all of the powers, duties and responsibilities as ERCOT’s Vice President and CFO until the earlier of the employment of a CFO by ERCOT or the termination of the independent contractor engagement with Mr. Bowman’s employer; and
- Ratification of the following slate of other ERCOT Officers for the 2010 year for a term while employed not to exceed one year:

H.B. “Trip” Doggett – Senior Vice President and Chief Operating Officer;
Mike Cleary – Senior Vice President and Chief Technology Officer;
Nancy Capezzuti – Vice President and Chief Administrative Officer;
Michael G. Grable – Vice President, General Counsel and Corporate Secretary;
Charles B. Manning, Jr. – Vice President and Chief Compliance Officer;
Richard Morgan – Vice President and Chief Information Officer; and
Kent Saathoff – Vice President of System Planning and Operations.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, pursuant to Section 8.2 (Tenure) of the Bylaws (Bylaws) of Electric Reliability Council of Texas, Inc. (ERCOT), the ERCOT Board of Directors (Board) shall elect the ERCOT Chief Executive Officer (CEO) and ratify other ERCOT Officers for terms not to exceed one year;

WHEREAS, Section 7.1 of the Bylaws also provides that the CEO of ERCOT shall serve also as President of ERCOT;

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to elect an Interim President and CEO and to ratify an Interim Chief Financial Officer (CFO) immediately to avoid any disruption in the operations of ERCOT until the CEO and CFO positions are filled, respectively, and to ratify other ERCOT Officers for the 2010 year for a term while employed not to exceed one year;

THEREFORE, BE IT RESOLVED, the ERCOT Board hereby elects H.B. "Trip" Doggett to serve as ERCOT Interim President and CEO immediately with all of the powers, duties and responsibilities as ERCOT's President and CEO until the earlier of the employment of a CEO by ERCOT or further Board action with regard to this position;

RESOLVED FURTHER, the Board hereby ratifies Roy Bowman as Interim Vice President and CFO with all of the powers, duties and responsibilities as ERCOT's Vice President and CFO until the earlier of the employment of a CFO by ERCOT or the termination of the independent contractor engagement with Mr. Bowman's employer; and

RESOLVED FURTHER, the ERCOT Board hereby ratifies the following other ERCOT Officers for the 2010 year for a term while employed not to exceed one year:

H.B. "Trip" Doggett – Senior Vice President and Chief Operating Officer;
Mike Cleary – Senior Vice President and Chief Technology Officer;
Nancy Capezzuti – Vice President and Chief Administrative Officer;
Michael G. Grable – Vice President, General Counsel and Corporate Secretary;
Charles B. Manning, Jr. – Vice President and Chief Compliance Officer;
Richard Morgan – Vice President and Chief Information Officer; and
Kent Saathoff – Vice President of System Planning & Operations.



CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its January 19, 2010 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2010.

Michael G. Grable
Corporate Secretary