



**DRAFT MINUTES OF THE BOARD OF DIRECTORS MEETING  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas, Inc.  
7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
May 18, 2010 at 10:00 a.m.

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:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bivens, Danny	Office of Public Utility Counsel	Residential Consumer (Alternate Representative for Sheri Givens)
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility
Dalton, Andrew	Valero Services, Inc.	Industrial Consumer
Doggett, Trip	ERCOT	Interim President and Chief Executive Officer
Dreyfus, Mark	Austin Energy	Municipal
Espinosa, Miguel		Unaffiliated
Fehrenbach, Nick	City of Dallas	Commercial Consumer
Gent, Michehl		Unaffiliated, Board Vice Chairman
Helton, Bob	International Power America Services	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Newton, Jan		Unaffiliated, Board Chairman (except for Agenda Items 11, 11a, 11b, 16 and 16b)
Patton, A.D.		Unaffiliated
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer
Smitherman, Barry T.	Public Utility Commission of Texas	Commission Chairman (except for Agenda Item 15)
Zlotnik, Marcie	StarTex Power	Independent Retail Electric Provider

**Staff and Guests:**

Anderson, Kenneth	Commissioner, Public Utility Commission of Texas
Bevill, Jennifer	AEP Energy Partners
Brewster, Chris	City of Eastland



Bruce, Mark	NextEra Energy Resources
Cleary, Mike	ERCOT
Cochran, Seth	Sempra Energy
Day, Betty	ERCOT
Dumas, John	ERCOT
Firestone, Joel	Direct Energy
Fox, Kip	AEP
Gage, Theresa	ERCOT
Gedrich, Brian	NextEra Energy Resources
Grendel, Steve	ERCOT
Grimes, Mike	Horizon Wind Energy
Hobbs, Kristi	ERCOT
Jones, Brad	Luminant Energy
Jones, Liz	Oncor
Jones, Randy	Calpine
King, Kelso	King Energy Consulting
Leady, Vickie	ERCOT
Magness, Bill	ERCOT
Manning, Charles	ERCOT
McClellan, Suzi	Good Company Associates
Morgan, Richard	ERCOT
Morris, Sandy	LCRA
Nelson, Donna	Commissioner, Public Utility Commission of Texas
Ogelman, Kenan	CPS Energy
Oehler, Melissa	Public Utility Commission of Texas
Petterson, Mike	ERCOT
Pieniasek, Adrian	NRG Texas
Prochazka, Scott	CenterPoint Houston Electric, LLC
Priestly, Vanus	Macquarie
Reid, Walter	Wind Coalition
Saathoff, Kent	ERCOT
Sandidge, Clint	Sempra Energy Solutions
Seymore, Cesar	Suez Energy
Stewart, Roger	LCRA
Wagner, Marguerite	PSEG TX
Walker, DeAnn	CenterPoint Energy
Walker, Mark	NRG Texas, Segment Alternate
Whittle, Brandon	DB Energy Trading LLC, Segment Alternate
Wullenjohn, Bill	ERCOT
Yager, Cheryl	ERCOT

**Call Open Session to Order and Announce Proxies (Agenda Item 1)**

Jan Newton, ERCOT Board Chairman, called the meeting to order at approximately 10:14 a.m., pointed out the Antitrust Admonition and determined a quorum was present.



Barry T. Smitherman, Public Utility Commission of Texas (Commission) Chairman, called an open meeting of the Commission to order to consider matters which were duly posted with the Texas Secretary of State for May 18, 2010.

Chairman Newton took the Agenda Items in the following order for scheduling convenience.

### **Consent Agenda (Agenda Item 2)**

The following items were handled in the Consent Agenda:

- Agenda Item 3 – April 20, 2010 Board Meeting Minutes;
- Agenda Item 15a – Protocol Revision Request (PRR) 844; and
- Agenda Item 15b – Nodal Protocol Revision Requests (NPRRs) 205 and 214.

**Bob Helton moved to approve the above-noted items on the Consent Agenda. A.D. Patton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Approval of April 20, 2010 Board Meeting Minutes (Agenda Item 3)**

The minutes of the April 20, 2010 Board Meeting were approved as part of the Consent Agenda under Agenda Item 2.

### **Chief Executive Officer (CEO) Update (Agenda Item 4)**

Trip Doggett, ERCOT Interim President and CEO, reviewed the CEO Update presentation with the Board members and responded to their questions. Dr. Patton commended Mr. Doggett and ERCOT staff on the development and protection of the Macomber Map. Commissioner Kenneth Anderson requested that Mr. Doggett address the staffing requirements for a robust credit management group at the June 2010 Board meeting.

Mr. Doggett recognized and thanked Christine Wright of the Commission, Mike Decker, and ERCOT staff, including, but not limited to, Heather Day, Kamal Bhatia, Vikram Gupta, Gary Schulte, Tony Thompson, Gary Wariner, Jackie Ashbaugh and Kelly Brink, for their collective work on the advanced meter projects. Chairman Newton extended thanks to all involved in these projects on behalf of the Board.

### **Operating Reports**

### **Financial Summary Report (Agenda Item 5)**

Chairman Newton invited comments or questions regarding the Financial Summary Report, but there were none.



### **Market Operations Report (Agenda Item 6)**

Chairman Newton invited comments or questions regarding the Market Operations Report, but there were none.

### **Information Technology (IT) Report (Agenda Item 7)**

Chairman Newton invited comments or questions regarding the IT Report. Richard Morgan, ERCOT Vice President and Chief Information Officer, and Mike Cleary, ERCOT Senior Vice President and Chief Technology Officer, responded to Calvin Crowder's questions regarding mitigation, opportunities for improvement and ongoing Nodal impact issues.

### **Grid Operations and Planning Report, including Alternatives for City of Garland Spencer Unit 5 Reliability Must Run (RMR) Agreement (Agenda Item 8)**

Chairman Newton invited comments or questions regarding the Grid Operations and Planning Report. Kent Saathoff, ERCOT Vice President of System Planning and Grid Operations, provided an update on an Energy Emergency Alert which occurred on Saturday, May 15, 2010. Mr. Saathoff and John Dumas, ERCOT Manager of Supply Integration and Grid Applications, answered the Board members' questions regarding this matter and the Grid Operations and Planning Report. Chairman Smitherman requested that Mr. Saathoff and Dan Woodfin, ERCOT Director of System Planning, coordinate with him at a later date on a review of the Gillespie-to-Newton line, the Clear Springs-to-Salado project, the Twin Buttes-to-Brown reconfiguration, and any other related projects that could relieve some of the transfer capability originally envisioned by the Gillespie-to-Newton line.

Chairman Newton reminded the Board members that the Grid Operations and Planning Report contained information on the City of Garland Spencer Unit 5 RMR Agreement, including feasible exit strategies.

### **Storage Technologies in the ERCOT Market (Agenda Item 9)**

John Dumas, Manager of Supply Integration and Grid Application, provided the Storage Technologies in the ERCOT Market presentation to the Board members. He responded to questions posed by the Board members and Commissioner Anderson regarding this subject. Chairman Newton requested that Mr. Dumas keep the Board apprised with ongoing updates on this subject, which he agreed to do.

### **May 2010 Load Forecast and Reserve Margin Update (Agenda Item 10)**

Mr. Woodfin provided the May 2010 Load Forecast and Reserve Margin Update to the Board members and responded to the Board members' questions on the presentation. Mr. Helton requested confirmation of the process for any change to the reserve margin percentage if the Loss of Load Probability study indicated that the percentage should be adjusted. Mr. Woodfin agreed to determine whether the Commission approval was necessary for such a change.



### **Transmission Planning Discussion (Agenda Item 11)**

Bill Magness, ERCOT Interim Vice President and General Counsel, noted that, at the April 20, 2010 Board meeting, Mr. Helton requested a policy discussion of the issues related to transmission project review in the Regional Planning Group process. Mr. Magness added that the Transmission Planning Discussion agenda item was intended to satisfy Mr. Helton's request and that this agenda item was posted as a voting item in the event that the Board wanted to take action, such as, providing instruction to the Technical Advisory Committee (TAC) on this matter. Mr. Magness clarified that this agenda item was not intended to address the specific matter of ERCOT's independent review of the Comanche Peak Congestion Mitigation proposal under the Regional Planning Group Charter and that any issues related to such review would be instead appropriately addressed through the alternative dispute resolution process provided under the Protocols.

### **Lunch (Agenda Item 14)**

The meeting adjourned for lunch at approximately 12:05 p.m. and was reconvened by Michehl Gent, Board Vice Chairman, at the request of Chairman Newton, at approximately 12:50 p.m.

### **Procedure and Process for Pre-Contingency Action Plan (PCAP) and Parameters of Economic Analysis for ERCOT Staff Review of Transmission Decisions (Agenda Items 11a and 11b)**

Mr. Helton led a general policy discussion of the Board members on the procedure and process for PCAP and on the parameters for economic analysis for ERCOT staff review of transmission decisions.

Marguerite Wagner of PSEG Texas and PSEG Energy Resources and Trade noted concerns regarding the economic upgrade evaluation process, requested further discussion of the related policy issues and requested a revisiting of the assumptions and conclusion of ERCOT staff recommendations if it were deemed appropriate. Mr. Saathoff, Brad Jones, TAC Chair, Mr. Woodfin and Ms. Wagner answered the Board members' questions regarding these topics.

**Mark Dreyfus moved to direct TAC to review and analyze the transmission planning criteria to determine the best way of including economic and reliability planning criteria in one location with special attention on long- and short-term economics. Mr. Helton seconded the motion. The motion passed by voice vote with one opposed (Andrew Dalton) and no abstentions.**

Chairman Newton returned to the meeting room.

### **Special Nodal Program (SNP) Committee Report (Agenda Item 12)**

Mr. Helton, SNP Committee Chairman, reported that the SNP Committee met during the prior day and considered matters mainly in Executive Session. He invited Mr. Cleary to provide the Nodal Update to the Board.



### **Nodal Update (Agenda Item 13)**

Mr. Cleary presented the Nodal Update to the Board members and responded to their questions on this topic. Mr. Cleary noted ERCOT's engagement of economists to review the manner in which the market will operate after Nodal goes live and to identify any potential issues in the market. Mr. Dreyfus commented that he believed a risk review was appropriate, but that the risk review not evolve into a market design review (particularly prior to the Market Participants' having the opportunity to experience the market). Mr. Dreyfus further emphasized that he would like the Independent Market Monitor to be highly engaged – if not the lead, then in a leadership position in this effort. Mr. Cleary continued his presentation to the Board members and responded to further questions.

Brandon McElfresh, ERCOT Senior IT Internal Auditor, provided a market readiness update to the Board members.

Don Jefferis, ERCOT Interim Director of Nodal Financial Management Office, provided the Monthly Financial Review to the Board members.

### **TAC Update (Agenda Items 15, 15a, 15b and 15c)**

Chairman Newton invited Mr. Jones to provide a report on recent TAC activities.

### **PRRs (Agenda Item 15a)**

#### **PRR833**

**PRR833 – Primary Frequency Response Requirement from Existing Wind-Powered Generation Resources (WGRs) [CPS Energy].**

**Proposed Effective Date:** June 1, 2010.

**CEO Determination:** No opinion on whether or not PRR833 is necessary prior to the Texas Nodal Market Implementation Date.

**ERCOT Impact Analysis:** No budgetary impact; no additional full-time equivalents needed; no system changes required; no impacts to business functions; and no impact to grid operations or practices.

**Revision Description:** This PRR places a Primary Frequency Response requirement on WGRs that were not covered by PRR824 – Primary Frequency Response from WGRs.

**Procedural History:** PRR833 was posted on September 22, 2009. On October 22, 2009, the Protocol Revision Subcommittee (PRS) voted to recommend approval of PRR833 as submitted via roll call vote. On November 19, 2009, PRS voted via roll call vote to endorse and forward the October 22, 2009 PRS Recommendation Report as amended by the November 12, 2009 ERCOT comments and Impact Analysis to TAC. On December 3, 2009, TAC voted to table PRR833 for one (1) month to provide the wind community with the opportunity to address the definition of “technically infeasible.” There were four (4) opposing votes from the Investor Owned Utility (IOU) (3) and Municipal Market Segments and four (4) abstentions from the Independent Power Marketer (IPM) (3) and Cooperative Market Segments. On January 6, 2010, TAC voted to table



PRR833 with instructions for the Wholesale Market Subcommittee (WMS) to review the January 5, 2010 NextEra comments and the Reliability Operations Subcommittee (ROS) to review the January 5, 2010 E.ON comments. There were two (2) abstentions from the IPM Market Segment. On April 8, 2010, TAC recommended approval of PRR833 as revised by the March 26, 2010 WMS comments. The motion carried via roll call vote.

**Dr. Patton moved to approve PRR833 as recommended by TAC in the April 8, 2010 TAC Report. Calvin Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

#### PRR844

#### **PRR844 – Transmission and/or Distribution Service Provider (TDSP) Definition Revision [ERCOT].**

**Proposed Effective Date:** June 1, 2010.

**CEO Determination:** No opinion on whether or not PRR844 is necessary prior to the Texas Nodal Market Implementation Date.

**ERCOT Impact Analysis:** No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; minor modifications to TDSP application process with ERCOT; and no impact to grid operations.

**Revision Description:** This PRR revises the definition of TDSP to include Entities that have been selected to own and operate Transmission Facilities and have a code of conduct approved by the Commission.

**Procedural History:** PRR844 was posted on January 15, 2010. On February 18, 2010, PRS unanimously voted to recommend approval of PRR844 as amended by the January 22, 2010 CenterPoint Energy comments. On March 25, 2010, PRS unanimously voted to endorse and forward the February 18, 2010 PRS Report and Impact Analysis for PRR844 to TAC. On April 8, 2010, TAC unanimously voted to recommend approval of PRR844 as recommended by PRS in the March 25, 2010 PRS Report.

**PRR844 was approved as part of the Consent Agenda under Agenda Item 2.**

#### **NPRRs (Agenda Item 15b)**

#### NPRR205

#### **NPRR205 – TDSP Definition Revision [ERCOT].**

**Proposed Effective Date:** Upon Texas Nodal Market Implementation.

**CEO Determination:** Necessary prior to the Texas Nodal Market Implementation Date.

**ERCOT Impact Analysis:** No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; and, no impacts to ERCOT grid operations and practices.

**Revision Description:** This NPRR revises the definition of TDSP to include Entities that have been selected to own and operate Transmission Facilities and have a code of conduct approved by the Commission.



**Procedural History:** NPRR205 was posted on January 15, 2010. On February 18, 2010, the PRS unanimously voted to recommend approval of NPRR205 as amended by the January 22, 2010 CenterPoint Energy comments. On March 25, 2010, PRS unanimously voted to endorse and forward the February 18, 2010 PRS Report and Impact Analysis for NPRR205 to TAC. On April 8, 2010, TAC unanimously voted to table NPRR205 for one (1) month. On May 6, 2010, TAC unanimously voted to recommend approval of PRR205 as recommended by PRS in the March 25, 2010 PRS Recommendation Report.

**NPRR205 was approved as part of the Consent Agenda under Agenda Item 2.**

### NPRR208

**NPRR208 – Registration and Settlement of DG Less Than One MW [NOIE DRG TF].**

**Proposed Effective Date:** Upon Texas Nodal Market Implementation.

**CEO Determination:** No opinion on whether or not NPRR208 is necessary prior to the Texas Nodal Market Implementation Date.

**ERCOT Impact Analysis:** No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; new business process will need to be put in place to produce the quarterly reports on the total unregistered installed capacity below the current threshold, summed by Load Zone; and, no impacts to ERCOT grid operations and practices.

**Revision Description:** The NPRR includes proposed language changes by the Non Opt-In Entity (NOIE) Distributed Renewable Generation (DRG) Task Force in regards to the registration requirements for DG greater than 50 kW and less than or equal to one MW. In addition, this NPRR synchronizes language approved through PRR756 – Distributed Renewable Generation Modifications, with some recommended revisions consistent with the NOIE DRG Task Force discussions. PRR756 was approved by the ERCOT Board on May 20, 2008 and was implemented on November 21, 2009.

**Procedural History:** NPRR208 was posted on January 25, 2010. On February 18, 2010, PRS voted to recommend approval of NPRR208 as amended by the January 29, 2010 Profiling Working Group (PWG) comments. There were two (2) abstentions from the Consumer and Independent Generator Market Segments. On March 25, 2010, PRS voted to endorse and forward the February 18, 2010 PRS Report as amended by the March 3, 2010 ERCOT comments and as revised by PRS and Impact Analysis for NPRR208 to TAC.

There was one (1) abstention from the Consumer Market Segment. On April 8, 2010, TAC unanimously voted to table NPRR208 for one (1) month. On May 6, 2010, TAC voted to recommend approval of NPRR208 as recommended by PRS in the March 25, 2010 PRS Recommendation Report and as revised by TAC. There was one (1) opposing vote from the Consumer Market Segment and one (1) abstention from the Independent Retail Electric Provider (IREP) Market Segment.

Mr. Jones suggested that the Board remand NPRR208 to TAC due to a newly discovered issue with a recently approved change.

**Clifton Karnei moved to remand NPRR208 to TAC. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions. Mr. Dreyfus suggested a friendly amendment of remanding NPRR208 to TAC and returning NPRR208**





to the Board no later than August 2010. Mr. Karnei and Mr. Fehrenbach accepted Mr. Dreyfus' friendly amendment. Mr. Fehrenbach noted that he would prefer that TAC return NPRR208 to the Board no later than July 2010. **The motion passed by unanimous voice vote with no abstentions.**

#### NPRR211

**NPRR211 – Clarify Capacity Obligations of Energy Trades (formerly “Modify RUC Capacity Short Charge to Use Final Energy Trades”) [J. Aron].**

**Proposed Effective Date:** Upon Texas Nodal Market Implementation.

**CEO Determination:** No opinion on whether or not NPRR211 is necessary prior to the Texas Nodal Market Implementation Date.

**ERCOT Impact Analysis:** No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business processes or functions; and, no impacts to ERCOT grid operations or practices.

**Revision Description:** This NPRR specifies that Energy Trades representing firm physical products that are entered and confirmed through ERCOT must be submitted by 1430 in the Day-Ahead for the Operating Day, and that Energy Trades representing firm physical products that are executed during the adjustment period and confirmed through ERCOT must be submitted prior to the next Hourly Reliability Unit Commitment (HRUC) execution.

**Procedural History:** NPRR211 was posted on February 11, 2010. On February 18, 2010, PRS unanimously voted to refer NPRR211 to WMS.

On March 25, 2010, PRS unanimously voted to recommend approval of NPRR211 as amended by the March 25, 2010 WMS comments. On April 22, 2010, PRS unanimously voted to endorse and forward the March 25, 2010 PRS Report and Impact Analysis for NPRR211 to TAC. PRS then voted to reconsider NPRR211. There was one (1) abstention from the Independent Generator Market Segment. Upon reconsideration, PRS voted to endorse and forward the March 25, 2010 PRS Report as revised by PRS and Impact Analysis for NPRR211 to TAC. There was one (1) abstention from the Independent Generator Market Segment. On April 22, 2010, PRS unanimously voted to endorse and forward the March 25, 2010 PRS Report and Impact Analysis for NPRR211 to TAC. PRS then voted to reconsider NPRR211. There was one (1) abstention from the Independent Generator Market Segment. Upon reconsideration, PRS voted to endorse and forward the March 25, 2010 PRS Report as revised by PRS and Impact Analysis for NPRR211 to TAC. There was one (1) abstention from the Independent Generator Market Segment. On May 6, 2010, TAC voted to recommend approval of NPRR211 as recommended by PRS in the April 22, 2010 PRS Recommendation Report. There were two (2) abstentions from the (IOU and Independent Generator Market Segments).

**Mr. Karnei moved to approve NPRR211 as presented. Dr. Patton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

#### NPRR214

**NPRR214 – WGR High Sustained Limit HSL Update Process [Wind Coalition].**

**Proposed Effective Date:** Upon Texas Nodal Market Implementation.



**CEO Determination:** No opinion on whether or not NPRR214 is necessary prior to the Texas Nodal Market Implementation Date.

**ERCOT Impact Analysis:** No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business processes or functions; and, no impacts to ERCOT grid operations or practices.

**Revision Description:** This NPRR establishes the specific timing of the WGR's HSL update to ERCOT and specifies that, when not curtailed, the WGR's HSL should equal the WGR's current meter reading.

**Procedural History:** NPRR214 was posted on March 12, 2010. On March 25, 2010, PRS voted to recommend approval of NPRR214 as amended by the March 16, 2010 Luminant comments. There was one (1) abstention from the Consumer Market Segment. On April 22, 2010, PRS voted to endorse and forward the March 25, 2010 PRS Report and Impact Analysis for NPRR214 to TAC. There was one (1) abstention from the Consumer Market Segment. On May 6, 2010, TAC unanimously voted to recommend approval of NPRR214 as recommended by PRS in the April 22, 2010 PRS Recommendation Report.

**NPRR214 was approved as part of the Consent Agenda under Agenda Item 2.**

Mr. Jones continued the TAC Report.

**First Quarter 2010 Texas Renewables Integration Plan (TRIP) Report to the Public Utility Commission of Texas (Agenda Item 15c)**

Mr. Jones presented the First Quarter 2010 TRIP Report to the Board members.

Mr. Jones continued the TAC Report and noted that TAC reviews the Emergency Interruptible Load Service (EILS) program on a quarterly basis. He noted that, although TAC has not discussed or endorsed a position with regard to the EILS program, a fairly sizeable portion of the TAC members requested that he apprise the Board over their continuing concern over the value of the program. Commissioner Donna Nelson suggested that individual members visit with the three Commissioners to discuss this matter further to determine whether further modifications to the program should be considered. The Board members continued their discussion and Mr. Jones responded to the Board members' questions. Mr. Helton requested that any relevant studies which could affect reliability be included in the TRIP Report in the future, which Mr. Jones agreed to include. Mr. Jones concluded the TAC Report.

Chairman Newton excused herself from the meeting room during Agenda Items 16 and 16b.

**Finance & Audit (F&A) Committee Report (Agenda Items 16, 16a and 16b)**

Mr. Karnei, F&A Committee Chairman, reported that the F&A Committee met earlier in the morning and considered in part the following matters:

- Review of Market Reform's Internal Audit staffing recommendations;
- Discussion of proposed F&A Committee's survey of Internal Audit;
- Review of Internal Audit goals for the First Quarter of 2010;



- Review of Internal Audit status report;
- Review of EthicsPoint matters;
- Discussion of debt financing proposal;
- Review and approval of Internal Audit Department Charter; and
- Review of Market Credit Risk Standard.

The F&A Committee Report continued later in the meeting.

### **Market Credit Risk Standard (Agenda Item 16b)**

Mr. Karnei advised that the F&A Committee recommended the approval of the revised Market Credit Risk Standard as presented.

**Mr. Karnei moved to accept the F&A Committee’s recommendation and to approve the revised Market Credit Risk Standard as presented. Mr. Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

### **Finance & Audit (F&A) Committee Report (Agenda Items 16 and 16a) – Continued**

Mr. Karnei, F&A Committee Chairman, continued his reported of the F&A Committee meeting and noted that the F&A Committee considered in part the following matters:

- Review of ERCOT’s dealings with any financial institutions that are also Market Participants;
- Preapproval of non-audit services from ERCOT’s independent auditor; and
- Review of the procedures for handling violations.

### **Discussion of the ERCOT 2009 Internal Revenue Service (IRS) Form 900 Filing (Agenda Item 16a)**

Vickie Leady, ERCOT Senior Corporate Counsel, provided an overview of the 2009 IRS Form 990 preparation and filing process and responded to Board members’ questions on this topic.

### **Human Resources & Governance (HR&G) Committee Report and 2010 to 2014 ERCOT Strategic Plan (Agenda Items 17 and 17a)**

Mr. Dalton, HR&G Committee Chairman, reported that the HR&G Committee met earlier in the morning and considered in part the following matters:

- Staffing levels;
- Board members’ duties;
- 2010 to 2014 ERCOT Strategic Plan;
- Review of Staff Survey regarding core values;
- External relations update;
- Q1 Key Performance Indicators (KPIs); and
- Compensation for Unaffiliated Directors.



Mr. Dalton responded to Board members' questions on these topics.

**Call for Special Meeting of ERCOT Corporate Members for Election of Unaffiliated Director (Agenda Item 18)**

Chairman Newton reminded the Board members that ERCOT's Corporate Members must vote to elect Jorge Bermudez as an Unaffiliated Director to the ERCOT Board and that a Special Meeting of the Corporate Members would need to be called in June 2010 for his election in order for Mr. Bermudez to begin his term on July 1, 2010.

**Mr. Karnei moved to approve the calling of a Special Meeting of the ERCOT Corporate Members for the election of an Unaffiliated Director, Jorge Bermudez, as presented. Miguel Espinosa seconded the motion.**

Mr. Magness responded to the Board members' questions on this topic. The discussion on this topic continued later in the meeting.

**Other Business (Agenda Item 19)**

Vice-Chairman Gent provided an informational report on the separation of the Texas Regional Entity from the ERCOT organization.

The Board considered other business later in the meeting.

**Call for Special Meeting of ERCOT Corporate Members for Election of Unaffiliated Director (Agenda Item 18) – Continued**

Chairman Newton called for a vote on Mr. Karnei's motion for the calling of a Special Meeting of the ERCOT Corporate Members.

**The motion passed by unanimous voice vote with no abstentions.**

**Future Agenda Items (Agenda Item 20)**

There was no discussion on future agenda items at this time.

**Executive Session (Agenda Items 21 to 26)**

Chairman Newton adjourned the meeting to Executive Session at approximately 2:55 p.m. and noted that the Executive Session would not begin until approximately 3:30 p.m. Chairman Newton reconvened the meeting to General Session at approximately 5:11 p.m.

**Vote on Matters from Executive Session (Agenda Item 27)**



Chairman Newton called for a vote on matters from Executive Session.

**Mr. Helton moved to approve the two voting items considered under Contract Matters in Executive Session by the Board as noted in the Board’s materials for the Network Model Management System (Item 24a) and for the Credit Monitoring and Management project (Item 24e) and as discussed during Executive Session. Vice-Chairman Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Mr. Crowder moved to approve the voting item considered under the IT Data Center Relocation in Executive Session by the Board noted in the Board’s materials for the telecommunications equipment project under Tab 24b and as discussed during Executive Session. Mr. Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Other Business (Agenda Item 19) – Continued**

Chairman Newton announced her resignation from the ERCOT Board, effective immediately following the conclusion of the meeting, for personal reasons. She noted the great strides made by the organization and thanked ERCOT for the great opportunity to serve as Board Chair.

**Adjournment (Agenda Item 28)**

Chairman Newton adjourned the meeting at approximately 5:15 p.m.

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

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Bill Magness  
Interim Corporate Secretary