



Technical Advisory Committee

Procedures

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Technical Advisory Committee Procedures

These Technical Advisory Committee (TAC) Procedures are based upon incorporated provisions of the ERCOT Bylaws. Upon amendment of the ERCOT Bylaws, these Procedures should be reviewed to ensure consistency with any Bylaws revisions.

I. FUNCTIONS OF TAC

A. Duties

The TAC shall make recommendations to the Board as it deems appropriate or as required by the Board and perform any other duties as directed by the Board. TAC shall have the authority to create subcommittees, task forces and work groups, as it deems necessary and appropriate to conduct the business of TAC. TAC shall review and coordinate the activities and reports of its subcommittees.

B. Studies

The TAC shall itself, through its subcommittees, or through ERCOT staff, make and utilize such studies or plans as it deems appropriate to accomplish the purposes of ERCOT, the duties of its subcommittees and the policies of the Board. Results of such studies and plans shall be reported to the Board as required by the Board.

C. Prioritization of Projects Proposed by the Market

The TAC shall be responsible for setting the priority of projects approved through the PRR, SCR and guide revision processes. TAC may delegate the responsibility for recommending the priority of market projects to one of its subcommittees.

II. MEMBERSHIP

A. Qualifications and Appointment

TAC Representatives shall be elected or appointed according to the provisions of the ERCOT Bylaws and procedures established by the ERCOT Board.

B. Term of Representatives

TAC Representatives shall be selected annually in December of each year for service in the following calendar year.

C. Membership

The TAC shall be comprised of Representatives of Members from each market Segment as defined in the ERCOT Bylaws: Independent Retail Providers (and Aggregators), Independent Generators, Independent Power Marketers, Municipals, Cooperatives, Investor Owned Utilities, and Consumers. The Corporate Members of each Segment are responsible for electing or appointing their Representatives to TAC. In addition, the ERCOT Chief Operating Officer (COO) shall be an ex-officio, non-voting member of TAC.

D. Vacancies

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Vacancies shall be filled in the manner prescribed by the ERCOT Bylaws.

III. CHAIR AND VICE-CHAIR

A. Qualifications and Appointment

As provided in the ERCOT Bylaws, the Chair and Vice-Chair shall be elected by TAC and confirmed by the ERCOT Board.

B. Duties

The Chair shall be responsible for setting the agenda and presiding over all TAC meetings. The Chair shall also report to the Board on behalf of TAC. The Vice-Chair shall act as Chair at TAC meetings in absence of the Chair.

IV. MEETINGS

A. Quorum and Action

As provided in the ERCOT Bylaws: Fifty-one percent (51%) of eligible Representatives of TAC shall constitute a quorum required for the transaction of business. Each voting member represented on TAC may designate, in writing, an Alternate Representative who may attend meetings, vote on the member's behalf and be counted toward establishing a quorum. Each voting member represented on TAC may designate in writing a proxy who may attend meetings and vote on the member's behalf, but shall not be counted toward establishing a quorum. If the TAC Representative wishes to designate an Alternate Representative or proxy, a notification of the designation of such Alternate Representative or proxy must be sent to ERCOT and shall be valid for the time period designated by the TAC Representative.

B. Meeting Schedule

The TAC and its subcommittees shall meet as often as necessary to perform their duties and functions.

C. Participatory Voting:

As provided in the ERCOT Bylaws, each Segment may choose to utilize "Participatory Voting" as follows:

If a Segment chooses to engage in Participatory Voting, each TAC Representative elected to serve and present at the meeting shall be required to vote the decision of the majority of Corporate Members of their Segment in attendance at a TAC meeting. A Corporate Member may delegate an employee or agent other than the Member representative to vote on its behalf for purposes of Participatory Voting. If a Corporate Member of a Segment using Participatory Voting is unable or does not wish to attend a TAC meeting, such Member may deliver a written proxy, at any time prior to the start of the meeting to a Participatory Voting delegate of any Member of the same Segment. A Corporate Member delegate in attendance at a TAC meeting may give written proxy to a Participatory Voting delegate of any

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Member of the same Segment during such meeting. If the consumer Segment chooses to utilize "Participatory Voting", each consumer type (retail, commercial and industrial) with representative(s) present shall each have equal voting strength in determining how the TAC Representatives of the Segment shall vote.

D. Notification

As provided in the ERCOT Bylaws, all meetings of the TAC shall be called by the Chair and all such meeting notices shall be sent in writing (including e-mail or fax) to each member **at least two (2) weeks prior to the meeting, and all agenda items requiring a vote of TAC, must be published at least one week prior to the meetings** unless an emergency condition should suggest otherwise. Any such emergency shall be by consent of a majority of the members of TAC. Any ERCOT Member may request notification of TAC meetings.

E. Conduct of Meetings

The Chair shall preside at all meetings and is responsible for preparation of agendas for such meetings. In the absence of the Chair, the Vice-Chair or another TAC Representative shall preside at the meeting. The Chair, or the presiding Member, shall be guided by Robert's Rules of Order in the conduct of the meetings. ERCOT staff shall be responsible for recording minutes of TAC meetings and distributing such minutes and other communications to all members of TAC and any other parties who express an interest in receiving such information. TAC meetings and TAC subcommittee meetings may be attended by any interested observers; provided, however, persons may be excluded from portions of TAC meetings and TAC subcommittee meetings where third party confidential information is presented or discussed (e.g., confidential vendor or bid information and generation unit information).

F. Voting

In matters determined by the Chair to require a vote of TAC, or when any TAC Representative requests a vote on an issue, each TAC Representative shall have one (1) vote. As provided in the ERCOT Bylaws, an act of TAC requires affirmative votes of sixty-seven percent (67%) of the eligible Representatives of TAC. TAC Representatives who abstain from voting shall not have their votes included in the total number of votes from which the requisite percentage of affirmative votes is required for action. In the event of such abstentions, however, for a vote to become an act of TAC, there must be an affirmative vote of (i) the requisite percentage of the remaining non-abstaining votes *and* (ii) at least fifty percent (50%) of the total members.

G. Electronic Mail Voting

In matters determined by the Chair to require a vote of TAC which are urgent or otherwise require action prior to the next meeting, a vote via electronic mail (e-mail

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vote) may be utilized. A request for an e-mail vote can only be initiated by the Chair or Vice Chair. An e-mail vote is permitted provided a notification is distributed to the TAC distribution list that includes a detailed description of the issue or proposition and accompanied by supporting documentation. For e-mail votes, a quorum of Standing Representatives must participate in the vote. Participation requires casting a vote or abstaining. Votes shall be submitted to ERCOT for tallying by the close of two (2) Business Days after notification of the vote. Votes are tallied in the same manner as a regular meeting. The final tally shall be distributed to the TAC distribution list and posted on the MIS.

V. SUBCOMMITTEES

A. Duties

Subcommittees shall make recommendations to TAC as they deem appropriate or as required by TAC and shall perform any other duties as directed by TAC.

B. Alternate Representatives and Proxies

Each Standing Representative of a subcommittee may designate in writing an Alternate Representative who may attend meetings, vote on the Standing Representative's behalf and be counted toward establishing a quorum. Each Standing Representative of a subcommittee may designate, in writing, a proxy who may attend meetings and vote on the member's behalf, but shall not be counted toward establishing a quorum. If the Standing Representative wishes to designate an Alternate Representative or proxy, a notification of the designation of such Alternate Representative or proxy must be sent to ERCOT and shall be valid for the time period designated by the Standing Representative. Alternate Representatives, if not employed by the voting member thereby represented, must be confirmed in writing by such member (signed by a duly authorized representative of the member).

C. Chair and Vice Chair

Unless otherwise directed by TAC, the Standing Representatives of each subcommittee shall elect a Chair and Vice-Chair from the subcommittee's standing membership for a term of one (1) year on a calendar year basis. The Chair and Vice-Chair shall be confirmed by TAC. Each Chair shall be responsible for setting the agenda and presiding over respective subcommittee meetings. The Chair shall also report on subcommittee activities and present recommendations to TAC. The Vice-Chair shall act as Chair at subcommittee meetings in the absence of the Chair.

D. Meetings and Notification

The subcommittee Chair is responsible for calling meetings as often as necessary for the subcommittee to perform its duties and functions. Meeting notices shall be sent to each Standing Representative, the subcommittee distribution list, and posted on the ERCOT website at least one (1) week prior to the meeting, unless an emergency condition requires a shorter notice.

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In addition, subcommittee meetings are attended by ERCOT Staff person(s) who coordinate ERCOT support of the meeting, including meeting arrangements, meeting minutes, and ERCOT Staff participation in the meeting.

E. Standing TAC Subcommittees

There shall be five standing TAC subcommittees with representatives as follows:

1. Retail Market Subcommittee (RMS); Reliability and Operations Subcommittee (ROS); and Wholesale Market Subcommittee (WMS)

Membership: Membership shall consist of one (1) to four (4) Standing Representatives from each Segment elected or appointed by the voting members of the respective Segment, with the exception of the Consumer Segment. The Consumer Segment shall consist of three (3) subsegments (Residential, Commercial, and Industrial). The number of Standing Representatives for each Segment shall be determined by the TAC members representing that Segment. Standing Representatives, if not employed by the voting member thereby represented, must be confirmed in writing by such member (signed by a duly authorized representative of the member). These will be the voting members of the subcommittee. ERCOT shall appoint appropriate staff member(s) to attend and participate in the subcommittee meetings.

Quorum: At least one Standing Representative from each of four (4) Segments and a majority of the Standing Representatives must be present at a meeting to constitute a quorum. Standing Representatives may participate in the meeting and vote via telephone, but participation via telephone shall not count towards a quorum.

Votes: Each Segment shall have a Segment Vote of 1.0 except the Consumer Segment, which shall have a Segment Vote of 1.5. Segment Votes shall be equally divided into Fractional Segment Votes among the Standing Representatives, designated Alternate Representatives and proxies of each Segment that cast a vote. The Consumer Segment Vote shall be equally divided into a Fractional Segment Vote of .5 for each of the three subsegments. The Fractional Segment Vote for each subsegment of the Consumer Segment is allocated to the Standing Representatives, designated Alternate Representatives, and proxies of the subsegment casting a vote. For the Consumer Segment, if no Standing Representative from a subsegment is present at a meeting, the Consumer Segment vote is allocated equally to the subsegment(s) that cast a vote. If a representative from a subsegment abstains from a vote, the fraction of the Consumer Segment Vote allocated to such representative is not included in the vote tally.

Voting: Only Standing Representatives, their designated Alternate Representative, or proxy may vote. A motion of the subcommittee passes

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when a majority of the aggregate of the Fractional Segment Votes are (i) affirmative, and (ii) a minimum total of three (3). The results of all votes taken will be reported to TAC, whether or not the vote passed.

Abstentions: In the event that a voting member, their designated Alternate Representative, or proxy, is not present during a roll call vote, or abstains from voting, that member's fractional vote will be reallocated equally among the remaining voting members of that Segment; except for the Consumer Segment.

E-Mail Voting: An e-mail vote is permitted provided a notification is distributed to the subcommittee distribution list that includes a detailed description of the issue or proposition. A request for an e-mail vote can only be initiated by the Chair or Vice Chair. A quorum of Standing Representatives must participate in the e-mail vote. Participation requires casting a vote, or abstaining. Votes shall be submitted to ERCOT for tallying by the close of two (2) Business Days after notification of the vote. Votes are tallied in the same manner as a regular meeting. The final tally shall be distributed to the subcommittee distribution list and posted on the MIS.

2. Commercial Operations Subcommittee (COPS) and Protocol Revision Subcommittee (PRS)

The PRS is mandated by the ERCOT Protocols.

Membership: Membership shall consist of two (2) Standing Representatives from each Segment.

Quorum: In order to take action, a quorum must be present. A quorum is defined as at least one (1) Standing Representative in each of at least four (4) Segments.

Votes: At all meetings, each Segment shall have one (1) Segment Vote. The representative of each Voting Entity, present at the meeting and participating in the vote, shall receive an equal fraction of its Segment's Vote, except for the Consumer Segment which shall be divided into three subsegments (Residential, Commercial, and Industrial) that receive one third of the Consumer Segment Vote. For the Consumer Segment, if no representative from a subsegment is present at a meeting, such subsegment's fractional vote is allocated equally to the subsegment(s) that are present. If a representative from a subsegment abstains from a vote, the fraction of the Consumer Segment Vote allocated to such representative is not included in the vote tally.

Voting Entities: Entities entitled to vote (Voting Entities) are ERCOT Corporate Members, ERCOT Associate Members, and ERCOT Adjunct Members. Voting Entities must align themselves each calendar year with a Segment for which they qualify or, for Adjunct Members, a Segment to which they are similar. Voting

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Entities that align themselves with a Segment must be aligned with that same Segment for all TAC subcommittees, and remain aligned with that Segment for the entire calendar year. For the Residential subsegment of the Consumer Segment, Voting Entities are limited to the Standing Representative or their designated Alternate Representative.

Voting: Only one representative of each Voting Entity present at the meeting may vote. A motion of the subcommittee passes when a majority of the aggregate of the fractional Segment Votes are (i) affirmative, and (ii) a minimum total of three (3). The results of all votes taken will be reported to TAC, whether or not the vote passed.

Abstentions: In the event that a representative of a Voting Entity abstains from a vote, the Segment Vote is allocated among the members casting a vote; except for the Consumer Segment.

E-Mail Voting: An e-mail vote is permitted provided a notification is distributed to the subcommittee distribution list that includes a detailed description of the issue or proposition. E-mail votes for COPS and PRS are primarily conducted for administrative purposes. A request for an e-mail vote can only be initiated by the Chair or Vice Chair. For e-mail votes, each Standing Representative shall have one (1) vote and a quorum of Standing Representatives must participate in the vote. Participation requires casting a vote or abstaining. The affirmative votes of eight Standing Representatives shall be the act of the subcommittee by e-mail vote. Votes shall be submitted to ERCOT for tallying by the close of two (2) Business Days after notification of the vote. A PRS e-mail vote on a request for Urgent Status shall be submitted to ERCOT for tallying within forty-eight (48) hours. The final tally shall be distributed to the subcommittee distribution list and posted on the MIS.

VI. AMENDMENT

These Procedures may be amended upon motion by any member of TAC and approval of that motion by vote of TAC, provided such amendment may not be in conflict with the ERCOT Bylaws, Board Procedures, or Board resolutions. The ERCOT Board may, upon its own motion, amend these Procedures upon reasonable notice to the TAC membership.