

ERCOT FACT SHEET

Governance

ERCOT BOARD OF DIRECTORS

- “Hybrid” board consists of 14 members:
 - 6 Industry Segment Representatives
 - Investor-owned Utilities
 - Municipally-owned Utilities
 - Electric Cooperatives
 - Independent Generators
 - Independent Power Marketers
 - Independent Retail Electric Providers
 - 3 Consumer Segment Representatives
 - Industrial
 - Commercial
 - Residential
 - 3 Unaffiliated (independent) Members, recruited for their expertise in specific areas:
 - Information technology
 - Finance
 - Risk management
 - ERCOT CEO
 - Public Utility Commission Chair (non-voting ex-officio)
- Except for confidential matters, meetings are public
- Board action requires a supermajority of two-thirds of members present
- Segment representative members and the Industrial Consumer member are selected by Corporate ERCOT Members within their segments
- Commercial Consumer member is appointed by the board member vacating that seat, subject to Board and PUCT approval
- Residential Consumers are represented by the Office of Public Utility Counsel
- Board structure has been modified over the years in response to dialogue with the Legislature and PUCT
 - Board size reduced from 23 to 14 members and unaffiliated seats added in 2003

ETHICS POLICY & CONFLICTS OF INTEREST

- ERCOT Bylaws place an affirmative duty on Board members and stakeholders to disclose any conflicts of interest on any matters that come before them.
- ERCOT Board's Code of Conduct states: “If a Board Member is unable to perform his or her duties on a particular issue because of duties to another

person or entity, the Board member should disclose the problem and abstain from voting on the issue.”

- ERCOT rigorously educates its Board members on their fiduciary duties, including providing assistance from outside experts. Board members are clearly informed that they cannot place the interests of their organizations over the interests of ERCOT.

TECHNICAL ADVISORY COMMITTEE (TAC)

- Stakeholder committee advises and reports all Protocol revisions and major market-related issues to Board.
- Membership is based on stakeholder segment, including multiple consumer representatives.
- A two-thirds supermajority is also required for TAC action.
- Extensive network of subcommittees, working groups and task forces addressing specific needs and requirements reports to TAC.
 - Develop protocol and guide revisions for TAC & Board approval.
 - Provide background information, reports and budgetary impacts.

OPEN RECORDS

- ERCOT has an established, tested, and regularly-used process for providing ERCOT documents, as well as market information and data, to the press and public.
- All documentation provided to the PUCT under the initial filing related to the 2004 Fee case is posted for public view at the PUCT web site.
- The vast majority of additional documents presented during the discovery phase of the case are also open record (the only exceptions are a few contractual issues protected by non-disclosure agreements).
 - ERCOT complied in full with all PUCT requests for information during Fee case proceedings.