

DRAFT MINUTES OF THE BOARD OF DIRECTORS MEETING
OF THE TEXAS REGIONAL ENTITY –
A DIVISION OF ERCOT

7620 Metro Center Drive, Room 206
June 19, 2007 at 3:30 p.m.

Armentrout, Mark		Unaffiliated; Board Chairman
Cox, Brad	Tenaska Power Services	Independent Power Marketer
Dalton, Andrew	Valero Energy Corp.	Consumer/Industrial
Espinosa, Miguel		Unaffiliated
Fehrenbach, Nick	City of Dallas	Consumer/Large Commercial
Gahn, Scott	Just Energy	Independent REP Segment
Gallagher, Carolyn Lewis		Unaffiliated
Gent, Michehl		Unaffiliated; Board Vice-Chairman
Hudson, Paul	PUCT Chairman	PUCT
Jones, Sam	ERCOT President/CEO	
Karnei, Clifton	Brazos Electric Coop	Cooperatives
McClellan, Suzi	OPUC	Consumer/Residential & Small Commercial
Newton, Jan		Unaffiliated
Taylor, William	Calpine Corp.	Independent Generator
Wilkerson, Dan	Bryan Texas Utilities	Municipal

Other Attendees:

Steve Bartley - Board Segment Alternate
Bob Thomas - Board Segment Alternate
Jean Ryll - Board Segment Alternate
James Thorne - ERCOT Vice-President and General Counsel
Andrew Gallo - ERCOT Assistant General Counsel
Larry Grimm - Texas Regional Entity

Chairman Armentrout called to order the meeting of the Board of Directors of the Texas Regional Entity (TRE), a Division of ERCOT.

Compliance Report

Larry Grimm, Interim Chief Compliance Officer (CCO), made a presentation regarding Compliance issues. He stated that ERCOT's May performance related to North American Electric Reliability Corporation (NERC) Control Performance Standard 1 (CPS1) was approximately 126 – essentially the same as the April 2007 performance, but not as good as May 2006 (with a score of 146). A passing score is 100. He stated that, at times of higher load with more generation on-line, the scores tend to improve.

He then provided data on Qualified Scheduling Entity (QSE) scores under Protocol Revision Request (PRR) 525 and Resource Plan metrics for May 2007.

Electric Reliability Organization (ERO)/TRE Activities

Mr. Grimm stated that the TRE continues to work on NERC registration issues associated with various Market Participants. They have the right to appeal their registration to NERC. So far, no TRE appeals have gone before the NERC Board Compliance Committee.

On June 5, 2007, the Federal Energy Regulatory Commission (FERC) approved the Delegation Agreement re-filed by ERCOT, subject to a thirty (30) day comment period.

Yesterday, the deadline passed for self-reporting of NERC Reliability Standard violations and the TRE received approximately 500 self-reports. TRE staff will continue evaluating those reports. The Western Electricity Coordinating Council (WECC) recently stated that it received over 2,000 self-reports.

2008 Budget

Clifton Karnei stated that the Finance & Audit Committee recommends approval of the 2008 TRE budget and business plan. **Mr. Karnei moved to approve the 2008 TRE budget and business plan. Carolyn Lewis Gallagher seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Chairman Armentrout adjourned the meeting into Executive Session at approximately 3:40 p.m.