

**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
May 16, 2007 at 10:00 a.m.

Pursuant to notice duly given, the meeting of the Board of Directors of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

Meeting Attendance:

Board Members:

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/Commercial; Proxy for Suzi McClellan
Gallagher, Carolyn		Unaffiliated
Lewis		
Gent, Michehl		Unaffiliated; Board Vice-Chairman
Jones, Sam	ERCOT President/CEO	
Karnei, Clifton	Brazos Electric Coop	Cooperatives
McCall, Mike	TXU Energy	IOU Segment Alternate
Newton, Jan		Unaffiliated
Parsley, Julie	PUCT Commissioner	PUCT; Departed at 12:10 p.m. and returned at 1:15 p.m.
Taylor, William	Calpine Corp.	Independent Generator
Thomas, Robert	Green Mountain Energy Co.	Independent REP Segment Alternate
Wilkerson, Dan	Bryan Texas Utilities	Municipal

Staff and Guests:

Adib, Parviz	PUCT
Barrow, Les	CPS Energy
Bartley, Steve	CPS Energy
Bell, Wendell	TPPA
Bojorquez, Bill	ERCOT VP, System Planning
Brandt, Adrienne	PUCT
Brewster, Chris	City of Eastland
Bruce, Mark	FPL Energy
Byone, Steve	ERCOT VP, CFO
Capezzuti, Nancy	ERCOT VP, HR & Organizational Development
Claiborn-Pinto, Shaunee	PUCT
Corr, Thomas	Sempra

Davis, Steve	ARM
Day, Betty	ERCOT
Dreyfus, Mark	Austin Energy, TAC Chair
Drost, Wendell	Areva
Durrwachter, Henry	TXU Wholesale
Forfia, David	ERCOT
Fouriner, M.	Competitive Assets
Giuliani, Ray	ERCOT VP, CMO
Goodman, Dale	ERCOT
Grable, Mike	ERCOT
Grimm, Larry	ERCOT
Heino, Shari	Mathews & Freeland
Helton, Bob	International Power America
Hinsley, Ron	ERCOT VP, CIO
Hobbs, Kristi	ERCOT
Jones, Don	TIEC
King, Kelso	King Energy Consulting
Kolodziej, Eddie	Customized Energy Solutions
Morris, Sandy	LCRA
Ogelman, Kenan	CPS Energy
Parsley, Julie	PUCT Commissioner
Pieniazek, Adrian	NRG Texas
Roark, Dottie	ERCOT
Rodriguez, Robert	CNE
Ryall, Jean	Constellation
Saathoff, Kent	ERCOT VP, System Operations
Schubert, Eric	BPEC
Seely, Chad	ERCOT
Seymour, Cesar	Suez
Skillern, Don	IBM
Smitherman, Barry	PUCT Commissioner
Thorne, James	ERCOT VP, General Counsel
Torrent, Gary	
TroxteLL, David	ERCOT
Twiggs, Thane	Direct Energy
Vincent, Susan	ERCOT
Wagner, Marguerite	Reliant
Wattles, Paul	ERCOT
Wullenjohn, William	ERCOT

Call to Order/Announcements

Mark Armentrout, Chairman, called the meeting to order at approximately 10:00 a.m., pointed out the Antitrust Admonition and determined a quorum was present.

Consent Agenda

The following items are on the consent agenda:

- Approval of the April 2007 Board of Director meeting minutes
- Protocol Revision Requests (PRRs) – PRR706 and PRR708
- Nodal Protocol Revision Requests (NPRRs) – NPRR046, NPRR054

Chairman Armentrout asked if the NPRRs increased the scope or cost of the Nodal Program. Ron Hinsley, ERCOT Vice President and Chief Information Officer (CIO), stated that he would check on that question and provide a response later in the meeting.

Brad Cox moved to approve the items on the Consent Agenda. Andrew Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Executive Session

The meeting then adjourned into Executive Session to discuss personnel, contract, Texas Regional Entity (TRE), litigation and insurance matters.

Vote on Items from Executive Session

At 12:10 p.m., Chairman Armentrout re-opened the public portion of the meeting.

Chairman Armentrout moved to approve the two Resolutions appended to the minutes of the Executive Session as Attachments A and B. Michehl Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Dan Wilkerson moved to approve the minutes of the April 2007 Executive Session. Miguel Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Carolyn Lewis Gallagher moved to approve Larry Grimm as the interim Chief Compliance Officer (CCO) of the TRE. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chief Executive Officer (CEO) Report

Sam Jones, ERCOT President and CEO, stated that, on Monday, June 18, 2007 (prior to June's Board meeting), ERCOT will provide vans to take the ERCOT Board of Directors (ERCOT Board) to Taylor, Texas for lunch and a tour of ERCOT's Taylor facilities.

a. Facilities Update

Mr. Jones invited Dave Troxtell to make a presentation regarding facilities issues. Mr. Troxtell stated that the ERCOT Board approved \$2.6 million in expenditures in February for upgrading the Taylor facilities, to include:

- Doubling-up and Reconfiguring Cubicles
- Adding 216 seats in existing space (complete)
- Moving Console Operations to a conference room (complete)
- Training rooms setup/acquisition (complete)
- Vendor rooms setup (in progress - May)

- Moving equipment and supplies to off-site storage (in progress)
- Expanding TCC2 parking by adding 130 spaces (Jul/Aug)
- Building out TCC2 second floor (in planning – projected completion Aug/Sept)
- Adding 130 flat desks
- Adding six offices
- Adding two conference rooms
- Adding a market trials room

He then provided information regarding the space situation after the Nodal Program concludes and stated that the Met Center (Austin) Data Center will be insufficient within the next twenty-four to thirty-six months and need attention to resolve space limitations.

Mr. Jones stated that the ERCOT management team has started to analyze what to do when the current Met Center lease expires in 2011, including considering whether to relocate.

b. Emergency Electric Curtailment Plan (EECP) Final Report

Kent Saathoff, ERCOT Vice President of System Operations, made a presentation regarding the lessons learned from the April 17, 2006 EECP event. He stated that ERCOT has addressed the following matters:

- Load forecasting
 - ERCOT now receives a forecast from an independent third-party
 - ERCOT enhanced its in-house Load forecast model
 - Forecast inaccuracy has decreased from 4.56% in 2005 to 3.82% in 2006
- Operating Reserves
 - ERCOT now keys its advisories, alerts and EECP declarations off discounted reserves values
 - ERCOT has determined that the EECP event does not require an increase in reserves; however, that issue continues to be analyzed
- EECP Procedure Changes
 - Earlier implementation of public appeal for conservation
 - Deployment of Emergency Interruptible Load Service
 - Advisories, alerts and EECP are triggered on a discounted reserve figure
- Use of more interruptible Load
- Improved communications with the Public Utility Commission of Texas (PUCT), Texas Legislature and public
- Review of Transmission Operator firm Load shedding procedures

Operating Reports

Chairman Armentrout invited comments or questions regarding the Financial Summary, Market Operations Report, IT Report and Compliance Report.

Mr. Gent raised a question about Balancing Energy Service (BES) being higher than for the same period last year. Ray Giuliani, ERCOT Vice President and Chief of Market Operations (CMO), stated that reliance on BES depends on the amount of energy available in the bilateral markets.

The meeting broke for lunch at 12:40 p.m. and reconvened at 1:20 p.m.

Nodal Status Report

Chairman Armentrout invited Don Skillern of IBM to provide an update on the status of the review of Nodal Program Management Control System. He stated that the Program Management Office Control System (PMOCS) is operational, but could use some improvement in the following areas:

- Work plan integration and content
- Contractor extension procedures
- Organization target and decision framework
- Internal stakeholder communications
- Integrated testing phases

He then provided recommendations for improvement.

At 1:40 p.m., Commissioner Smitherman arrived and Commissioner Parsley called to order an Open Meeting of the PUCT.

Ms. Gallagher asked whether IBM continues to recommend carrying a larger contingency amount as part of the Nodal Program. Mr. Skillern indicated that he is comfortable with ERCOT's approach to setting the contingency amount.

Ms. Gallagher asked whether Mr. Skillern is comfortable with ERCOT staff's designation of the three components of the Nodal Program as being in "amber" status. He replied in the affirmative.

Jerry Sullivan, ERCOT Nodal Program Executive Director, then made a presentation regarding the status of the Nodal Program. He began by stating that his team has reviewed the IBM report and agrees with the recommendations, but has a different view of the priorities.

Commissioner Parsley asked about simplifying the process for contractor extensions in light of the contracting irregularities that occurred in the past. In response, Mr. Skillern stated that this issue focuses on contractors that have already been approved and developed knowledge about the Nodal Program. Mr. Jones stated that the ERCOT management team will not relax its internal controls regarding contractors.

Mr. Sullivan then stated that all three phases of the Program (cost, schedule and scope/quality) remain in "amber" status. He reviewed the major achievements in the last month and provided a matrix of performance by vendors (without providing vendor names). Most of the large vendors are performing well. He also reviewed the schedule and mentioned that the various "Early Delivery Systems" have been delivered earlier than originally planned.

Mr. Sullivan pointed out that the two NPRRs mentioned earlier in the meeting will not adversely impact the budget.

Mr. Fehrenbach raised an issue about staffing levels on the nodal project. Chairman Armentrout recommended discussing this issue in the upcoming continuation of the Executive Session.

At that time, Chairman Armentrout opened the floor to questions about the Financial Operations Report. Commissioner Smitherman asked a question about the assumption of megawatt hours for 2007 and the possibility of collecting excess revenue this year. Bill Bojorquez, ERCOT Vice President of System Planning, stated that the energy forecasts have come close to those predicted by the econometric model. ERCOT staff has no reason to believe we will under-run the energy forecast. He stated, though, that the spring months were cooler than normal.

Retail Transaction Problem Escalation Process

Messrs. Giuliani and Hinsley made a presentation regarding the escalation process for problems with retail transaction processing. Mr. Hinsley stated that, within the IT Department, the first tier of support is “console operations.” These people are “first level responders” and typically work off scripts. The “Tier 2” group is available 24/7 and has people with higher expertise. If those people cannot resolve a problem, they hand it off to a “Tier 3” expert.

Mr. Giuliani stated that, during business hours, once an issue becomes known, ERCOT will send out initial notifications (with minimal information) at the earliest possible time after an incident. During non-business hours, ERCOT will send a notice only for “critical” issues. Currently, market guide communication templates and procedures are being revised and should be approved in June.

Robert Thomas asked whether Mr. Giuliani believes ERCOT has sufficient resources in this area. Mr. Giuliani responded in the affirmative.

2007 Long-Term Demand and Energy Forecast

Mr. Bojorquez then made a presentation regarding long-term demand and energy forecasts. He indicated that ERCOT looks at the following:

- Economic history and forecast for Texas
 - Source is Moody’s Economy.com
 - Proprietary data
 - Population
 - Income
 - Other economic variables
- Historic weather data from each ERCOT weather zone
 - Source is WeatherBank
 - Not a weather forecast
 - Temperature
 - Humidity
 - Cooling Degree Days (CDD)
 - Heating Degree Days (HDD)
- Calendar Data

- Seasonal Variation
- Daily Variation
- Weekly Variation
- Holidays

He stated that the expected growth rate of energy in ERCOT from 2006 to 2007 is 2.4%. He stated that reserve margins are intended to cover a once-in-ten-year weather event and indicated that the energy forecast has a growth rate of 2.08%.

Commissioner Smitherman asked whether historical results are taken into account in forecasting. Mr. Bojorquez stated that the model compares history with the economic conditions in the prior years, and then uses the economic forecast from Moody's economy.com to develop the demand and energy forecast under normal weather conditions. Commissioner Smitherman reiterated his concern about the accuracy of ERCOT's demand forecast. Mr. Bojorquez stated that, over the last seven years, ERCOT's forecast has been accurate within two percent of actual data.

Jan Newton asked about the comparison of the ERCOT forecast to the information in the newspapers about robust economic growth in Texas in the future. Mr. Bojorquez stated that ERCOT uses one source for economic data and, perhaps, could look at more or different data.

Mr. Gent pointed out that the total number of people employed in the ERCOT Region (for 2007) is actually less than originally forecasted.

PRR650 Effect on Prices

Mr. Saathoff presented data regarding the effect of PRR650 on energy prices. He began by pointing out that PRR650 required that, anytime ERCOT deploys Non-Spin Reserve Service (NSRS), ERCOT will recalculate prices as if ERCOT had not deployed that service. He then provided data indicating that Non-Spin procurement costs dropped approximately \$9 million for September 2006 through April 2007 as compared to the year-before data. On the other hand, the increased cost of Balancing Energy Service (BES) for the same period was an additional \$2.7 million, yielding an overall savings of approximately \$6.3 million. As a result, PRR650 appears to have had a net beneficial effect on prices.

Technical Advisory Committee (TAC) Report

Chairman Armentrout invited Mark Dreyfus, TAC Chairman, to report on recent TAC activities. He began by pointing out that LPGRR020 and RMGRR049 were approved last month.

a. Protocol Revision Requests

Mr. Dreyfus reported that TAC voted to recommend that the ERCOT Board approve the following PRR:

PRR707 – Prioritization and Timing of Transactions Based Upon PRR672 Collaborative Analysis and Retry Process for 814_20s. Effective date: upon system implementation. This PRR documents the prioritization of transactions at ERCOT; revises transaction timings for Off-Cycle Switches and Off-Cycle Drops to Affiliate Retail Electric Provider (AREP); and adds language for New Electric Service Identifier (ESI ID) Creation that explains a retry process for 814_20,

Maintain ESI ID Requests. ERCOT posted PRR707 on January 18, 2007. On February 22, 2007, the Protocol Revisions Subcommittee (PRS) voted to recommend approval of PRR707 as revised by PRS and comments from the Retail Market Subcommittee (RMS), with one (1) abstention (Municipal Market Segment). All Market Segments attended the vote. On March 22, 2007, PRS reviewed the Impact Analysis and unanimously voted to assign a priority of 2-High and a rank of 8.5 to PRR707. All Market Segments attended the vote. On March 30, 2007, TAC voted to recommend approval of PRR707 as amended by RMS Leadership comments with two abstentions (Consumer Segment). All Market Segments attended the vote. ERCOT credit staff and the Credit Working Group have reviewed PRR707 and do not believe it requires changes to credit monitoring activity or the calculation of liability.

Mr. Wilkerson moved to approve PRR707. Mr. Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions.

b. Appeal of PRR716

Mr. Dreyfus provided some background regarding the development of PRR716. The PRS approved PRR716, but the TAC rejected the PRR. The PUCT staff and CPS Energy have appealed that rejection. Les Barrow and Kenan Ögelman made a presentation on behalf of CPS Energy.

Mr. Barrow stated that Non-Opt In Entities (NOIEs) are, in effect, one meter and, therefore, if a NOIE can reduce Load behind that meter, ERCOT would benefit during an EECF event. Mr. Ögelman mentioned that PRR716 allows for self-provision of Emergency Interruptible Load Service (EILS) for all Qualified Scheduling Entities (QSEs), not just NOIEs. He then described how EILS self-provision would work under PRR716. He mentioned that the main contention at TAC is that, under some circumstances, the cost of EILS could increase for some QSEs. He then provided data demonstrating how self-provision of EILS would affect prices and costs given various assumptions.

Shawnee Claiborn-Pinto of the PUCT made a brief presentation on behalf of the PUCT Staff. She read several statements from the PUCT Subst. R. §25.507 ERCOT EILS and the PUCT Order adopting the new rule (dated March 21, 2007). She pointed out that the Rule requires that ERCOT allow for NOIE self-provision by June 1, 2007. Consequently, no time remains for a remand of this PRR.

Chris Brewster, representing the City of Eastland, made a presentation in support of rejecting PRR716. He began by stating that the seven votes against PRR716 at the TAC level were made due to concerns about the mechanism of PRR716 and not due to general disagreement with EILS. The main concern is that PRR716 has the potential to increase the cost of EILS to any QSE not self-providing EILS (and, therefore, to the Loads served by those QSEs). Mr. Brewster pointed out that, with respect to other Ancillary Services (AS) in the ERCOT Region, ERCOT first calculates the AS it needs, allocates those needs among QSEs and the QSEs then can choose to self-provide or allow ERCOT to procure the AS for them. With respect to EILS, ERCOT does not know how much EILS it will procure until after it receives bids. Therefore, self-provision will not displace any procured EILS until more than 1,000 MW are procured. As a result, the number of QSEs paying for EILS will decrease (if some QSEs self-provide) and the cost per QSE will increase (for those not self-providing).

Mike McCall asked how EILS differs from other Loads acting as Resources (LaaRs) activity. Paul Wattles, ERCOT Staff, stated that LaaRs are qualified to provide AS. On the other hand, EILS is a long-term contract solution. EILS Resources are paid as bid, through a contracting process. In an emergency situation, EILS is deployed after LaaRs.

Chairman Armentrout asked when the PUCT approved the Rule. Ms. Claiborn-Pinto stated that the rule became effective on April 10, 2007.

Mr. Dalton stated that, although PRR716 is not perfect, it implements a PUCT Rule and **moved that the Directors grant the appeal and approve PRR716 and encourage the TAC to develop a different self-provision solution through a follow-up PRR. Mr. McCall seconded the motion.**

Mr. Fehrenbach asked whether the Directors would violate the PUCT Rule if they did not implement procedures before June 1, 2007. Andrew Gallo, ERCOT Assistant General Counsel, stated that the PUCT Rule requires self-provision by June 1, 2007.

Mr. Dreyfus asked for clarification regarding Mr. Dalton's motion. It was clarified that, because a task force is already considering a replacement service for EILS, the remand to TAC should be to address only the self-provision issue. **Messrs. Dalton and McCall agreed to that clarification.**

Chairman Armentrout invited comments from any person in the room regarding this issue. None were received.

Mr. Dalton's motion passed by unanimous voice vote with one abstention (Mr. Karnei).

Mr. Dreyfus then raised an issue that has come up at the Commercial Operations Subcommittee (COPS) regarding the cost of small resettlements. He stated that the COPS will make a proposal to TAC regarding setting priorities on how to process small dollar resettlements without going through a full resettlement. Mr. Dreyfus will then carry that work product to PUCT staff.

c. Nodal Protocol Revision Requests (NPRR046, NPRR054)

This item was handled in the consent agenda.

d. Capacity, Demand and Reserve (CDR) Report Format

Mr. Bojorquez then made a brief presentation regarding the revised format of the CDR Report and a proposed change in the report frequency from annual to twice per year preparation.

Mr. Karnei moved to approve the revised CDR Report format and frequency as proposed. Mr. McCall seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance & Audit (F&A) Committee Report

Mr. Karnei, Chair of the F&A Committee, stated that the committee met this morning and considered several matters and provided the following report.

a. 2008 Budget Schedule and Assumptions

Mr. Karnei reported that this issue will be addressed in June.

b. Acceptance of Benefit Plan Financial Audit

Mr. Karnei stated that the committee reviewed this issue this morning and **moved to accept the audit. William Taylor seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

c. Authority for Additional Debt Financing

ERCOT staff requested up to \$300 million of debt, replacing \$150 million of existing debt facilities. The committee considered the request and approved the approach reflected in the materials in the Board packet. **Mr. Espinosa moved to accept the proposal as set forth in the Resolution appended hereto as Attachment A. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Mr. Karnei then stated that, in addition to the foregoing, the committee:

- heard a report from the Internal Audit Department;
- reviewed EthicsPoint matters; and
- reviewed the Request for Proposal (RFP) for a vendor to consider the acceptable credit risk in the ERCOT Region.

H.R. & Governance Committee

Ms. Gallagher, Chair of the H.R. & Governance Committee, stated that the committee met this morning and considered several matters and provided the following report.

a. TRE Vote

The committee considered changes to the ERCOT Bylaws to implement the TRE and recommended approval of the proposed changes. **Ms. Gallagher moved to approve the proposed amendments to the ERCOT Bylaws. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with one abstention (Mr. Dalton).**

Ms. Gallagher moved to call a special meeting of ERCOT Corporate Members to consider the Bylaws changes. Mr. Espinosa seconded the motion. Susan Vincent, Assistant General Counsel, explained the mechanics of how the special meeting would occur. **The motion passed by unanimous voice vote with one abstention (Mr. Dalton).**

Mr. Jones then provided a status update of the TRE implementation. He stated that ERCOT filed a proposed Delegation Agreement last Fall and the Federal Energy Regulatory Commission (FERC) approved the Delegation Agreement very recently (with minor changes). Additionally, FERC approved eighty-three Reliability Standards which will go into effect on June 4, 2007.

Ms. Gallagher moved to approve the Delegation Agreement approved by FERC. Mr. Gent seconded the motion. Mr. Gent asked if there is any way to change the agreement if some reason to do so arose. Mr. Jones indicated that FERC would have to approve any changes. **The motion passed by unanimous voice vote with one abstention (Mr. Dalton).**

Ms. Gallagher moved to approve having the acting CCO sign the Delegation Agreement. Mr. Espinosa seconded the motion. The motion passed by unanimous voice vote with one abstention (Mr. Dalton).

Ms. Gallagher then stated that Theresa Gage provided to the committee an update on legislative matters. She commended Ms. Gage on her presentation.

b. H.R. & Governance Committee Charter

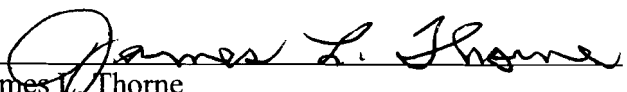
Ms. Gallagher stated that the committee's revised charter was distributed at today's meeting. **Ms. Gallagher moved to approve the charter as revised and distributed. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Finally, Ms. Gallagher stated that the committee considered Board training issues and will propose training to begin in January 2008.

Executive Session (Part 2) and Adjournment

At 4:25 p.m., Chairman Armentrout adjourned the open session of the meeting and the ERCOT Board again went into Executive Session.

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


James L. Thorne
Vice President, General Counsel & Corporate
Secretary

Attachment A

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

WHEREAS, the board of directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to increase ERCOT' borrowing capacity and negotiate and enter into a new advancing term loan facility with banks for up to \$225,000,000 in principal amount, possibly through a syndicated arrangement, with a term of up to five and one-half years, to be repaid in at least annual installments, at market terms and rates (Term Loan);

WHEREAS, the ERCOT Board deems it desirable and in the best interest of ERCOT, to negotiate and enter into a revolving credit facility with banks for up to \$75,000,000 in principal amount, possibly through a syndicated arrangement, with a term of up to five and one-half years, at market terms and rates, for liquidity purposes (Revolver);

WHEREAS, the Term Loan and Revolver would pay and replace the term loan and revolving credit facility that ERCOT currently has in place, but would be in addition to the outstanding balance of the 2002 Senior Notes;

WHEREAS, the ERCOT Board deems it desirable and in the best interest of ERCOT to obtain fixed rate interest on up to \$130,000,000 of the floating rate \$225,00,000 Term Loan authorized herein;

And WHEREAS the ERCOT Board deems it desirable and in the best interest of ERCOT to negotiate and enter into interest rate derivative products (Interest Rate Agreements) with swap provider(s) for up to \$130,000,000;

THEREFORE, be it RESOLVED that:

1. The Term Loan, Revolver and Interest Rate Agreements described above are hereby authorized and approved in each and every respect;
2. ERCOT may enter into the Term Loan, Revolver and Interest Rate Agreements and that the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and General Counsel/Corporate Secretary of ERCOT (Authorized Officers) are each hereby severally authorized to determine and approve the terms, conditions, and consideration of such transactions and to execute and deliver, in the name and on behalf of ERCOT, loan and other documentation evidencing and governing the Term Loan, Revolver or Interest Rate Agreements, including without limitation, a commitment letter, fee letter, credit agreement(s), all related promissory notes, all other related loan documentation and all interest rate hedging, swap or other related interest rate derivative documentation, all substantially in form and substance as shall be approved by the officer executing and delivering the same, such approval to be evidenced conclusively by such execution and delivery;

3. The obligations incurred upon such execution and delivery by ERCOT of the loan and other documentation evidencing and governing the Term Loan and Revolver shall be in all respects binding and enforceable obligations of ERCOT;
4. The obligations incurred upon such execution and delivery by ERCOT of the interest rate hedging, swap or other interest rate derivative documentation evidencing and governing the Interest Rate Agreements shall be in all respects binding and enforceable obligations of ERCOT;
5. The ERCOT Board severally designates, authorizes, and empowers each of the Authorized Officers (acting together or individually) to perform or cause to be performed, in the name of ERCOT, all acts and deeds, to pay or cause to be paid, on behalf of ERCOT, all related costs and expenses and to make, execute, and deliver, or cause to be executed and delivered, all such other agreements, consents, approvals, orders, applications, requests, demands, directions, certificates, undertakings, supplements, instruments, documents, further assurances, or other communications of any kind, with or without the corporate seal of ERCOT or otherwise, on behalf of ERCOT or otherwise as he or she may deem necessary, appropriate, or advisable to comply with the intent of the foregoing resolutions or to comply with the requirements of the instruments approved and authorized by the foregoing resolutions, including but not limited to, the loan and other documents evidencing and governing the Term Loan, Revolver or Interest Rate Agreements, and any other certificate, instrument, or document related thereto;
6. All acts and things whether heretofore or hereafter done or performed by any Authorized Officer of ERCOT which are in conformity with the intent and purposes of these resolutions, including but not limited to the execution and delivery of any and all agreements, amendments, supplements, instruments, documents or filings as may from time to time be required, such additional or specific authorizations shall be and the same are hereby in all respects ratified, confirmed, and approved, and adopted as acts by ERCOT; and
7. The Secretary of ERCOT is hereby authorized and empowered to certify to the passage of the foregoing resolutions with or without the seal of ERCOT or otherwise.