

# *Texas Regional Entity*

*An Independent Division of ERCOT*

**DRAFT MINUTES OF THE BOARD OF DIRECTORS**  
**OF THE TEXAS REGIONAL ENTITY –**  
**A DIVISION OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Room 206  
Austin, Texas

November 13, 2007

|                            |   |                                   |
|----------------------------|---|-----------------------------------|
| Mark Armentrout            |   | Unaffiliated; Board Chairman      |
| Brad Cox                   | Tenaska Power Services                          | Independent Power Marketer        |
| Andrew Dalton <sup>1</sup> | Valero Energy Corp.                             | Consumer/Industrial               |
| Miguel Espinosa            |   | Unaffiliated                      |
| Nick Fehrenbach            | City of Dallas                                  | Consumer/Large Commercial         |
| Michehl R. Gent            |   | Unaffiliated; Board Vice-Chairman |
| Paul Hudson                | Chairman, Public Utility<br>Commission of Texas |                                   |
| Bob Kahn                   | ERCOT   | CEO                               |
| Clifton Karnei             | Brazos Electric Coop                            | Cooperatives                      |
| Mike McCall                | Luminant Energy                                 | Investor-Owned Utilities          |
| Jan Newton                 |   | Unaffiliated                      |
| William Taylor             | Calpine Corporation                             | Generators                        |
| Dan Wilkerson              | Bryan Texas Utilities                           | Municipal                         |

## **Other Attendees**

Steve Bartley, Board Segment Alternate  
Mark Dreyfus, Austin Energy  
Larry Grimm, Chief Compliance Officer, Texas RE  
Liz Jones, TXU  
Kenan Oglman, CPS  
Kent Saathoff, ERCOT  
Cesar Seymour  
Robert Thomas, Board Segment Alternate  
DeAnn Walker, Centerpoint

## **Outside Counsel and Staff Present**

David F. Brown, Hughes & Luce, LLP, Outside Counsel and Assistant Secretary  
Ginny Hayes, Hughes & Luce, LLP, Outside Counsel Assistant

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<sup>1</sup> Ms. Suzi McClellan, representing the Residential/Small Consumers Segment, provided a proxy to Mr. Andrew Dalton for representation in this meeting.

## Call to Order

Chairman Armentrout called the meeting of the Texas Regional Entity – a division of Electric Reliability Council of Texas, Inc. (Texas RE) Board of Directors at approximately 3:05 p.m. Chairman Armentrout immediately adjourned the meeting into Executive Session to discuss personnel and litigation matters.

At the conclusion of Executive Session, at approximately 3:11 p.m., Chairman Armentrout adjourned to Open Session.

## Minutes

Chairman Armentrout asked if the members had any changes to the minutes of the past October monthly meeting. Upon determining that no changes or corrections to the October 2007 minutes were requested, Chairman Armentrout invited a motion for approval. **Mr. Fehrenbach moved approval; Mr. Espinosa seconded. The October 2007 minutes were approved by unanimous voice vote.**

## Compliance Update

Mr. Grimm provided the Board with an update of Texas RE's activities and the industry's reliability performance, including performance highlights, violations, registration activities, compliance audits, self-certifications, and the fall workshop. Mr. Grimm also spoke about the registration of TexasRE.org as a new domain, and about the design of RE's new website, which should go live in January 2008.

Mr. Taylor suggested that based upon input he had received regarding the November 2, 2007, workshop, Texas RE should work to convey appropriate levels of concern for the applicable standards and their enforcement, but with an overall theme of helping responsible entities to comply.

Mr. Wilkerson and Mr. Gent asked questions about certain standards and failures to comply reflected in the presentation, and Mr. Grimm responded.

## Adjourn

Chairman Armentrout suggested that the agenda for the Board's upcoming retreat should include an item for a discussion of the frequency of meetings required for the Board to meet its obligations. Chairman Armentrout adjourned the meeting at 3:26 p.m.

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By: David F. Brown  
Its: Assistant Secretary