

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

7620 Metro Center Drive, Room 206 ,Austin, Texas  
December 11, 2007

**Directors**

|                                           |                                                 |                                                 |
|-------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Mark Armentrout, Chair                    | Unaffiliated                                    |                                                 |
| Michehl R. Gent <sup>1</sup> , Vice Chair | Unaffiliated                                    |                                                 |
| Barry Smitherman                          | Chairman, Public Utility<br>Commission of Texas |                                                 |
| Steve Bartley                             | CPS Energy                                      | Municipal (Segment Alternate)                   |
| Brad Cox                                  | Tenaska Power Services                          | Independent Power Marketer                      |
| Calvin Crowder                            | American Electric Power<br>Service Corporation  | Investor-Owned Utilities (Segment<br>Alternate) |
| Andrew Dalton                             | Valero Energy Corp.                             | Industrial Consumer                             |
| Nick Fehrenbach                           | City of Dallas                                  | Large Commercial Consumer                       |
| Bob Helton                                | International Power<br>America                  | Independent Generator                           |
| Bob Kahn                                  | ERCOT CEO                                       |                                                 |
| Clifton Karnei                            | Brazos Electric Coop                            | Cooperatives                                    |
| Suzi McClellan                            | Office of Public Utility<br>Counsel             | Residential Small Consumer                      |
| Jan Newton <sup>2</sup>                   | Unaffiliated                                    |                                                 |
| Robert Thomas                             | Green Mountain Energy                           | Ind. Retail Electric Provider                   |

**Segment Alternates**

|                 |                                    |                                                           |
|-----------------|------------------------------------|-----------------------------------------------------------|
| Charles Jenkins | Oncor Electric Delivery<br>Company | Investor Owned Utility Segment<br>Alternate               |
| Jean Ryall      | Constellation Energy               | Independent Power Marketer<br>Segment Alternate           |
| Marcie Zlotnik  | StarTex Power                      | Independent Retail Electric<br>Provider Segment Alternate |

**Other Attendees**

Larry Grimm, Texas Regional Entity Chief Compliance Officer  
Susan Vincent, Texas Regional Entity Director, Legal Affairs  
Nancy Capezzuti, ERCOT VP HR & OD  
Kevin Greshaw, Reliant Energy

<sup>1</sup> Mr. Miguel Espinosa, Unaffiliated Director, provided a proxy to Mr. Michehl Gent for representation in this meeting.

<sup>2</sup> Ms. Carolyn Gallagher, Unaffiliated Director, provided a proxy to Ms. Jan Newton for representation in this meeting.

Seth Cochran, Sempra Trading  
Cesar Seymour, Suez  
Joel Firestone, Direct Energy  
Mark Bruce, FPL Energy  
Larry Hendrix, LCRA  
Don Jones, TIEC  
Tom Payton, Occidental Chemical  
David F. Brown, Hughes & Luce, LLP, Outside Counsel and Assistant Secretary  
Ginny Hayes, Hughes & Luce, LLP, Outside Counsel Assistant

### **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 5:08 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 5:11 p.m., Chairman Armentrout adjourned to Open Session.

### **Minutes**

Ms. Newton moved to approve the minutes of the November 13, 2007 meeting; Mr. Thomas seconded the motion. The motion passed on a unanimous voice vote.

### **Compliance Update**

Mr. Grimm gave a presentation on industry reliability performance.

Mr. Armentrout left the meeting at 5:14 p.m., returning at 5:16 p.m.

Ms. Ryall left the meeting at 5:15 p.m.

Commissioner Smitherman joined the meeting at 5:20 p.m.

The Board engaged in a discussion of the propriety of certain metrics, Texas RE's role in monitoring and enforcing NERC standards and violations of Protocols and Operating Guide standards, and the costs and benefits of maintaining extraordinarily high levels of reliability performance. No votes were taken.

### **Adjourn**

Chairman Armentrout adjourned the Open Session at 5:31 p.m.