

**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

February 19, 2008

Directors

Mark Armentrout, Chair	Unaffiliated	
Michehl R. Gent, Vice Chair	Unaffiliated	
Don Ballard	Office of Public Utility Counsel	Residential Small Consumer
Brad Cox	Tenaska Power Services	Independent Power Marketer
Calvin Crowder	American Electric Power Service Corporation	Investor-Owned Utilities (Segment Alternate)
Miguel Espinosa	Unaffiliated	
Nick Fehrenbach ¹	City of Dallas	Large Commercial Consumer
Carolyn Gallagher	Unaffiliated	
Bob Helton	International Power America	Independent Generator
Charles Jenkens	Oncor Electric Delivery Company	Investor Owned Utility Segment Alternate
Bob Kahn	ERCOT CEO	
Clifton Karnei	Brazos Electric Coop	Cooperatives
Jan Newton	Unaffiliated	
Robert Thomas	Green Mountain Energy	Ind. Retail Electric Provider
Dan Wilkerson	Bryan Texas Utilities	Municipal

Segment Alternates

Steve Bartley	CPS Energy	Segment Alternate – Muni
Calvin Crowder	American Electric Power Service Corporation	Investor Owned Utilities
Charles Jenkins	Oncor Electric Delivery Company	Investor Owned Utility Segment Alternate
Jean Ryall	Constellation Energy	Independent Power Marketer Segment Alternate
Mark Walker	NRG Texas	Independent Generator
Marcie Zlotnik	StarTex Power	Independent Retail Electric Provider Segment Alternate

¹ Mr. Andrew Dalton, Industrial Consumer Director, provided a proxy to Mr. Nick Fehrenbach for representation in this meeting.

Other Attendees

Larry Grimm, Texas Regional Entity Chief Compliance Officer
Susan Vincent, Texas Regional Entity Director, Legal Affairs
Nancy Capezzuti, ERCOT VP HR & OD
Todd Brewer, Texas Regional Entity Senior Financial Analyst
Ryan Clay, Texas Regional Entity
Lindley Ellisor, Texas Regional Entity
Betty Sachnik, Texas Regional Entity
DeAnn Walker, Centerpoint Energy
David Forfia, ERCOT

Call to Order

Chairman Armentrout called the meeting of the Texas Regional Entity Division of Electric Reliability Council of Texas, Inc. Board of Directors at approximately 3:35 p.m. Chairman Armentrout noted that no Executive Session would be required.

CCO Report

A. Compliance Update

Larry Grimm gave a presentation on industry reliability performance. Dan Wilkerson noted that ERCOT CPS1 performance (pages 8 and 9 of the presentation) was currently about 120. Mr. Wilkerson told Mr. Grimm he wanted to see how the other regions compared on the CPS1 measure to the ERCOT Region, and asked Mr. Grimm to provide a one month snapshot of the CPS1 scores for the other regions. Kent Saathoff noted that ERCOT was the only region with a single control area, which would make comparison difficult. Michehl Gent noted that because PJM had 2 large control areas, there might be a relevant PJM measure. Mr. Grimm stated that he would obtain some CPS1 data for the Board.

Mr. Gent asked Mr. Grimm questions about the SCPS2 scores on page 12 of the presentation. Mr. Gent asked what Texas Regional Entity was doing regarding QSEs that scored below 90 on this measure. Mr. Grimm responded that Texas RE had sent an alleged violation notice to the one QSE that had possibly failed this measure, as this would be a Protocol violation. Mr. Gent questioned the rationale of maintaining confidentiality of the identity of the failing QSE. Mr. Grimm confirmed that Texas RE complied with the confidentiality required by the ERCOT Compliance Process (approved by the Public Utility Commission of Texas), and that, at the required point in time, all confirmed violations would be available and posted on the Compliance section of the website.

Charles Jenkins asked what joint registrations were in process in the ERCOT Region. Mr. Grimm responded that this was being discussed in the area of Generator Owners and Generator Operators, and ERCOT was working with several entities regarding possible Transmission Operator joint registrations.

Mr. Armentrout left the meeting at 3:45 p.m., returning at 3:52 p.m.

B. Reliability Standards Committee (RSC) Update

Mr. Grimm provided an update of the RSC activities.

Clifton Karnei made a motion to confirm the RSC's selection of Mr. Rick Keetch, from Reliant Energy, Independent Power Marketers (IPM) to serve as Chair and Ms. Dale Bodden, from CenterPoint Energy, Investor-Owned Utilities (IOU) to serve as Vice Chair of the RSC for 2008; Dan Wilkerson seconded the motion. The motion passed on a unanimous voice vote.

C. Budget and Staffing

Mr. Grimm discussed the positive 2007 budget variance with the Board members, and discussed the potential need for increase in Texas RE staff in 2008 and 2009.

Minutes

Jan Newton moved to approve the minutes of the December 11, 2007 meeting; Mr. Karnei seconded the motion. The motion passed on a unanimous voice vote.

Approval of Corporate Secretary

Bob Helton made a motion to approve Susan Vincent to serve as Corporate Secretary; Bob Kahn seconded the motion. The motion passed by unanimous voice vote.

Adjourn

Chairman Armentrout adjourned the Open Session at 4:08 p.m.