



Date: June 10, 2008
To: ERCOT Board of Directors
From: Mike Grable, General Counsel
Subject: Discussion and Possible Action on IMM Recommendation re MCPE and Offer Cap/Floor Consistency

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: June 17, 2008
Agenda Item No.: 16

Issue:

Discussion and potential endorsement of the course of action recommended in the letter from the Independent Market Monitor that is appended as Attachment A.

Background/History:

The topic for discussion and the relevant issues are described in Attachment A. At the time of Board packet distribution on June 10, 2008, it is not yet clear that the Board will be asked or will decide to take any action on this item. However, it is anticipated that the Public Utility Commission of Texas (Commission) may request Board consideration and possible endorsement of a plan of action on this item at the meeting. Therefore, this item is being added to the agenda to provide sufficient public notice for action, in the event such a request is made.



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

WHEREAS, Potomac Economics, the Independent Market Monitor, has proposed the adoption of Protocol Revision Request (PRR) 764, *Zonal Congestion and CSCs/CREs*; and

WHEREAS, the Protocol Revision Subcommittee and the Technical Advisory Committee have both recommended approval of PRR764, as modified; and

WHEREAS, the Public Utility Commission of Texas (the Commission), in an open meeting duly convened on June 5, 2008, directed the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) to consider PRR764 on an urgent basis under authority that exists under Public Utility Regulatory Act Section 39.1511(b), multiple Commission Rules, and ERCOT Bylaws 4.6(b) and (c);

WHEREAS, the Board Chair convened an urgent meeting of the Board pursuant to the Commission’s direction, at which meeting the Board unanimously voted to approve PRR764; and

WHEREAS, the Board deems it desirable and in ERCOT’s best interest to ratify the prior urgent approval of PRR764, *Zonal Congestion and CSCs/CREs*;

THEREFORE be it RESOLVED, that the Board hereby ratifies its urgent approval of PRR764.

CORPORATE SECRETARY’S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its May 20, 2008 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by a vote of _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2008.

Michael G. Grable
Corporate Secretary