

**MINUTES OF H.R. & GOVERNANCE COMMITTEE MEETING
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Austin, Texas 78704

May 20, 2008 at 9:14 a.m.

Committee Members Present

Jan Newton (Chair)

Mark Armentrout

Andrew Dalton

Bob Helton

Laurie Pappas (representing the Office of Public Utility Counsel)

ERCOT Staff

Bob Kahn

Nancy Capezzuti

Mike Grable

Matt Morais

Lori Cobos

Dottie Roark

Theresa Gage

Call to Order

Ms. Newton opened the meeting at 9:14 a.m.

Executive Session

Ms. Newton adjourned into Executive Session at 9:14 a.m.

The meeting emerged from Executive Session at 9:35 a.m.

Minutes

The minutes were amended to correct the times stated for the opening and adjourning of the April Meeting. Ms. Newton moved for approval of the amended April minutes and the minutes were approved by voice vote.

External Relations Update

Ms. Gage presented the external relations update one month early due to increased activity at the Legislature. Mr. Helton asked if Mr. Kahn was a member of the Governor's Competitiveness Council. Mr. Kahn stated that he was not a member of the Council, but that he, Mr. Grable, and Ms. Gage had attended a couple of the Council's meetings to represent ERCOT at the resource level for the electric utility industry. Ms. Gage updated the Committee on the upcoming legislative hearings and the Texas Comptroller's report on electricity that was released on May 6, 2008.

Ms. Newton requested a future update on Mr. Kahn's upcoming meeting with Federal Energy Regulatory Commission (FERC) Chairman Kelliher. Mr. Armentrout requested that, before the legislative session, the Government Relations Staff provide the Board with one-pagers of key messages in areas such as wind energy, the Competitive Renewable Energy Zones (CREZs), and Nodal. Mr. Armentrout further requested that the Government Relations Staff provide the Board with policy statements relating to wind, such as a macro view of the totality of wind capacity in the ERCOT market. Mr. Kahn noted that he would be giving a press release on the delay of the Nodal market implementation.

Market Participant Survey Update

Dale Goodman provided an update on the Market Participant Survey. Opinion Dynamics is scheduled to present a report at the June Board Meeting and will issue the final report by July 11, 2008. Mr. Goodman noted that 988 surveys were sent to Market Participants, and there were 270 responses from Market Participant Staff, Committee members, and Board Directors. Mr. Goodman stated that the preliminary conclusions gathered from the survey indicate that ERCOT adheres to its corporate objectives and has continued to receive high marks for data delivery from its systems. Mr. Goodman also stated that the preliminary conclusions indicate that improvements are needed in areas such as spending priorities on projects and ERCOT website navigation.

Board Policies & Procedures

Mr. Grable stated that the following three proposed changes to the Board's Policies and Procedures would be presented to the Board for approval at the next Board meeting: (1) An agreement regarding the Committee's voting procedures in executive session reached with the Office of Public Utility Counsel (OPC); (2) new Section 2.6.7, which requires that all Directors and Alternates sign an ERCOT Director Ethics Agreement upon joining the Board and annually thereafter; and (3) new Section 1.5 setting forth how the Board will receive information from Market Participants who are appealing Technical Advisory Committee (TAC) decisions that are not Protocol Revision Request (PRR)-related.

Other Business

No other business was raised.

The meeting adjourned at 9:57 a.m.

Michael G. Grable
Vice President, General Counsel & Corporate Secretary