



**Date:** June 10, 2008  
**To:** Human Resources and Governance Committee  
**From:** Mike Grable, General Counsel  
**Subject:** Board Policies and Procedures

**Issue for the ERCOT Human Resources and Governance Committee**

**HR&G Meeting Date:** June 17, 2008

**Agenda Item No.:** 6

**Issue:**

Whether to recommend any specific revisions to the ERCOT Bylaws.

**Background/History:**

This is a standing calendar item for the June Human Resources and Governance (HR&G) Committee meeting. To conserve resources, ERCOT Staff will not be sending out a new copy of the current Bylaws but recommends instead that HR&G Committee members consult the copy of the Bylaws in your Board Resource Manuals.

ERCOT Staff has no specific Bylaw revisions to recommend at this time. There is language that could be made clearer – see, for example, Bylaw 4.7 and its requirement that affirmative votes of “at least sixty-seven percent (67%) affirmative votes of the eligible voting Directors” are required for Board action. This language has been understood to mean 67% of the Directors who have the power of voting (i.e., not the PUCT Chair), which is ten (10) of fifteen (15) Directors. But it lacks clarity, and some have questioned whether it could also be read to require as few as two (2) affirmative votes out of three (3) cast.

However, ERCOT Staff do not believe that this change is significant enough to go through the PUCT and NERC/FERC Bylaw approval processes, unless other, urgent amendments are proposed.

Because ERCOT Staff recommend no changes, no full decision template is included with this memorandum. Should an individual Committee member wish to raise Bylaw amendment proposals, please feel free to contact me in advance of the meeting.