



Date: June 10, 2008
To: ERCOT Board of Directors
From: Mike Grable, General Counsel
Subject: Ratification of Urgent Vote re Protocol Revision Request (PRR) 764,
Zonal Congestion and CSCs/CREs

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: June 17, 2008

Agenda Item No.: 9(a)

Issue:

Ratification of June 6, 2008 urgent vote on PRR764, *Zonal Congestion and CSCs/CREs*.

Background/History:

On June 5, 2008, Board Chair Mark Armentrout gave notice that an urgent telephonic meeting of the ERCOT Board would convene on June 6, 2008, pursuant to direction given at the Public Utility Commission of Texas (the Commission) meeting on June 5, 2008 and further pursuant to ERCOT Bylaws 4.6(b) and 4.6(c). At the June 6, 2008 urgent Board meeting, by unanimous vote, the Board voted to approve PRR764, *Zonal Congestion and CSCs/CREs*.

ERCOT Bylaw 4.6(c) requires that the Board ratify actions taken on less than one week's notice and/or during telephonic meetings at the next regularly scheduled meeting.

Please refer to the materials that were distributed on June 5, 2008, for discussion of the substance of PRR764. The PRR and all supporting materials, including a report on the Board's June 6, 2008 action, are also posted on the ERCOT website at the following link: <http://www.ercot.com/mktrules/protocols/prr.html>

Key Factors Influencing Issue:

The PRS met, discussed the issues and submitted a recommendation report to TAC regarding PRR764. TAC considered the issues and voted to take action on PRR764 as described above, as did the Board at the June 6, 2008 urgent meeting.

Alternatives:

1. Ratify the urgent approval of PRR764; or
2. Do not ratify the urgent approval of PRR764, in which case the PRR will be treated as if rejected by the Board.

Conclusion/Recommendation:

ERCOT Staff respectfully recommend that the Board ratify the urgent approval of PRR764.



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