

DRAFT MINUTES OF THE

TEXAS REGIONAL ENTITY ADVISORY COMMITTEE

Room 168, 7620 Metro Center Drive, Austin Texas 78744

July 14, 2008

Directors

Mark Armentrout	Unaffiliated
Miguel Espinosa	Unaffiliated
Michehl R. Gent	Unaffiliated
Jan Newton	Unaffiliated
A.D. Patton	Unaffiliated
Barry Smitherman	Chairman, Public Utility Council of Texas

Segment Alternates

Nick Fehrenbach	City of Dallas	Commercial Consumer
Mark Walker	NRG Texas	Independent Generator

Other Attendees

Larry Grimm, Texas Regional Entity CEO and CCO
Susan Vincent, Texas Regional Entity Director, Legal Affairs
Victor Barry, Texas Regional Entity Director, Compliance
Todd Brewer, Texas Regional Entity Senior Financial Analyst
Ryan Clay, Texas Regional Entity Senior Paralegal
Nancy Capezzuti, ERCOT VP HR & OD
Liz Jones, Oncor Electric Delivery Company

Call to Order

Larry Grimm called the first meeting of the new Texas Regional Entity (“Texas RE”) Board of Directors (“Board”) committee (“Committee”) of the Texas Regional Entity Division of Electric Reliability Council of Texas, Inc. (Texas RE) to order at approximately 3:00 p.m.

Election of Committee Chair

Mark Armentrout moved for approval of Michehl Gent as the Committee Chair; Dr. A.D. Patton seconded the motion. The motion passed by unanimous voice vote.

Election of Committee Vice Chair

Mr. Armentrout moved for approval of Dr. Patton as the Committee Vice Chair; Mr. Gent seconded the motion. The motion passed by unanimous voice vote.

Discussion and Approval of Committee Name

The Committee discussed a variety of possible names for the Committee, including the following proposals by Jan Newton: Texas RE Executive Committee, Texas RE Advisory Committee, and Texas RE Oversight Committee. The Committee members determined that, since the Committee’s purpose was to advise the Board, the “Texas RE Advisory Committee” was most appropriate.

Ms. Newton moved for approval of “Texas Regional Entity Advisory Committee” as the official Committee name; Miguel Espinosa seconded the motion. The motion passed by unanimous voice vote.

Approval of Committee Charter

The Committee members reviewed and discussed the proposed Committee Charter, included in the materials, with Texas RE staff. Mr. Espinosa requested that Section 5.1 of the Charter be modified to clearly require that the Committee recommend and the Board approve the selected independent financial auditor and the compensation paid to such auditor.

In response to a question by Mr. Espinosa asking if NERC was requiring all Regional Entities to use the same financial auditor, Susan Vincent explained that NERC was suggesting that NERC and the Regional Entities retain one of the public “big four” auditor firms to audit all eight Regional Entities and NERC for 2008, in order to obtain the best price for a qualified audit team.

Mr. Espinosa, Mr. Gent and Chairman Smitherman requested other clarifying changes to sections 2.3, 4.2, and 5.1.1 of the proposed Committee Charter. Texas RE staff agreed to make all requested modifications and to send the revised Charter to all Board members for review, prior to the August meeting.

Recommendation of 2008 and 2009 Board Calendar

The Committee members reviewed the proposed 2009 meeting schedule for the Texas RE Board of Directors meetings, as contained in the materials.

Mr. Armentrout recommended the Committee and the Texas RE Board meet on the Mondays preceding the ERCOT Board of Directors meetings and that the Board meet only quarterly, unless additional meetings were requested by Texas RE staff or any Director. The Committee members agreed with Mr. Armentrout’s recommendation.

The Committee members discussed the need to schedule Committee meetings monthly, at least through the end of 2008, but that some meetings could be cancelled if a meeting was not required. The Committee discussed possible meeting times for future Texas RE meetings, noting that it was most efficient to have the meetings immediately prior to the ERCOT Q&A meeting, which was at 4:00 p.m. on the Monday before the ERCOT Board meeting. The Committee determined that the Committee would meet at 3:00 p.m. on each Monday immediately preceding an ERCOT Board meeting when no Texas RE Board meeting was held and at 2:00 p.m. on the Monday’s upon which a Texas RE Board meeting was held.

Mr. Gent made a motion to recommend to the Board that the Texas RE Board of Directors meet quarterly at 3:00 p.m. on the following Mondays in 2008 and 2009:

- August 18, 2008
- November 17, 2008
- February 16, 2009
- May 18, 2009
- August 17, 2009
- November 16, 2009

Mr. Armentrout seconded the motion. The motion passed by unanimous voice vote.

Adjournment

Mr. Gent adjourned the Committee meeting at 3:36 p.m.

Susan Vincent
Corporate Secretary