

**MINUTES OF THE BOARD OF DIRECTORS OF
THE TEXAS REGIONAL ENTITY – A DIVISION OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Room 206
Austin, Texas

October 16, 2007

Mark Armentrout	Independent	Unaffiliated; Board Chairman
Brad Cox	Tenaska Power Services	Independent Power Marketer
Andrew Dalton	Valero Energy Corp.	Consumer/Industrial
Miguel Espinosa	Independent	Unaffiliated
Nick Fehrenbach	City of Dallas	Consumer/Large Commercial
R. Scott Gahn	Just Energy	Independent REP
Carolyn Lewis Gallagher	Independent	Unaffiliated
Michehl R. Gent	Independent	Unaffiliated; Board Vice-Chairman
Paul Hudson	Public Utility Commission of Texas	Chairman (non-voting)
Bob Kahn	ERCOT	President and CEO
Clifton Karnei	Brazos Electric Coop	Cooperatives
Jan L. Newton	Independent	Unaffiliated
Tom Standish	CenterPoint Energy	Investor-Owned Utilities
William Taylor	Calpine Corporation	Independent Generators Segment
Dan Wilkerson	Bryan Texas Utilities	Municipally Owned Utilities Segment

Other Attendees

Steve Bartley, Board Segment Alternate
Nancy Capezzuti, ERCOT, Vice President of Human Resources and Organizational Development
Mike Grable, ERCOT, Assistant General Counsel
Larry Grimm, Texas RE, Acting Chief Compliance Officer
Bob Helton, Calpine Corp., Independent Generator
Mark Henry, Texas RE
Donald Jones, Andrews & Kurth
Mark McMurray
Commissioner Julie Parsley, Public Utility Commission of Texas
Lane Robinson, Texas RE

Other Attendees, cont'd

Jean Ryall, Constellation Energy Commodities Group, Independent Power Marketer
Kent Saathoff, ERCOT, Vice-president of System Operations
Chad Sealey
Robert Thomas, Independent Retail Electric Providers Segment
Thane Twiggs
Susan Vincent, ERCOT, Assistant General Counsel
DeAnn Walker

Outside Counsel and Staff Present

David Brown, Hughes & Luce, LLP Outside Counsel and Assistant Secretary
Ginny Hayes, Hughes & Luce, LLP Outside Counsel Assistant

Call to Order

Chairman Armentrout called the meeting of the Texas Regional Entity – a division of Electric Reliability Council of Texas, Inc. (Texas RE) Board of Directors at approximately 3:30 p.m. Chairman Armentrout immediately adjourned the meeting into Executive Session to discuss personnel and litigation matters.

At the conclusion of Executive Session, at approximately 3:46 p.m., Chairman Armentrout adjourned to Open Session and announced that Mr. Grimm had been offered the position of Chief Compliance Officer and had accepted.

Mr. Kahn joined the meeting at approximately 3:47 p.m.

Minutes

Chairman Armentrout asked if the members had any changes to the minutes of the August or September 2007 monthly meetings. **Mr. Fehrenbach then moved for approval; Mr. Taylor seconded. Both the August and September 2007 minutes were approved by unanimous voice vote.**

Open Session – Texas Regional Entity Report

Mr. Grimm provided the Board with a detailed presentation on Texas RE's performance. Mr. Grimm discussed September Protocol and Operating Guide violations and the status of the Amended and Restated Delegation Agreement between Texas RE and NERC.

Mr. Grimm also discussed the Texas RE Fall Workshop scheduled for November 2, 2007 at ERCOT's Austin Metro Center offices.

Mr. Grimm and Board members discussed ERCOT's performance, the September 5, 2007 event, the progress of 2007 compliance audits, the progress of NERC Responsible Entity registrations, and the number and status of both Protocol/Operating Guide violations and NERC Reliability Standard violations. The Board also discussed FERC activities in enforcement and reliability, including the impact of fuel choices on reliability.

Adjourn

Chairman Armentrout adjourned the meeting at 3:55 p.m.



By: David F. Brown
Its: Assistant Secretary