

**DRAFT MINUTES OF SPECIAL NODAL PROGRAM COMMITTEE MEETING
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Austin, Texas 78744, Room 224

October 20, 2008 at 1:34 p.m.

Committee Members Present

Bob Helton
Jean Ryall
Miguel Espinosa
Nick Fehrenbach
A.D. Patton
Robert Thomas

Other Board Members

Mark Armentrout
Michehl Gent
Brad Cox
Steve Bartley

ERCOT Staff

Ron Hinsley
Mike Grable
Bill Wullenjohn
Lori Cobos
Vickie Leaday
Janet Ply
Brandon McElFresh
Matt Mereness
Daryl Cote

Call to Order

Mr Helton opened the meeting at 1:34 p.m.

Executive Session

Mr. Helton adjourned into Executive Session at 1:35 p.m.
The meeting emerged from Executive Session at 2:10 p.m.

Adoption of Committee Charter

Mr. Fehrenbach recommended that language should be added to the charter that the Committee, in conjunction with the Finance and Audit (F&A) Committee, recommend review of internal and external Nodal program audits to the Board. Mr. Fehrenbach further recommended that language

providing that Committee members can use a call-in number if necessary, but will not be counted as part of the quorum or allowed to vote, should be added to the charter. Mr. Helton agreed that a call-in number would be particularly helpful in emergency situations.

Mr. Cox asked whether contracts from a single vendor should be considered as a cumulative total on a going forward basis. Mr. Helton noted that the Board passed a resolution requiring that the Chief Executive Officer (CEO) seek Board approval for contracts above a certain amount and recommended that the charter include a similar measure. Mr. Grable recommended that the Committee give the cumulative amount more consideration before including such a requirement in the charter. Mr. Hinsley agreed to report on the cut-off amount or measure that should be applied to the vendor contracts at the next Committee meeting.

Mr. Fehrenbach made a motion that the Committee recommend that the Board approve the Committee charter with changes proposed by Mr. Fehrenbach. Mr. Thomas seconded the motion. The motion passed by unanimous vote.

Nodal Program Overview

Ms. Ply presented a Nodal program overview to the Committee. Ms. Ply stated that the Nodal program's Project Management Office (PMO) will be working with the vendor and Committee to ensure that the Nodal market implementation schedule remains on track. Ms. Ply stated that the Nodal program staff has been working on program level controls and has developed an integrated master schedule linking together all of the projects in the Nodal program. Ms. Ply stated that the Nodal program staff is following a weekly project schedule to ensure that the projects are completed and focus remains on the critical path. Mr. Hinsley added that Nodal planning is based on the most current information received by the Nodal program staff and that changes could arise, such as a Nodal Protocol Revision Request (NPRR), that may warrant a deviation. Mr. Hinsley further added that Nodal program staff is currently sharing information relating to critical path issues with the Board and CEO, Bob Kahn, but that there are currently no critical path issues.

Mr. Espinosa expressed his concerns regarding communication among the Nodal program staff because communication has been a major problem within the Nodal program. Mr. Cox asked if the plan includes concrete tasks that are marked off every week after completion. Ms. Ply responded that there is a detailed list of weekly tasks, which are being closely tracked by the Nodal program staff. Mr. Armentrout added that Nodal program staff should remain focused on the integration of the projects comprising the Nodal project.

Mr. Hinsley discussed the top risks and issues associated with completing the Nodal project. Mr. Helton asked when gaps between the ERCOT Protocols and Nodal Protocols will be identified and Ms. Ply responded that it would take several months for the gaps to be identified. Mr. Armentrout requested that the Nodal program staff notify the Committee if the Texas Nodal Transition Plan Task Force (TPTF) is considering recommending NPRRs that could potentially slow down the completion of the Nodal project.

Other Business

Mr. Fehrenbach made a motion that the Committee approve Ms. Ryall as the Committee's Vice-Chair and Dr. Patton seconded the motion. The motion passed by unanimous vote.

The meeting adjourned at 3:20 p.m.

Michael G. Grable
General Counsel