

**MINUTES OF H.R. & GOVERNANCE COMMITTEE MEETING
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Austin, Texas 78744

January 15, 2008 at 8:32 a.m.

Committee Members Present

Carolyn Gallagher (Chair)
Mark Armentrout
Don Ballard
Bob Helton
Jan Newton

Other Board Members

Jean Ryall (Alternate)

ERCOT Staff

Bob Kahn
Nancy Capezzuti
Mike Grable
Lori Cobos

Call to Order

Ms. Gallagher opened the meeting at 8:32 a.m.

Executive Session

Ms. Gallagher adjourned into Executive Session at 8:33 a.m. The meeting emerged from Executive Session at 8:57 a.m.

Minutes

Ms. Gallagher moved for approval of the December minutes and. Ms. Newton seconded. The minutes were approved by unanimous voice vote.

Elect 2008 Committee Chair

Mr. Armentrout nominated Ms. Newton, and Mr. Helton seconded. The motion carried by unanimous voice vote.

Review Board Policies and Procedures

Mr. Armentrout moved that the Committee recommend approval of the Policies and Procedures to the full Board, and Ms. Newton seconded. The motion carried by unanimous voice vote.

Review Committee Charter and Calendar

Ms. Gallagher noted that the Committee had reviewed the Charter and decided to make no edits at this time.

Regarding the calendar, Ms. Capezzuti suggested that the March item on succession planning be moved to April or May, to line up with the ERCOT annual review cycle. Ms. Newton noted that Mr. Kahn has discussed his ideas on succession planning, but that there needed to be a succession plan for the CEO. The Committee determined that a May-December cycle for CEO consultation regarding succession planning would be appropriate.

Related to independent Board member succession planning, Mr. Helton raised the issue of leadership of the Board, and whether the Vice Chair of the Board should be in a position that is open to Affiliated Directors and asked whether the Chair should be an Independent Director. Mr. Grable noted that the Finance & Audit Committee has an Affiliated Chair. Mr. Armentrout recommended that some level of independence on Board leadership is advisable. The Committee discussed whether a Market Participant would be distrusted as Board Chair, and Mr. Helton reminded the Committee that, by statute, the Board Chair must be an Unaffiliated Director.

Finally, Mr. Armentrout noted that succession-planning consultations should go deep, possibly to the Director level, and further include a detailed plan that included a list of those ready today and a backup list of those who are ready in "X" years.

Distribute Committee Self-Evaluation Survey

Mr. Grable distributed the survey and requested responses in advance of the February meeting. Ms. Capezzuti noted that Mr. Giuliani and his team were working on a Market Participant survey, which would be the same survey that was used last year with the addition of nodal questions. Mr. Armentrout asked Ms. Capezzuti to provide him with specific dates for completion of the survey.

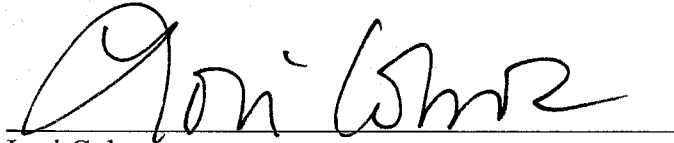
Poll of Interest in NACD

Mr. Armentrout, Mr. Ballard, Ms. Newton, and Ms. Ryall expressed interest in having access to National Association of Corporate Directors (NACD) resources. Ms. Capezzuti noted that ERCOT pays for access to the NACD resources. Mr. Grable stated that he has a list of directors who use the resource. Ms. Capezzuti and Mr. Armentrout agreed that the NACD resource was a good information resource.

Other Business

No other business was raised.

The meeting adjourned at 9:19 a.m.

A handwritten signature in black ink, appearing to read "Lori Cobos", written over a horizontal line.

Lori Cobos
Associate Corporate Counsel