

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

2705 West Lake Drive, Taylor, Texas 76574

April 15, 2008 at 9.09 a.m.

Committee Members Present

Jan Newton (Chair)
Mark Armentrout
Andrew Dalton
Bob Helton
Laurie Pappas (representing the Office of Public Utility Counsel)

ERCOT Staff

Nancy Capezzuti
Mike Grable
Lori Cobos

Call to Order

Ms. Newton opened the meeting at 9:09 a.m.

Executive Session

Ms. Newton adjourned into Executive Session at 9:00 a.m.
The meeting emerged from Executive Session at 9:53 a.m.

Minutes

The March minutes were amended to reflect that Mr. Dalton was present at the March meeting and to include an additional sentence in the last paragraph addressing Ms. Gage's External Relations Update stating that Ms. Gage agreed to provide copies of backgrounders in the future as they are developed to Mr. Ballard. Ms. Newton moved for approval of the March minutes and Dalton seconded. The minutes were approved by unanimous voice vote.

Board Training Needs to Enhance Effectiveness

Mr. Grable stated that this item is included as a standard annual calendar item per Ms. Gallagher's request. Ms. Newton suggested that the board training material that was developed through the hard work of Mr. Grable and Ms. Roark, and used to train Mr. Ballard, continue to be used for new Board member training. Ms. Capezzuti stated that all Board members are welcomed to attend new Board member training. Mr. Grable noted that new Board member training was individually driven, but covering all 200-plus slides would normally take a day or more. Mr. Grable, however, added that the new Board member training could be broken down into smaller training sessions to provide more flexibility for new Board members.

Board Policies & Procedures

Mr. Grable explained three proposed changes to the Policies and Procedures.

i. Ethics Agreements

Mr. Grable stated that new Section 2.6.7 requiring that all Directors and Alternates sign an ERCOT Director Ethics Agreement upon joining the Board and annually thereafter is required by Internal Audit.

ii. Procedures Governing Appeals on TAC decisions, other than PRRs

Mr. Grable stated that new Section 1.5 setting forth how the Board will receive information from Market Participants who are appealing Technical Advisory Committee (TAC) decisions that are not Protocol Revision Requests (PRRs)-related is proposed for the Board's Policies and Procedures. Mr. Grable noted that PRR-related appeals procedures are pending in PRR 753, but PRR 753 does not address non-PRR issues. Per Mr. Ballard, Ms. Pappas added that the structured appeals process for PRR-related TAC decisions currently pending in PRR 753 is similar to the procedures for a contested matter before a tribunal, and that the Office of Public Utility Counsel (OPC) did not agree with the structured appeals process.

Mr. Armentrout noted two incidents where information was provided to the Board at the last minute by a Market Participant – one incident dealt with a large amount of money and the other issue related to an Emergency Interruptible Loads (EILS) letter filed by a Market Participant. Mr. Grable agreed that how to structure Market Participant-Board communications is a difficult issue, but clarified that the Public Utility Regulatory Act (PURA) allows any member of the public an unmitigated right to be heard by the Board and the question for the Board is simply how much weight to give to particular communications.

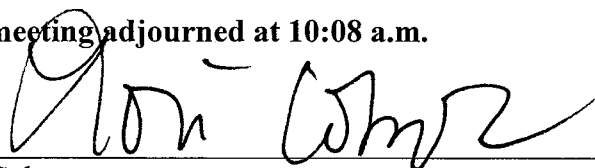
iii. Voting in Executive Session & Board Action Based on Executive Session Discussion

At Mr. Ballard's request, Mr. Grable developed new Section 1.4 that limits voting during Executive Session to votes on Executive Session minutes and sets forth the procedures by which the Board can take action based on Executive Session discussions. Per Mr. Ballard's request, Ms. Pappas proposed changes to clarify the notice requirement for Executive Session discussions and voting or taking action on Executive Session noticed items or discussions. Mr. Grable agreed with the proposed changes.

Other Business

No other business was raised.

The meeting adjourned at 10:08 a.m.



Lori Cobos
Associate Corporate Counsel