

Date: February 9, 2009
To: Board of Directors (Board)
From: Michehl Gent, Chair, Texas Regional Entity Advisory Committee
Subject: Approval of Expanded Advisory Committee Scope

Texas RE Board of Director Meeting Date: February 16, 2009
Agenda Item No.: 8a

Issue:

Authorize the Texas Regional Entity Advisory Committee (Advisory Committee) to discuss compliance matters in months when the Board does not meet, as long as all Directors are permitted to attend executive session during any compliance-related discussions.

Background/History:

The Advisory Committee continues to meet monthly, and the Board normally meets quarterly. The Directors on the Advisory Committee desire to discuss compliance issues in the months when the Texas RE Board does not meet, in order to remain current regarding any compliance matters or concerns. The current scope and purpose of the Advisory Committee is for the consideration of administrative matters only, such as personnel, budget, compensation, financial audit, and financial matters, and does not include consideration or discussion of compliance-related matters. The Advisory Committee does not want to require the full Board (with its quorum and Director compensation requirements) to meet each month, but the Directors on the Advisory Committee would like to discuss compliance-related issues during their meetings in the months when the Texas RE Board does not meet. The Advisory Committee requests that its scope be expanded to allow it to discuss (but not take action on) compliance-related issues in any months in which the Board does not meet. The Advisory Committee desires that all Directors be permitted to attend all compliance-related discussions, even such discussions that must be held in executive session.

Key Factors Influencing Issue:

- Desire of Directors to stay current on compliance issues each month
 - Desire to allow compliance discussions without requiring a full monthly Board meeting
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Alternatives:

- Allow requested expansion of Advisory Committee scope
 - Deny expanded scope of the Advisory Committee
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Conclusion/Recommendation:

The Texas RE Advisory Committee recommends that the Board approve an expansion of the Advisory Committee scope to allow the Advisory Committee to discuss (but not take action on) compliance matters in months when the full Board does not meet, provided that all Directors may attend all executive session compliance discussions.

RESOLUTION OF THE BOARD OF DIRECTORS OF
TEXAS REGIONAL ENTITY, A DIVISION OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

, 2009

WHEREAS, the board of directors (the "Board") of Texas Regional Entity, a division of Electric Reliability Council of Texas, Inc., a Texas non-profit corporation deems it desirable and in the best interest of Texas Regional Entity to expand the scope of the Texas Regional Entity Advisory Committee ("Advisory Committee") to allow it to discuss compliance matters;

THEREFORE be it RESOLVED, that the _____ is hereby authorized and approved by the Board in each and every respect.

CORPORATE SECRETARY'S CERTIFICATE

I, Susan Vincent, Corporate Secretary of Texas Regional Entity, do hereby certify that, at the February 16, 2009 Texas Regional Entity Board Meeting, the Board of Directors of Texas Regional Entity approved the above referenced Resolution. The Motion passed by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2009.

Susan Vincent
Corporate Secretary