

Date: February 9, 2009
To: Texas RE Board of Directors (Board)
From: Michehl Gent, Chair, Texas RE Advisory Committee
Subject: Approval of Chief Executive Officer (CEO) and Chief Compliance Officer (CCO) Employment Terms

Texas Regional Entity Board Meeting Date: February 16, 2009

Agenda Item No.: 8b

Issue:

Review and evaluate the employment terms of the Texas Regional Entity CEO and CCO.

Background/History:

Section 6.5 of the ERCOT Bylaws requires that the Board establish and annually review the compensation of the chief executive officer of Texas RE. Larry Grimm has been employed by Texas RE as the CCO of since October 2007 and as the CEO since May 2008.

Key Factors Influencing Issue:

- The Bylaws requirement for the Board to evaluate the CEO and CCO compensation annually.
 - The Board's desire to review and recognize Mr. Grimm's performance.
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Alternatives:

- Modify the terms of Mr. Grimm's salary.
 - Take no action.
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Conclusion/Recommendation:

Texas Regional Entity staff respectfully requests that the Board review and establish Mr. Grimm's salary in order to allow the salary changes to be effective in April 2009 with the remainder of the Texas RE and ERCOT staff.

RESOLUTION OF THE TEXAS REGIONAL ENTITY BOARD OF DIRECTORS

, 2009

WHEREAS, the Texas Regional Entity Board of Directors (“Board”) deems it desirable and in the best interest of Texas Regional Entity to approve the terms of employment of Larry Grimm, the Chief Executive Office and Chief Compliance Officer;

THEREFORE be it RESOLVED, that the Board hereby approves new terms of employment for Larry Grimm to include \$_____ in base pay and _____.

CORPORATE SECRETARY’S CERTIFICATE

I, Susan Vincent, Corporate Secretary of Texas Regional Entity, do hereby certify that, at the _____, 2009 Texas Regional Entity Board of Directors meeting, the Board 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