



Date: February 10, 2009
To: Board of Directors
From: Nancy Capezzuti, Vice President and Chief Administrative Officer
Subject: Adoption of Revised Key Performance Indicators for 2009

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: February 17, 2009

Agenda Item No.: 12a

Issue:

Whether to approve the ERCOT 2009 Key Performance Indicators (“KPI”) matrix as reviewed and recommended by the Human Resources and Governance (HR&G) Committee.

Background/History:

Each year the HR&G Committee adopts the KPI matrix to focus the ERCOT organization on the primary objectives for the year. These objectives are provided to the entire ERCOT organization and similar support goals are established for all employees.

Key Factors Influencing Issue:

The Committee recommends the 2009 KPI matrix as attached and agrees with ERCOT leadership that these goals and objectives appropriately focus the organization.

Alternatives:

1. Accept the recommendation of the HR&G Committee and adopt the new KPI matrix as recommended by the Committee; or
2. Amend the 2009 KPI matrix as proposed; or
3. Remand this issue to the HR&G Committee with instructions.

Conclusion/Recommendation:

ERCOT staff respectfully recommends that the Board of Directors accept the recommendation of the HR&G Committee and adopt the new 2009 KPI matrix attached as *Exhibit A*.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to adopt the 2009 Key Performance Indicators (KPI) Matrix attached hereto as *Exhibit A*, in order to provide measurable goals for ERCOT to conduct its business;

THEREFORE, BE IT RESOLVED, that the Board adopts the 2009 KPI Matrix, a copy of which is attached hereto as *Exhibit A*, to set measurable goals for ERCOT to conduct its business.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its February 17, 2009 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by _____.

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

Michael G. Grable
Corporate Secretary