

DRAFT MINUTES OF THE

TEXAS REGIONAL ENTITY ADVISORY COMMITTEE

Room 206A, Met Center, 7620 Metro Center Drive, Austin, Texas 78744

February 16, 2009

Committee Members

Michehl R. Gent, Chair		Unaffiliated
A.D. Patton, Vice Chair		Unaffiliated
Mark Armentrout		Unaffiliated
Don Ballard	Office of Public Utility Counsel	Residential Small Consumer
Miguel Espinosa		Unaffiliated
Jan Newton		Unaffiliated
Barry T. Smitherman	Chairman, Public Utility Commission of Texas	

Other Directors and Segment Alternates

Brad Cox	Tenaska	Independent Power Marketer
Nick Fehrenbach	City of Dallas	Lg. Commercial Consumer
Charles Jenkins	Oncor	Investor Owned Utility
Robert Thomas	Green Mountain Energy	Ind. Retail Electric Provider
Dan Wilkerson	Bryan Texas Utilities	Municipal

Other Attendees

Larry Grimm, Texas Regional Entity CEO and CCO
Susan Vincent, Texas Regional Entity Director, Legal Affairs
Victor Barry, Texas Regional Entity Director, Compliance
Judith James, Texas Regional Entity Manager, Reliability Standards
Todd Brewer, Texas Regional Entity Senior Financial Analyst
Ryan Clay, Texas Regional Entity Senior Paralegal
Nancy Capezzuti, ERCOT VP and CAO
Don Jones, Reliant Energy
Eric Goff, Reliant Energy

Call to Order

Chair Gent called the meeting of the Texas Regional Entity (Texas RE) Advisory Committee (Committee) to order at approximately 1:40 p.m. and immediately adjourned the meeting into executive session.

Convene Open Session

At 2:10 p.m., Chair Gent adjourned executive session and convened the open session of the Committee meeting.

Approval of Executive Session Items

Jan Newton made a motion to approve the PwC engagement letter and CEO compensation discussed in Executive Session approval; Mark Armentrout seconded the motion. The motion passed by unanimous voice vote.

Approval of Minutes

Don Ballard made a motion to approve the minutes from the January 15, 2009 Committee meeting; Miguel Espinosa seconded the motion. The motion passed by voice vote.

Texas RE Update

Mr. Grimm informed the Committee that he would give his Texas RE update during the subsequent Board meeting.

Expanded scope of the Advisory Committee

After a brief discussion of the reasons why the Committee needed an expanded scope, **A.D. Patton made a motion to recommend the Board of Directors (Board) expand the scope of the Advisory Committee to include discussion of compliance matters in months when the Board did not meet, so long as all Directors were allowed to attend the executive session discussions on compliance. Jan Newton seconded the motion; the motion passed by unanimous voice vote.**

Texas RE Strategic Plan

Chair Gent reminded the Committee that the proposed 2009 Strategic Plan was intended to be a working document. Mr. Gent then opened the floor to any questions pertaining to the Strategic Plan. The Committee briefly discussed certain language in the Strategic Plan. In response to a question by Chairman Smitherman, Texas RE staff agreed that it should consider rewording the phrase the "unduly influenced" (on the first page of the Strategic Plan), in the next version of the Strategic Plan, unless this language was required by the ERCOT Bylaws or the Texas RE Delegation Agreement.

Mr. Armentrout made a motion to recommend the Texas RE Strategic Plan to the Texas RE Board of Directors for approval; Jan Newton seconded the motion. The motion passed by unanimous voice vote.

In response to a question from Ms. Newton about the Texas RE headcount, Mr. Grimm informed the Committee that Texas RE was in the process of recruiting additional personnel to fill the 2009 vacancies.

Budget Calendar Discussion / Additional Board Meeting in June 2009

Mr. Grimm explained that the 2010 Texas RE Business Plan and Budget would not be ready for Board approval until June, due to certain NERC requirements and deadlines, and Ms. Vincent explained that the Board needed to accept the financial statement audit report in May to meet Delegation Agreement requirements. The Committee briefly discussed the need for an additional Board meeting in June.

Miguel Espinosa made a motion to recommend that the Board hold an additional Board

of Directors meeting on June, 15, 2009; Mark Armentrout seconded the motion. The motion passed by unanimous voice vote.

Adjournment

Chair Gent adjourned the Texas RE Advisory Committee at approximately 2:34 p.m.

Susan Vincent
Corporate Secretary