



DRAFT MINUTES OF THE BOARD OF DIRECTORS
STRATEGIC PLANNING EVENT
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

Omni Austin Hotel at Southpark
4140 Governor's Row, Austin, Texas 78744
February 18, 2009 at 8:30 a.m.

Pursuant to notice duly given, the meeting of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

Meeting Attendance:

Board Members:

Director	Affiliation	Segment
Armentrout, Mark		Unaffiliated
Ballard, Don	Office of Public Utility Counsel	Residential Consumers
Cox, Brad	Tenaska Power Services Co.	Independent Power Marketers
Dalton, Andrew	Valero Energy Corp.	Industrial Consumers
Espinosa, Miguel		Unaffiliated
Fehrenbach, Nick	City of Dallas	Commercial Consumers
Gent, Michehl		Unaffiliated, Vice Chairman
Helton, Bob	International Power America Services	Independent Generators
Kahn, Bob	ERCOT	President and CEO
Newton, Jan		Unaffiliated, Chairman
Patton, A.D.		Unaffiliated
Smitherman, Barry T.	Chairman	Public Utility Commission of Texas (Commission)
Thomas, Robert	Green Mountain Energy Company	Independent Retail Electric Providers
Wilkerson, Dan	Bryan Texas Utilities	Municipally-Owned Utilities

Staff and Guests:

Bruce, Mark	FPL Energy LLC
Byone, Steve	ERCOT
Capezzuti, Nancy	ERCOT
Coe, Carlos	Xtreme Power
Crowder, Calvin	American Electric Power Service Corporation
Day, Betty	ERCOT
Dickerman, Larry	American Electric Power Service Corporation
Doggett, Trip	ERCOT
Doolin, Estrellita	ERCOT

Fenoglio, Walt	Edison Mission
Gage, Theresa	ERCOT
Grable, Mike	ERCOT
Haas, Jason	Commission
Hinsley, Ron	ERCOT
Jones, Don	Reliant Energy
Leady, Vickie	ERCOT
Manning, Charles	ERCOT
McClendon, Shannon	Vice Chairman, Technical Advisory Committee (TAC)
Meyers, Ph.D., Jeremy	Assistant Professor of Mechanical Engineering with The University of Texas at Austin
Ryall, Jean	Constellation Energy Commodities Group
Saathoff, Kent	ERCOT
Walker, Mark	NRG Texas LLC
Weston, Tisa	ERCOT

Call Open Session to Order (Agenda Item 1)

Jan Newton, Chairman, opened the retreat at 8:31 a.m. She explained last-minute agenda changes, including Bob Helton presenting in place of Mike Cleary; Vickie Leady, ERCOT Associate Corporate Counsel, presenting in place of Matt Morais, ERCOT Assistant General Counsel; and Barry T. Smitherman, Commission Chairman, and Mark Bruce's presentation times switching.

Ethics Training (Agenda Item 2)

Ms. Leady delivered the Board's required annual ethics training, explaining duties that exist under the ERCOT Articles of Incorporation, the ERCOT Bylaws, Texas state laws, and the Commission.

The Board discussed ethical and antitrust responsibilities.

Strategic Plan for Nodal Delivery (Agenda Items 3 and 5)

Trip Doggett, ERCOT Senior Vice President and Chief Operating Officer, presented information on, and the Board discussed, Nodal milestones, Nodal tasks, the critical path, Market Participant readiness, the role of TAC, communication regarding the Nodal Program, management of the Nodal testing effort, alignment between Nodal functionality and the ERCOT Nodal Protocols, and integration issues.

Mr. Helton presented information on how to define success, focusing on: going live on-time and on-budget with market clearing on time with locational marginal prices (LMPs) posted and verified for correctness; with IT systems stable; with reliability confirmed; with credit disputes limited in number and scope; and with settlement disputes limited in number and scope.

Lunch (Agenda Item 6)

The Board broke for lunch.

Governmental Update (Agenda Item 7)

Theresa Gage, ERCOT Government Relations Manager, made a presentation on activities that have occurred thus far in the Texas Legislature, including bill filings, committee assignments, and ERCOT communication efforts. Chairman Smitherman also spoke on recent meetings and activities, including legislative interest in the Nodal Program and in advanced metering. Mike Grable, ERCOT Vice President and General Counsel, discussed recent developments at the Federal Energy Regulatory Commission (FERC), in Congress, and with the Obama Administration.

ERCOT-TRE Structure (Agenda Item 12)

Estrellita Doolin, ERCOT Assistant General Counsel, discussed the pros and cons of the current ERCOT-Texas Regional Entity (Texas RE) corporate structure. The Board decided that the Texas RE Committee should examine the potential costs of corporate separation.

Board – TAC Relationship (Agenda Item 8)

Mark Bruce, TAC Chairman, discussed Board-TAC relations, potential changes to the structure of TAC information-sharing at the Board meetings, the potential re-purposing of stakeholder activities with respect to the Nodal Program, ERCOT study resource constraints, and other TAC matters.

Energy Storage (Agenda Item 11)

Dr. Jeremy Myers made a presentation on various storage technologies and their power, longevity, and cost aspects. Carlos Coe made a presentation on the research and outlook of Xtreme Power's efforts to develop large-scale power systems integrating energy storage and enabling load leveling. Larry Dickerman presented AEP's perspective on electricity storage in transmission and distribution applications.

The Board discussed storage possibilities and how storage could be implemented in ERCOT.

Smart Grid and Advanced Metering (Agenda Item 10)

Mr. Doggett discussed the importance of adapting the grid to new technologies. Betty Day, ERCOT Director of Markets, presented the current state and future prospects of advanced metering efforts in ERCOT, focusing on the central repository and the ERCOT settlement process, and interim and long-term solution possibilities.

Wrap-up (Agenda Item 13)

Ms. Newton thanked the Board and the presenters, and adjourned the meeting at 3:20 p.m.

Michael G. Grable
Corporate Secretary