OPEN SESSION MINUTES OF SPECIAL NODAL PROGRAM COMMITTEE
MEETING OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC

7620 Metro Center Drive, Austin, Texas 78744, Room 206
February 16, 2009 at 9:30 p.m.

Committee Members Present

Bob Helton, Chair
Jean Ryall, Vice Chair
Mark Armentrout
Nick Fehrenbach
Miguel Espinosa
A.D. Patton
Bob Thomas

Other Board Members

Don Ballard
Michehl Gent
Jan Newton
Barry Smitherman
Mark Walker

ERCOT Staff

Bob Kahn
Trip Doggett
Mike Grable
Nancy Capuzetti
David Forfia
Matt Morais
Bill Wullenjohn
Janet Ply
Aaron Smallwood

Others
Mark Bruce
Annette Mass
Caryn Rexrode
Jim Reynolds
Wendell Drost
Bob Spangler
Melissa Deller
Eric Goff

Bob Helton convened the Open Session of the Meeting of the Special Nodal Program Committee (Committee) of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) at approximately 1:25 p.m.

Vote on Matters From Executive Session (Agenda Item No. 3)

Mr. Armentrout moved to present the desired Nodal Leadership structure to the Board for approval – i.e. the hiring of two candidates, one to fill the Nodal Director role, and to manage market participant matters. Mr. Espinosa seconded the motion, and it was passed unanimously.

Approval of January 19, 2009 Minutes (Agenda Item No. 4)

Mr. Helton asked for comments on the January 19, 2009 Minutes. There were no comments and Miguel Espinosa moved to approve the minutes. AD Patton seconded the motion. The minutes were approved with one abstention (Nick Fehrenbach).

Nodal Schedule Update and 2009 Nodal Budget (Agenda Item Nos. 5 and 6)

Mr. Helton introduced these issues and Trip Doggett, ERCOT Chief Operating Officer and Vice President, provided a brief overview. Mr. Espinosa inquired about the public budget figure and Mr. Khan indicated it was $658 million. Mr. Helton stated that the budget and schedule were developed based on a 75% confidence factor, and that this point should be made clear in discussions surrounding these matters so that fact is on the record. Mr. Espinosa asked if the budget was tracked on a monthly basis, and Mr. Khan indicated that it was. Aaron Smallwood noted the program re-forecasts prospectively for a 3 month period on a rolling basis. Mr. Espinosa stated that he wanted those figures compared to actual expenditures on a monthly basis, and those comparisons presented to the Nodal Committee. Mr. Espinosa then moved to recommend the schedule and budget to the Board, Mr. Armentrout seconded the motion, and the motion passed unanimously.

Protocol Revision Request 799 (Agenda Item No. 7)

Mr. Helton noted this PRR would enhance the efficiency of the implementation process and Mr. Khan discussed the process under the PRR. Mr. Fehrenbach stated his revisions were not substantive in nature, but rather only were intended to provide clarification to the language. Mr. Helton noted this was not a voting item and that the discussion was intended to ensure parties were clear on the process.

Risk and Issues Review (Agenda Item No. 8)

There was no substantive discussion on this agenda item, but Mr. Helton stated that prospectively he wants this review to focus on critical path items in the Nodal Committee.

Utilicast Reports #s 8 and 9 (Agenda Item No. 9)

Mike Cleary of Utilicast noted Report # 9 was issued on Friday, February 13, 2009, and provided a summary of the report. He stated that integration was one of the major risks, commenting that it was not well planned or executed, and, therefore, that item should be the focus in Report # 10. Regarding Report # 10, Mr. Cleary mentioned Utilicast's intention to interact more with Program Management Office and Executive Sponsor in preparing the report to more effectively expedite recommendations. Mr. Cleary provided an overview of the issues with the integration process, noting leadership, timing, lack of coordination and poor scope definition. Janet Ply commented that projects have been reorganized to address prior issues, which included necessary staffing changes and increases; Mr. Cleary pointed out that these changes would not affect the scope and budget.

In response to questions relating to problems identified with Market Participant data, Janet Ply stated that specific and uniform parameters for requisite data are being developed to remedy these issues.

Status Update on Utilicast Recommendations (Agenda Item No. 10)

Mr. Helton inquired about program progress in light of Report #8, and Ms. Ply stated that several items have been completely addressed.

Scope and Timing for Utilicast Review # 10 (Agenda Item No. 11)

In response to questions on the best use of Utilicast resources for Review # 10, Mr. Cleary indicated that Market Participant readiness and testing would emerge as critical items. Mr. Cleary pointed out that EDS and testing have to be successfully completed in order to drive Market Participant readiness. Accordingly, Mr. Cleary defined the scope of Report # 10 in terms of the following three issues:

- Operational Readiness;
- Market Participant Readiness; and
- Market Trials.

Stakeholder Process Involving Nodal (Agenda Item No. 12)

Mr. Helton stated this issue would be addressed at the full ERCOT Board meeting.

The Open Session adjourned at approximately 1:45 p.m.

Matthew T. Morais
Committee Secretary