

**MINUTES OF H.R. & GOVERNANCE COMMITTEE MEETING  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Austin, Texas 78704

October 20, 2009

**Committee Members Present**

Mark Armentrout (Chair)  
Bob Helton  
A.D. Patton

Jan Newton  
Nick Fehrenbach  
Jeane Ryall

**ERCOT Staff**

Mike Grable  
Lori Cobos

Nancy Capezzuti  
Theresa Gage

**Other**

Mark Bruce

**Call to Order**

Mr. Armentrout opened the meeting at 8:38 a.m.

**Executive Session**

Mr. Armentrout adjourned into Executive Session at 8:38 a.m.  
The meeting emerged from Executive Session at 9:34 a.m.

**Minutes**

**Ms. Newton moved for approval of the September 15, 2009 minutes and Mr. Helton seconded. The minutes were approved by unanimous voice vote.**

**Proposed Amendments to Bylaws**

Mr. Patton suggested that the definition of “residential consumer” in Article 2 should be changed, because he thought that the current definition is restrictive and inconsistent with the current operation of the ERCOT Board. Mr. Grable explained that the current definition reflects the fact that the Public Counsel serves as a consumer representative on the Board. In addition, it reflects the various other guidelines and restrictions on who can be a “consumer” representative in ERCOT structures and alleviate Federal Energy Regulatory Commission (FERC) concerns regarding those with interests in electricity markets presenting themselves as consumer representatives.

Mr. Fehrenbach suggested a change to his proposed amendment to Section 4.3(b)(2)b, Selection of Unaffiliated Directors, to include language stating that an Unaffiliated Director or family

members “will not be an employee of an ERCOT member or North American Electric Reliability Corporation (NERC) registered entity” to avoid having an Unaffiliated Director with a conflict of interest. Mr. Helton noted his agreement to the change, and Mr. Grable noted that ERCOT Legal is fine with the change but does not agree with Mr. Fehrenbach that current Unaffiliated Directors were appointed in contravention of existing Bylaws.

Mr. Helton recommended that the proposed changes to the reimbursement policy that would apply to Unaffiliated Directors and Consumer Directors in Article 10, Section 10.1.(b) should be amended to apply to all directors. Ms. Newton disagreed, proposing instead the deletion of the proposal so that the Bylaws would remain consistent with respect to all Directors.

Mr. Grable noted that the Committee did not need to approve proposed changes to the bylaws until next month and that one package of proposed changes would be recommended to the Members, so it was important next month for the Commission and the Board to finalize the changes they will recommend to the Members.

#### Recommendations to Board regarding Benefits Committee

Ms. Capezzuti asked the Committee to ratify and confirm the current structure of the Benefits Committee. Mr. Helton moved for approval of the Benefits Committee structure and Ms. Newton seconded. The current Committee structure was approved by unanimous voice vote.

#### External Relations Update

Ms. Gage provided the Committee with an External Relations update, noting that ERCOT Staff has met with staff from the Sunset Advisory Commission, Sunset Staff have scheduled a follow-up meeting, the Senate has appointed members to the Sunset Committee, and the House has not yet appointed Sunset Committee members. Ms. Newton asked when ERCOT would hear back on its request for long-range grid planning funds from the Department of Energy (DOE). Mr. Grable responded that there is no set deadline for the DOE’s response and that hopefully ERCOT would hear back from the DOE by the end of the year. Mr. Grable noted that ERCOT has requested what we believe to be a fair share of the \$60 million that is available for planning purposes, but there are three applicants applied for the funds, and that the total amount of DOE funds would not be enough to meet the three applicants’ requests.

#### Other Business

No other business was raised.

**The meeting adjourned at 9:55 a.m.**

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Lori Cobos, Associate Corporate Counsel