

**DRAFT MINUTES OF THE ANNUAL MEMBERSHIP MEETING
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC. (ERCOT)**

Austin Hilton Airport Hotel
9515 New Airport Drive
Austin, Texas 78744
December 9, 2008

Bob Kahn, ERCOT President and Chief Executive Officer (CEO), opened the meeting at 11:00 a.m. by announcing that a quorum was present (through physical attendance and written proxies), welcoming Chairman Barry T. Smitherman and Commissioner Kenneth Anderson of the Public Utility Commission of Texas (PUCT), the ERCOT Corporate Members, the ERCOT Directors, Officers and Staff and others to the meeting.

Mr. Kahn acknowledged Marcie Zlotnik as a departing Segment Alternate from the ERCOT Board of Directors (Board) and thanked her for her service to ERCOT. Mr. Kahn made some brief statements regarding the state of ERCOT and his observations during the past year. Mr. Kahn mentioned that ERCOT took its responsibilities very seriously. He concluded by thanking ERCOT's Market Participants since they provide valuable input into virtually all aspects of ERCOT's activities.

Approval of December 11, 2007 Annual Meeting Minutes

Mr. Kahn noted that the draft minutes from the December 11, 2007 Annual Meeting were provided to all present and entertained a motion for approval of the minutes. **Clifton Karnei of Brazos Electric Cooperative, Inc., moved for approval of the December 11, 2007 Annual Meeting Minutes. Charles Jenkins of Oncor Electric Delivery Company seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Confirmation and Approval of 2009 Board of Directors

Mr. Kahn called attention to the list of proposed Directors and Segment Alternates for 2009, as selected by the individual market segments, that was provided to all present. **David McCalla of Greenville Electric Utility System moved to confirm the new Directors, as set forth below. Andrew Dalton of Valero Refining seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

<u>Segment</u>		<u>Directors</u>	<u>Segment Alternates</u>
Consumer	- OPC (<i>ex officio</i>)	Don Ballard	N/A
	- Commercial	Nick Fehrenbach – City of Dallas	
	- Industrial	Andrew Dalton – Valero Refining – Texas	
Cooperative		Clifton Karnei – Brazos Electric Power Cooperative Inc.	Michael Packard – South Texas Electric Cooperative Inc.

ERCOT CEO (<i>ex officio</i>)	Bob Kahn	N/A
Independent Generator	Bob Helton – International Power America Services Inc.	Mark Walker – NRG Texas LLC
Independent Power Marketer (PM)	Brad Cox – Tenaska Power Services Co.	Jean Ryall – Constellation Energy Commodities Group
Independent Retail Electric Provider (REP)	Robert Thomas – Green Mountain Energy Company	Deryl Brown – Hudson Energy Services LP
Investor Owned Utility (IOU)	Charles Jenkins – Oncor Electric Delivery Company	Calvin Crowder – American Electric Power Service Corporation
Municipal	Dan Wilkerson – Bryan Texas Utilities	Steve Bartley – CPS Energy
PUCT Chair (<i>ex officio, non-voting</i>)	Barry T. Smitherman	N/A
Unaffiliated	Mark Armentrout Miguel Espinosa Michehl Gent Jan Newton A. D. Patton	N/A

Announcement of 2009 Technical Advisory Committee

Mr. Kahn then announced that segment voting had been completed and noted that a list of the 2009 Technical Advisory Committee (TAC) representatives was provided to all present. He advised that the Directors would confirm the 2009 TAC representatives at the Board meeting later in the day after the conclusion of this Annual Meeting.

Approval of Nomination of Michehl Gent and Jan Newton to Additional Terms as Unaffiliated Directors

Mr. Kahn noted that the resumes of Michehl Gent and Jan Newton were provided to all present and entertained a motion for the approval of these nominations. **Bob Helton of International Power America Services, Inc., made a motion to approve these nominations. Brad Cox of Tenaska Power Services Co. seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Lunch

The meeting recessed briefly for lunch.

Open Meeting of the PUCT

PUCT Chairman Barry T. Smitherman noted the presence of PUCT Commissioner Kenneth Anderson and convened an open meeting of the PUCT.

Keynote Speaker – Mike Greene

After lunch, Mr. Kahn introduced Mark Armentrout, Chair of the ERCOT Board, who acknowledged the valuable contributions of ERCOT's membership. Chairman Armentrout mentioned that ERCOT is a model for similar organizations. He noted ERCOT's reliability record, its involvement in wind integration, and its assistance in the growth of Texas. Chairman Armentrout also noted the challenges faced by ERCOT, such as the recent hurricanes and the delay in completion of the Nodal project; but he expressed confidence that ERCOT could manage through these challenges.

Chairman Armentrout then introduced Mike Greene, Vice Chairman of Energy Future Holdings, to provide the keynote address. Mr. Greene provided his observations on the current challenging times including the global credit crisis, the new presidential administration as it relates to energy and environmental issues, the upcoming state legislative session, and the recent reset of commodity prices. He further provided a historical perspective on the various challenges that ERCOT had faced and overcome. Mr. Greene also provided his thoughts on current challenges facing ERCOT, such as the Governor's Competitiveness Council Energy Plan recommendations, maintaining reliability, ensuring competitive prices, and completing the Nodal program, and expressed his confidence in the current ERCOT membership in facing and overcoming these challenges.

Mr. Kahn thanked Mr. Greene for his speech and reminded everyone that the ERCOT Board Meeting was scheduled to start at 1:30 p.m. at the ERCOT offices at 7620 Metro Center Drive in Austin.

The meeting adjourned at approximately 12:30 p.m.

Michael G. Grable
Vice President, General Counsel and Corporate Secretary