



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

7620 Metro Center Drive, Room 168  
Austin, Texas 78704  
January 19, 2010

**Committee Members Present**

Andrew Dalton  
Sheri Givens  
Robert Helton  
Jan Newton  
A. D. Patton  
Jean Ryall

**ERCOT Staff**

Nancy Capezzuti  
Theresa Gage  
Susan Westbrook

**Call to Order**

Ms. Newton opened the meeting at 8:33 a.m.

**Election of Committee Chair and Vice Chair**

Ms. Newton nominated Andrew Dalton for Committee Chair and Dr. Patton seconded the motion. Mr. Dalton was elected Committee Chair by voice vote with abstention by Mr. Dalton. Thereafter Mr. Helton nominated Dr. Patton for Vice Chair and Mr. Dalton seconded the motion. Dr. Patton was elected Committee Vice Chair by voice vote with abstention by Dr. Patton.

**Executive Session**

Mr. Dalton adjourned to Executive Session at 8:35 a.m. The meeting emerged from Executive Session at 9:20 a.m.

**Minutes**

Ms. Newton moved for approval of the December 15, 2009 minutes. Dr. Patton seconded the motion. The minutes were approved by unanimous voice vote.

**Review Committee Charter**

Mr. Dalton solicited suggestions for changes to the Committee Charter. After discussion recommendations made by several members, the Committee agreed on the following:

- Item No. 1 (under the heading “Purpose”) will be revised to reflect the Committee’s role in approving compensation for the ERCOT CEO and providing review of management recommendations for all other officer compensation.
- The fifth paragraph (under the heading “Membership”) will be revised by deleting the requirement that the Vice President of Human Resources be responsible for keeping minutes of the Committee’s executive sessions.



- Item No. 2 (under the heading “Duties and Responsibilities”) will be revised to reflect the Committee’s role in reviewing compensation levels of executive and top management.
- A new bullet will be added to the “Duties and Responsibilities” section to address corporate governance. Mr. Dalton will work with Ms. Capezzuti to draft new language for the Committee’s consideration.
- A new bullet will be added to the “Duties and Responsibilities” section to address succession planning for non-affiliated Board members.
- Item No. 1 of the list of Committee functions will be revised to reflect that the Committee provides only final approval of pay levels for officers.
- Item No. 8 of the list of Committee functions will be revised to limit advisory responsibilities to those risks associated with staffing.

### **External Relations Update**

Ms. Gage reported that Trip Doggett and Mike Grable had met with a group of local Republican chiefs of staff and had invited them to tour ERCOT facilities this week.

Ms. Gage noted that the Sunset Advisory Commission’s (Sunset) review of ERCOT operations is still underway, and that the Sunset staff appears to be satisfied with ERCOT’s responses. Sunset staff will meet with Mr. Doggett this week to discuss the roles of CEO and Interim CEO. Mr. Doggett and Mr. Grable are scheduled to meet with Commission members Sen. Huffman and Sen. Nichols in three weeks.

Mr. Helton asked whether Sen. Fraser continues to hold “electric Thursday” meetings. Ms. Gage indicated that no meetings had taken place recently, but she expected them to resume now that the holidays have passed. She also noted that the interim study charges for Texas legislative committees include wind resources and controlling demand.

Ms. Newton complimented Dottie Roark on her handling of media coverage dealing the recent cold-weather demand and outages. Mr. Helton concurred, noting that the press releases were timely and very well done.

### **Discussion of NERC Trustee Succession Policy**

Ms. Newton recommended that the Committee develop a policy statement on non-affiliated board member succession, using as an example the Trustee Succession section at page 2 of the NERC report included at Tab 13. After discussion, the members agreed to add succession planning to the list of responsibilities in the Committee’s charter.

Ms. Capezzuti agreed to prepare for the Committee, an information sheet reflecting the term expirations and skill sets for each non-affiliated Director. She will work with Ms. Newton to draft a planning document for review by the Committee before it is presented to the Board. Mr. Dalton stated that he would like to review this information on a quarterly basis.

### **Committee Self-Evaluation Survey**

Ms. Capezzuti directed the members’ attention to the Committee Self-evaluation Survey and requested that proposed changes and/or responses be provided to Ms. Westbrook for presentation at the February meeting.



### **National Association of Corporate Directors (NACD) Resources**

Committee members discussed the cost and benefits of membership in the NACD, including seminars, a monthly newsletter, and e-mail notices. Ms. Capezzuti noted that membership allows her to have access to the NACD compensation study. She also stated that an Austin chapter of the NACD has been established and will provide some educational materials. Dr. Patton, Mr. Helton, Ms. Ryall and Ms. Givens indicated their desire become members, and Mr. Dalton stated that he would notify all members of the Board of the opportunity.

Ms. Newton noted that the Gulf Coast Power Association sponsors several annual seminars and has provided complimentary registration to non-affiliated Board members who are individual members of GPCA. She requested that ERCOT staff keep the non-affiliated Board members apprised of the GPCA conferences.

### **Annual Calendar**

Ms. Newton asked that the annual calendar be updated to add a discussion of staffing for studies to the February agenda and that discussion of succession planning be added for meetings in March, June, September and December.

### **February Strategic Planning Meeting**

Ms. Newton noted that Mr. Grable will be addressing the offsite Strategic Planning Meeting at the Board meeting and deferred discussion until that time.

### **Other Business**

None reported.

The meeting adjourned at 9:45 a.m.

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Susan M. Westbrook, Corporate Counsel