

Date: March 12, 2010
To: Texas Regional Entity Advisory Committee
From: Susan Vincent, Director, Legal Affairs
Subject: Approval of Texas Regional Entity Board of Director Code of Conduct

Texas Regional Entity Advisory Committee Meeting Date: March 22, 2010

Agenda Item No.: 5b

Issue:

Review and recommend approval by the Board of Directors of the Texas Regional Entity (Texas RE) Board of Director Code of Conduct.

Background/History:

Since its inception, the Texas RE Board of Directors (Board) has operated under the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Director Code of Conduct. Because Texas RE is an independent division of ERCOT, the Texas RE Advisory Committee should consider recommending that the Board adopt a Texas RE Board of Director Code of Conduct, to document and affirm each Director's:

- Commitment to uphold the Director's fiduciary duties of care, loyalty, compliance with applicable laws, and confidentiality;
- Obligation to avoid any apparent or actual conflict of interest; and
- Obligation to vote in a manner he or she believes is in the best interest of Texas RE.

Texas RE staff requests that the Texas RE Advisory Committee recommend that the Board approve the Texas RE Director Code of Conduct which is attached hereto as Exhibit A.

Key Factors Influencing Issue:

- The Texas RE Board operates independently of the ERCOT Board, and as such, the Board seeks to document its Directors' independent fiduciary duties and obligations
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Alternatives:

- Recommend the Board accept the Texas RE Director Code of Conduct.
 - Recommend modifications to the Texas RE Director Code of Conduct.
 - Take no action.
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Conclusion/Recommendation:

Texas RE staff respectfully requests the Advisory Committee recommend the Board approve the Texas RE Director Code of Conduct as attached as Exhibit A or as otherwise modified by the Advisory Committee.