



Date: March 16, 2010
To: Board of Directors
From: Trip Doggett, ERCOT Interim President and Chief Executive Officer
Subject: 2010 ERCOT Key Performance Indicators (KPIs)

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: March 23, 2010

Agenda Item No.: 15b

Issue:

Whether to approve the 2010 ERCOT KPI Matrix as recommended by ERCOT staff.

Background/History:

The ERCOT leadership team has annually developed specific goals and objectives to drive performance of the organization. These goals, along with the specific measurement metrics, are outlined in the 2010 KPIs. The KPIs are reviewed on a quarterly basis and are used to measure the successful performance of the organization. It is important that the leadership team and the ERCOT Board of Directors (Board) are aligned on the specific goals and focus of ERCOT for 2010.

The 2010 KPIs were developed with the input of the H.R. & Governance (HR&G) Committee; and the HR&G Committee will be considering a final draft of the 2010 KPIs for recommendation to the Board at its meeting on March 23, 2010.

Key Factors Influencing Issue:

The 2010 KPIs correlate to ERCOT's strategic direction of the Board and provide performance measures to the Board and ERCOT leadership and staff.

Alternatives:

- Approve the 2010 KPIs as presented;
- Instruct ERCOT leadership team to modify the 2010 KPIs; or
- Instruct ERCOT leadership team to utilize a different tool for identifying and measuring performance.

Conclusion/Recommendation:

ERCOT leadership team respectfully recommends that the HR&G Committee recommend approval and that the ERCOT Board approve the 2010 KPIs as presented.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to accept the recommendations of ERCOT staff and the H.R. & Governance Committee to approve the 2010 ERCOT Key Performance Indicators (KPIs) attached hereto as Exhibit A; and

THEREFORE, BE IT RESOLVED, that the Board hereby approves the 2010 ERCOT KPIs attached hereto as Exhibit A.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its March 23, 2010 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of March, 2010.

Michael G. Grable
Corporate Secretary