

**Excerpt from Board Policies and Procedures
Amended Effective November 17, 2008
By the ERCOT Board of Directors**

2.7 Compensation and Expense Reimbursement for Unaffiliated Directors

2.7.1 Compensation. Each Unaffiliated Director will receive the following:

2.8.1.1 Annual Retainer: \$40,000.

2.8.1.2 Board Meeting Fee: \$2,000 per day for each Board meeting attended in person, including the annual Board Retreat, and \$900 for each Texas Regional Entity (Texas RE) Board meeting attended in person; provided that no more than one Board Meeting fee may be earned for any day, regardless of whether multiple Board Meetings are attended.

2.8.1.3 Special Board Meeting Fee: \$200 for each special Board or Texas RE Board meeting attended via telephone, in lieu of in-person Board Meeting Fee.

2.8.1.4 Committee Meeting Fee: \$900 per meeting for each Board Committee meeting attended in person, and \$400 per meeting for each Texas RE Board Committee meeting attended in person; provided that no more than one Committee Meeting Fee may be earned for any day, regardless of whether multiple Board Committee or Subcommittee meetings are attended.

2.8.1.5 Special Committee Meeting Fee: \$200 for each special Board Committee or Texas RE Board Committee meeting attended via telephone, in lieu of in-person Committee Meeting Fee.

2.8.1.6 Board Chair Compensation: \$10,000 per year, in addition to Annual Retainer.

Notwithstanding the retainer and per-meeting fees listed in this Section 2.8.1, in no event shall an Unaffiliated Director's total compensation exceed \$89,800 per year, except that the cap for an Unaffiliated Director who serves as Board Chair for any part of a year shall not exceed \$99,800 per year.

2.7.2 Expense Reimbursement

2.8.2.1 Affiliated Directors are generally expected to be reimbursed by their employers. Unaffiliated Directors, and Affiliated Directors who may receive limited reimbursement from time to time, shall comply with the ERCOT Business Expense Reimbursement Corporate Standard.

2.8.2.2 General Counsel shall provide Directors with the Business Expense Reimbursement Corporate Standard and a summary thereof, upon new

Directors joining the Board and also whenever modifications are made to the Standard

2.8 Compensation for Residential Consumer TAC Representative

2.8.1 Compensation for the Residential Consumer TAC Representative shall be as follows: (i) a retainer of \$1,500 per month; and (ii) \$500 per TAC, TPTF, or other standing or special TAC committee meeting actually attended. Total compensation for the Residential Consumer TAC Representative shall not exceed \$3,000 per month.

2.8.2 The Residential Consumer TAC Representative shall be eligible for reimbursement or reasonable expenses associated with attending meetings of TAC, TPTF, or other standing or special TAC committee, but shall comply with the ERCOT Business Expense Reimbursement Corporate Standard.