



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

Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive, Room 168
Austin, Texas 78744
June 15, 2010

Meeting Attendance:

Committee Members:

Andrew Dalton (Chairman)	Valero Services, Inc.
Bob Helton	International Power America Services
Jean Ryall	Constellation Energy
A.D. Patton	Unaffiliated

Alternates:

Danny Bivens (for Sheri Givens)	Office of Public Utility Counsel
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ERCOT Staff

Bill Magness	Interim Vice President & General Counsel
Bruno Ierullo	Director, Human Resources
Susan Westbrook	Senior Corporate Counsel
Trip Doggett	Interim President & Chief Executive Officer (CEO)
Mike Cleary	Senior Vice President & Chief Technology Officer (CTO)
Dottie Roark	Manager, Corporate Communications

Call to Order

Mr. Dalton called the meeting to order at 8:32 a.m. and immediately adjourned to Executive Session. The open meeting was reconvened at 9:46 a.m.

Vote on Recommendation to Board Regarding Election of President/CEO and Terms of Employment

Mr. Helton moved to recommend Board approval of the election of Horace B. “Trip” Doggett as President and CEO and execution of an employment agreement having the terms and conditions discussed during Executive Session. Dr. Patton seconded the motion. The motion was approved by unanimous voice vote.

Vote on Recommendation to Board Regarding Ratification of Senior Vice President/Chief Operating Officer (COO) and Terms of Employment

Mr. Helton moved to recommend Board ratification of Mike Cleary as Senior Vice President and COO. Dr. Patton seconded the motion. The motion was approved by unanimous voice vote.

Approval of May 18, 2010 H.R. & Governance (HR&G) Committee Minutes

Dr. Patton moved for approval of the HR&G Committee May 18 and May 27, 2010 open session minutes. Mr. Helton seconded the motion. The minutes were approved by unanimous voice vote.

External Relations Update

Ms. Roark reported the Sunset Advisory Commission had scheduled a hearing on July 6, 2010 to determine which recommendations of the Sunset Committee will be sent to the full Legislature in January. She also noted the Texas Senate Business and Commerce Committee had not yet scheduled hearings on Interim Charge 2 (Energy Demand Reduction) or Interim Charge 3 (Wind Energy Development and Integration).

Draft Schedule for Consideration of Proposed Revisions to Bylaws

Ms. Westbrook directed the Committee members' attention to the draft schedule for Bylaws revisions and noted that due to the lengthy procedures, it would be advisable to start considering revisions at the July or August regular meeting.

Mr. Dalton informed the Committee that Public Utility Commission of Texas member Kenneth Anderson had expressed an interest in making process changes that would require Board approval of actions taken by the Technical Advisory Committee and other committees if such actions would affect the Texas electric market. Mr. Helton noted that this would require changes to ERCOT Protocols and Other Binding Documents in addition to revision of ERCOT Bylaws. Mr. Dalton agreed to put this matter on the agenda for the July regular meeting.

Discussion of Compensation for Unaffiliated Directors

Mr. Dalton deferred discussion of this matter to the July regular meeting.

Recommendation for Authorization of Plan-to-Plan Transfer of 401(k) Assets for Texas Regional Entity Employees

Mr. Helton moved to recommend that the Board authorize ERCOT to transfer all assets held in the ERCOT 401(k) Savings Plan (ERCOT Plan), including participant loans and unvested employer contributions, and all assets attributable to the account of participants who are currently ERCOT employees and who will become employees of Texas Reliability Entity, Inc. (TREI) on July 1, 2010, to the TREI 401(k) Plan. Mr. Dalton seconded the motion. The motion carried by unanimous voice vote.

Future Agenda Items

July

- Review head-count staffing levels
- Review ERCOT Employee and ERCOT Director Ethics Agreements
- Monitor external relations issues
- *Five-Year Strategic Plan*
- *Report on Nodal Transition Staffing Plan*
- *Update on Recruitment of Key Executives*
- *Discuss Possible Procedural Changes to Require Board Approval of Committee Actions Affecting the Market*

August

- Review external relations communication plan
- *Succession Planning Proposal from CEO*
- *Review Adequacy of Executive Compensation & Benefit Plans*
- *Update on Recruitment of Key Executives*

September

- Independent Board members succession planning
- Compensation for independent Board members
- *Update on Recruitment of Key Executives*

October

- Monitor external relations issues
- *Update on Recruitment of Key Executives*

November

- Senior management succession planning
- *Update on Recruitment of Key Executives*

December

- Review and approve goals and objectives for following year
- Review external relations communication plan
- *Succession Planning Update*

Mr. Dalton adjourned the open session at 9:53 a.m., and called the Committee to Executive Session at such time.

Susan M. Westbrook
Senior Corporate Counsel