



**DRAFT MINUTES OF THE BOARD OF DIRECTORS MEETING
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive, Room 206
Austin, Texas 78744
September 21, 2010 at 10:00 a.m.

Pursuant to notice duly given, the meeting of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

Meeting Attendance:

Board Members:

Director	Affiliation	Segment
Bermudez, Jorge		Unaffiliated
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility
Dalton, Andrew	Valero Services, Inc.	Consumer/Industrial (Proxy for Nick Fehrenbach)
Doggett, Trip	ERCOT	President and Chief Executive Officer
Doll, Laura		Unaffiliated
Dreyfus, Mark	Austin Energy	Municipal
Espinosa, Miguel		Unaffiliated
Gent, Michehl		Unaffiliated, Acting Board Chairman
Givens, Sheri	Office of Public Utility Counsel	Consumer/Residential
Helton, Bob	International Power America Services	Independent Generator (beginning with Agenda Item 4)
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Patton, A.D.		Unaffiliated
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer
Smitherman, Barry T.	Public Utility Commission of Texas	Commission Chairman (beginning with Agenda Item 5e)
Zlotnik, Marcie	StarTex Power	Independent Retail Electric Provider (beginning with Agenda Item 4)

Staff and Guests:

Anderson, Kenneth	Commissioner, Public Utility Commission of Texas
Antanacio, Manual	ERCOT



Bevill, Jennifer	AEP Energy Partners
Brewster, C.	City of Easton
Caufield, Dennis	ERCOT
Cleary, Mike	ERCOT
Cochran, Seth	Sempra
Crozier, Richard	BPUB KPUB
Davis, Don	ERCOT
Delenela, Ann	ERCOT
Deller, Art	ERCOT
Drost, Wendall	Alstrom
Dumas, John	ERCOT
Forfia, David	ERCOT
Greer, Ed	ERCOT
Grimes, Mike	Horizon Wind Energy
Grisham, Kevin	E.ON Climate & Renewables North America
Hailu, Ted	ERCOT
Hobbs, Kristi	ERCOT
House, Donald	ERCOT
Jones, Brad	Luminant
Kettlewell, Bill	ERCOT
King, Kelso	King Energy
Kolodziej, Eddie	Customized Energy Solutions
Leady, Vickie	ERCOT
Lloyd, Brian	Office of the Governor
Magness, Bill	ERCOT
Manning, Chuck	ERCOT
McAndrews, Neil	SBEC EKPUB
Morgan, Richard	ERCOT
Morris, Sandy	LCRA
Moseley, Cheryl	ERCOT
Nikrazm, Tamila	Austin Energy
Nowicki, Len	ERCOT
Ogelman, Kenan	CPS Energy
Oldham, Phillip	TIEC
Parrish, Kim	
Petterson, Mike	ERCOT
Porter, Lea Anne	ERCOT
Preistley, Vanus	AES
Ragsdale, Kenneth	ERCOT
Rienfield, Rodney	ERCOT
Reid, Walter	Wind Coalition
Roark, Dottie	ERCOT
Saathoff, Kent	ERCOT
Sandidge, Clint	Sempra Energy Solutions
Seely, Chad	ERCOT



Seymour, Cesar	Suez Energy
Starnes, Bill	City of Denton
Stephenson, Randa	Luminant
Stewart, Roger	LCRA
Storey, Art	ERCOT
Ulici, Naomi	ERCOT
Valentine, Jack	ERCOT
Walker, DeAnn	CenterPoint Energy
Walker, Mark	NRG Texas LLC (Segment Alternate)
Wagner, M.	PSEG Texas
Whittle, Brandon	DB Energy Trading LLC (Segment Alternate)
Wullenjohn, Bill	ERCOT

Call Open Session to Order and Announce Proxies (Agenda Item 1)

Michehl Gent, ERCOT Acting Board Chairman, determined a quorum was present and called the meeting to order at approximately 10:15 a.m.

Chairman Gent pointed out the Antitrust and Security Admonitions and asked for notice if there were any such concerns during discussions in the meeting. He also noted the emergency evacuation route on the screen in the meeting room. Chairman Gent noted that Nick Fehrenbach had given his proxy for the meeting to Andrew Dalton.

Chairman Gent took the Agenda Items in the following order for scheduling convenience. He added that the discussion of Agenda Item 9c had been moved to Executive Session as announced at the Special Board Meeting on September 20, 2010.

Consent Agenda (Agenda Item 2)

Chairman Gent announced that Protocol Revision Request (PRR) 850 was being removed from the Consent Agenda at the request of ERCOT staff to allow for staff comments. Chairman Gent requested approval of the following items on the Consent Agenda:

- Agenda Item 3 – August 17, 2010 Board of Directors Meeting Minutes; and
- Agenda Item 7a – PRR 846;
- Agenda Item 7b – Nodal Protocol Revision Requests (NPRRs) 213, 220, 232, 238, 240, 241, 243, 247, 248, 249, 250, 251, 252 and 254;
- Agenda Item 7c – System Change Request (SCR) 759;
- Agenda Item 7d – Commercial Operations Market Guide Revision Request (COMPGR) 020; and
- Agenda Item 7e – Nodal Operating Guide Revision Request (NOGR) 034.

Calvin Crowder moved to approve the above-noted items on the Consent Agenda. Andrew Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Approval of the August 17, 2010 Board of Directors Meeting Minutes (Agenda Item 3)

The minutes of the August 17, 2010 Board of Directors Meeting were approved as part of the Consent Agenda under Agenda Item 2.

For clarification of the prior vote on the Consent Agenda, Jorge Bermudez moved to approve the August 17, 2010 Board of Directors Meeting Minutes (noted as Agenda Item 3 on the Consent Agenda). Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with three (3) abstentions (Mr. Dalton, Miguel Espinosa and Sheri Givens).

Chief Executive Officer (CEO) Update (Agenda Item 4)

Trip Doggett, ERCOT President and CEO, provided the Board with the CEO Update and responded to the Board's questions on this topic.

Mr. Doggett recognized ERCOT's Nodal Market Education group originally envisioned by Richard Gruber and currently led by Ted Hailu, ERCOT Project Manager. He acknowledged the team's commendable Nodal-related training efforts for Market Participants and ERCOT employees. Mr. Doggett also recognized other team members including: Instructors – Bill Kettlewell, Senior Wholesale Account Manager, Art Storey, Dennis Caufield, Jack Valentine, and Manuel Atanacio; Kim Parrish, Market Redesign Training Administrator; Instructional Designers – Naomi Ulici, Training Contractor, and Don Davis; and ERCOT Client Services Representatives – Art Deller, Donald House, Len Nowicki, Ed Geer, and Rodney Rienfeld. Marcie Zlotnik shared her positive experience working with this team and applauded their training efforts.

Operating Reports (Agenda Item 5)

Chairman Gent noted that he would entertain questions on the Operating Reports.

Financial Summary Report (Agenda Item 5a)

Chairman Gent invited comments or questions regarding the Financial Summary Report, but there were none.

Market Operations Report (Agenda Item 5b)

Chairman Gent invited comments or questions regarding the Market Operations Report. The Board members asked questions and commented on items noted in the Market Operations Report.

Information Technology (IT) and Facilities Report (Agenda Item 5c)



Chairman Gent invited comments or questions regarding the IT and Facilities Report. Richard Morgan, ERCOT Vice President and Chief Information Officer, provided an update to the IT and Facilities Report and responded to the Board members' questions on the IT and Facilities Report.

Grid Operations and Planning Report (Agenda Item 5d)

Chairman Gent invited comments or questions regarding the Grid Operations and Planning Report. Kent Saathoff, ERCOT Vice President of Grid Operations and System Planning, responded to Board members' questions regarding the Grid Operations and Planning Report.

Clifton Karnei asked Mr. Saathoff for an update on an issue he raised previously regarding ERCOT's reliability during cold weather events and experiencing natural gas curtailments. Mr. Saathoff reminded the Board that ERCOT received a grant from the U.S. Department of Energy for long-term planning studies and added that this issue would be part of the scope of those studies.

Chairman Gent commented on the CEO report statistic showing the extraordinary increase in North American Electric Reliability Corporation (NERC) Control Performance Standard 1 (CPS 1) value and commended Mr. Saathoff and his team for their outstanding performance.

Nodal Program Update (Agenda Item 5e)

Chairman Gent requested that Mr. Cleary address certain Nodal Update items, including the Nodal Parking Deck items, Nodal financials and the review of Market Readiness Criteria Certification Process, which were not addressed in full during the Special Board Meeting on the prior day.

Nodal Parking Deck Items

Troy Anderson, ERCOT Manager of Enterprise Project Portfolio, provided an update on Nodal Parking Deck Items. Mr. Anderson and John Dumas, ERCOT Director of Wholesale Market Operations, answered questions from the Board members on this topic.

Nodal Monthly Financial Review

Michael Petterson, ERCOT Controller, provided the Nodal Monthly Financial Review and responded to Board members' questions on this topic.

Nodal Program Readiness Certification Update

Kenneth Ragsdale, ERCOT Principal of Market Design and Analysis, provided the Board with an update on the Nodal Program Readiness Certification to be completed by ERCOT staff. Mr. Ragsdale and Mr. Cleary responded to Board members' questions on this topic.

Dr. Patton expressed his recommendation to disallow participation of Congestion Revenue Rights (CRR) Account Holders, noted with "red" status in the materials. Mr. Cleary agreed to re-



examine such metrics and include information in the update for the October 19, 2010 Board Meeting.

Laura Doll requested that the ERCOT Management readiness certification document include prior Board certifications and contingency plans. Mr. Cleary agreed to include any such information, which is not already included, in an appendix to the update for the October 19, 2010 Board Meeting.

Mr. Dalton requested future documentation of deferred defects to include the number of workarounds, timeframe for addressing the workarounds, and confirmation that the workarounds address deferrals. Mr. Cleary agreed to provide the requested information at the October Board meeting.

Barry T. Smitherman, Chairman of the Public Utility Commission of Texas (Commission), called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for September 21, 2010.

Bill Magness, ERCOT Interim Vice President and General Counsel, clarified, in response to Ms. Doll's question from the Special Board Meeting held on the prior day, that ERCOT Legal's role would essentially be to certify in the Nodal Program Readiness Certification document that there are no legal impediments to Nodal Go-Live.

Technical Advisory Committee (TAC) Report (Agenda Item 7)

Chairman Gent invited Brad Jones, TAC Chair, to provide a report on recent TAC activities. Mr. Jones noted that all requests were handled under the Consent Agenda with the exception of PRR850 which includes comments from ERCOT and of NPRR231.

PRRs (Agenda Item 7a)

- PRR846 – Deadlines for Initiating Alternative Dispute Resolution (ADR) [Horizon Wind Energy].
 - Proposed Effective Date: October 1, 2010
 - CEO Determination: No opinion on whether or not PRR846 is necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This PRR amends Section 20.3, Informal Dispute Resolution, to establish deadlines for the ADR procedures.
 - Procedural History: PRR846 was posted on February 15, 2010. On February 17, 2010, the motion to grant PRR846 Urgent status failed, via Protocol Revision Subcommittee (PRS) email vote. On February 18, 2010, the motion to re-urge Urgency for PRR846 failed, via PRS roll call vote. On March 25, 2010, PRS unanimously voted to recommend approval of PRR846 as amended by the March 17, 2010 ERCOT comments and as revised by PRS. On April 22, 2010, PRS unanimously voted to table PRR846 for one (1)



month. On May 20, 2010, PRS voted to endorse and forward the March 25, 2010 PRS Report as amended by the May 17, 2010 Horizon Wind Energy comments and as revised by PRS and Impact Analysis for PRR846 to TAC via roll call vote. On June 3, 2010, TAC voted to recommend approval of PRR846 as recommended by PRS in the May 20, 2010 PRS Report. There was one (1) opposing vote from the Independent Generator Market Segment and three (3) abstentions from the Consumer, Investor Owned Utility (IOU) and the Independent Generator Market Segments. On July 20, 2010, the ERCOT Board remanded PRR846 to TAC. On August 5, 2010, TAC unanimously voted to table PRR846. On September 2, 2010, TAC unanimously voted to recommend approval of PRR846 as amended by the August 26, 2010 ERCOT/Horizon Joint comments.

PRR846 was approved as part of the Consent Agenda (Agenda Item 2).

- PRR850 – Weather Responsiveness Determination for Interval Data Recorders [Commercial Operations Subcommittee (COPS)] - URGENT.
 - Proposed Effective Date: October 1, 2010
 - CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: Less than \$50,000 – no project requirement; no ERCOT staffing impacts; impacts to ERCOT Lodestar system; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This PRR limits the applicability of the weather responsiveness test to Interval Data Recorder (IDR) Meters.
 - Procedural History: PRR850 was posted on August 11, 2010. On August 13, 2010, PRR850 was granted Urgent status via PRS email vote. On August 19, 2010, PRS unanimously voted to recommend approval of PRR850 as submitted and forward PRR850 and the Impact Analysis to TAC. The Independent Power Marketer (IPM) Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of PRR850 as recommended by PRS in the August 19, 2010 PRS Report.

Kristi Hobbs, ERCOT Manager of Market Rules, clarified that ERCOT staff submitted comments to correct an inadvertent use of an incorrect baseline in PRR850 and that these were not substantive changes.

Mr. Dalton moved to approve PRR850 as modified by ERCOT comments. Bob Helton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

NPRRs (Agenda Item 7b)

- NPRR213 – Deadlines for Initiating ADR [Horizon Wind Energy].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.
 - CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.



- Revision Description: This NPRR amends Section 20, ADR Procedures, to establish deadlines for the ADR procedures.
- Procedural History: NPRR213 was posted on February 25, 2010. On March 25, 2010, the PRS unanimously voted to recommend approval of NPRR213 as amended by the March 18, 2010 ERCOT comments and as revised by PRS. On April 22, 2010, PRS unanimously voted to table NPRR213 for one (1) month. On May 20, 2010, PRS voted to endorse and forward the March 25, 2010 PRS Report as amended by the May 17, 2010 Horizon Wind Energy comments and as revised by PRS and Impact Analysis for NPRR213 to TAC via roll call vote. On June 3, 2010, TAC voted to table NPRR213 for one (1) month. There was one (1) opposing vote from the Independent Generator Market Segment and three (3) abstentions from the Consumer, IOU and Independent Generator Market Segments. On July 1, 2010, TAC unanimously voted to recommend approval of NPRR213 as recommended by PRS in the May 20, 2010 PRS Report. On July 20, 2010, the ERCOT Board remanded NPRR213 to TAC. On August 5, 2010, TAC unanimously voted to table NPRR213. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR213 as amended by the August 26, 2010 ERCOT/Horizon Joint comments.

NPRR213 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR220 – Nodal Requirement of Declaring an Energy Emergency Alert (EEA) for Reserves More than 500 MW [ERCOT].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.
 - CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This NPRR removes the requirement to declare an EEA prior to deploying more than 500 MW of Responsive Reserve Service (RRS).
 - Procedural History: NPRR220 was posted on March 24, 2010. On April 22, 2010, PRS unanimously voted to refer NPRR220 to the Reliability and Operations Subcommittee (ROS). On June 17, 2010, PRS unanimously voted to refer NPRR220 to the Nodal Advisory Task Force (NATF). On July 22, 2010, PRS unanimously voted to table NPRR220 for one (1) month. On August 19, 2010, PRS voted to recommend approval of NPRR220 as submitted. There was one (1) objection from the Independent Generator Market Segment. PRS then unanimously voted to forward NPRR220 and the Impact Analysis to TAC. The Independent Power Marketer (IPM) Market Segment was not present for both votes. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR220 as recommended by PRS in the August 19, 2010 PRS Report.

NPRR220 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR231 – Treatment of Reliability Must Run (RMR) Units in the Day-Ahead Market (DAM) (formerly “Remove RMR Units from the Day-Ahead Market”) [Luminant].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.



- CEO Determination: No opinion on whether or not NPRR231 is necessary prior to the Texas Nodal Market Implementation Date.
- ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
- Revision Description: This NPRR clarifies when ERCOT may make a RMR Unit available for commitment in the DAM, Day-Ahead Reliability Unit Commitment (DRUC), or Hourly Reliability Unit Commitment (HRUC) processes. This NPRR also clarifies related payment provisions.
- Procedural History: NPRR231 was posted on May 7, 2010. On May 20, 2010, PRS unanimously voted to table NPRR231. On June 17, 2010, PRS voted to refer NPRR231 to NATF. There were two (2) abstentions from the Consumer and Independent Generator Market Segments. On July 22, 2010, PRS voted to recommend approval of NPRR231 as amended by the July 21, 2010 Wholesale Market Subcommittee (WMS) comments and as revised by PRS and requested that ERCOT Staff report back on how they will manage RMR units in the DAM. There were two (2) abstentions from the Independent Generator and Municipal Market Segments. On August 19, 2010, PRS voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR231 to TAC via roll call vote. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC voted to recommend approval of NPRR231 as recommended by PRS in the August 19, 2010 PRS Report and as revised by TAC. There was one (1) opposing vote from the IPM Market Segment and two (2) abstentions from the Independent Retail Electric Provider (IREP) Market Segment.

Mr. Jones reported on the opposing vote from the IPM Market Segment and two abstentions from the IREP Market Segment during the September 2, 2010 TAC vote on NPRR231. Chairman Gent solicited feedback from the Board members representing these segments and Clayton Greer with Morgan Stanley.

Bob Helton moved to approve NPRR231 as presented. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

- NPRR232 – Clarification of BLT Registration and Deployment [ERCOT].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.
 - CEO Determination: No opinion on whether or not NPRR232 is necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This NPRR adds language to clarify the purpose of registering BLTs and to specify the instances of Load transfer between Control Areas for which registration is required or when optional. The proposed revision clarifies the role of Market Participants regarding registering a BLT and related roles.
 - Procedural History: NPRR232 was posted on May 10, 2010. On May 20, 2010, PRS unanimously voted to table NPRR232 for one (1) month. On June 17, 2010, PRS unanimously voted to table NPRR232 for one (1) month. On July 22, 2010, PRS voted to



recommend approval of NPRR232 as amended by the July 15, 2010 ERCOT comments and as revised by PRS. There was one (1) objection from the Independent Generator Market Segment. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR232 to TAC. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR232 as recommended by PRS in the August 19, 2010 PRS Report.

NPRR232 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR238 – Resolution of Alignment Item A47, A59, A104, A105, A114, A115, A130, A188 and A189 - Provides Clarification and Updates to Network Operations Model Processes for Resource Entities [ERCOT].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.
 - CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This NPRR resolves Alignment Items A47, A59, A104, A105, A114, A115, A130, A188 and A189 by clarifying Network Model updates processes including clarification of the role the resource registration process in the model updates as well as the data submittal time requirements for Resource Entities.
 - Procedural History: NPRR238 was posted on May 13, 2010. On May 20, 2010, PRS unanimously voted to table NPRR238. On June 17, 2010, PRS unanimously voted to table NPRR238 for one (1) month. On July 22, 2010, PRS unanimously voted to table NPRR238. On August 19, 2010, PRS unanimously voted to recommend approval of NPRR238 as amended by the August 12, 2010 ERCOT comments and to forward NPRR238 and the Impact Analysis to TAC. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR238 as amended by the August 26, 2010 ERCOT comments.

NPRR238 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR240 – Proxy Energy Offer Curve [Potomac Economics].
 - Proposed Effective Date: Partially Upon Texas Nodal Market Implementation. Grey-boxed language will be Post Texas Nodal Market Implementation Date.
 - CEO Determination: Partially necessary prior to the Texas Nodal Market Implementation Date. Grey-boxed language is not necessary prior Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices. Impact Analysis for grey-boxed portion will be conducted at a future date due to “Not Needed for Go-Live” designation by the ERCOT CEO.
 - Revision Description: This NPRR states that the Entity with decision making authority over how a Resource or Split Generation Resource is offered or scheduled shall be



responsible for all offers associated with each Resource, including offers represented by a proxy Energy Offer Curve.

- Procedural History: NPRR240 was posted on May 26, 2010. On June 17, 2010, PRS unanimously voted to table NPRR240. On July 22, 2010, PRS voted to recommend approval of NPRR240 as amended by the July 21, 2010 WMS comments and as revised by PRS. There was one (1) abstention from the Independent Generator Market Segment. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and revised Impact Analysis for NPRR240 to TAC and to recommend a priority of High/Medium to the grey-boxed language. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR240 as recommended by PRS in the August 19, 2010 PRS Report and to recommend a priority of High/Medium to the grey-boxed language.

NPRR240 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR241 –AIL Calculation and Credit Reports Publish Corrections [ERCOT].
 - Proposed Effective Date: Partially Upon Texas Nodal Market Implementation. Grey-boxed language will be Post Texas Nodal Market Implementation Date.
 - CEO Determination: Partially necessary prior to the Texas Nodal Market Implementation Date. Grey-boxed language is not necessary prior Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices. Impact Analysis for grey-boxed portion will be conducted at a future date due to “Not Needed for Go-Live” designation by the ERCOT CEO.
 - Revision Description: This NPRR updates AIL calculation to reflect Max (Average Daily Transaction Extrapolated (ADTE) during the previous sixty (60)-day period) instead of ADTE to match Estimated Aggregate Liability (EAL) calculation; corrects Credit Monitoring and Management Reports format from Extensible Markup Language (XML) to Microsoft Excel (XLS) format; updates the posting requirements of Future Credit Exposure (FCE) Details Reports.
 - Procedural History: NPRR241 was posted on May 27, 2010. On June 17, 2010, PRS unanimously voted to refer NPRR241 to the WMS. On July 22, 2010, PRS unanimously voted to recommend approval of NPRR241 as amended by the July 21, 2010 WMS comments and as revised by PRS. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR241 to TAC and to recommend a priority of Medium to the grey-boxed language. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR241 as recommended by PRS in the August 19, 2010 PRS Report and to recommend a priority of Medium to the grey-boxed language.

NPRR241 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR243 – Load Resource Disqualification, Unannounced Testing, and Compliance [WMS].



- Proposed Effective Date: Upon Texas Nodal Market Implementation.
- CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
- ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
- Revision Description: This NPRR incorporates relevant language from PRR714, Qualification and Periodic Testing of Loads acting as Resources (LaaRs), and synchronizes the Nodal Protocols with the current zonal requirements for the periodic testing and suspension of a Load Resource for non-performance.
- Procedural History: NPRR243 was posted on June 3, 2010. On June 17, 2010, PRS unanimously voted to table NPRR243 for one (1) month. On July 22, 2010, PRS unanimously voted to recommend approval of NPRR243 as amended by the July 21, 2010 WMS comments and as revised by PRS. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report as amended by the August 2, 2010 Texas Industrial Energy Consumers (TIEC) comments and Impact Analysis for NPRR243 to TAC. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR243 as recommended by PRS in the August 19, 2010 PRS Report.

NPRR243 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR247 – Retail Market Testing Updates Due to the Merger of the TX SET and TTPT Working Groups [TX SET].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.
 - CEO Determination: No opinion on whether or not NPRR247 is necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This NPRR creates Section 19.8, Retail Market Testing, incorporating the retail market testing process into Section 19, Texas Standard Electronic Transaction, thereby eliminating the need for Section 23, Texas Test Plan Team – Retail Market Testing.
 - Procedural History: NPRR247 was posted on June 21, 2010. On July 22, 2010, PRS unanimously voted to recommend approval of NPRR247 as amended by the July 8, 2010 ERCOT comments. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR247 to TAC. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR243 as recommended by PRS in the August 19, 2010 PRS Report.

NPRR247 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR248 – Removal of Loads from Pre-1999 NOIE Load Zone [Kerrville and San Bernard].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.



- CEO Determination: No opinion on whether or not NPRR248 is necessary prior to the Texas Nodal Market Implementation Date.
- ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
- Revision Description: This NPRR provides that a member assigned to a NOIE Load Zone due to being in a group of NOIEs that are parties to the same pre-1999 power supply arrangement and having a 2003 peak Load in excess of 2,300 will be assigned to an appropriate Competitive Load Zone if it terminates its pre-1999 power supply arrangement.
- Procedural History: NPRR248 was posted on June 24, 2010. On July 22, 2010, PRS voted to table NPRR248. There were two (2) abstentions from the Independent Generator and Municipal Market Segments. On August 19, 2010, PRS voted to recommend approval of NPRR248 as amended by the August 12, 2010 Lower Colorado River Authority, Kerrville Public Utility Board and San Bernard Electric Cooperative Inc. comments and to forward NPRR248 to TAC via roll call vote. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR248 as amended by the August 31, 2010 ERCOT comments.

NPRR248 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR249 – Resolution of Alignment Item A155 and A159 – Removal of Text Reason Requirement (formerly “Removal of Text Reason Requirement) [ERCOT].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.
 - CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This NPRR removes the requirement for Qualified Scheduling Entities (QSEs) with Resources to submit a text reason to ERCOT when a Resource’s telemetered High Sustained Limit (HSL) or Low Sustained Limit (LSL) deviates from a normal high or low limit.
 - Procedural History: NPRR249 was posted on July 6, 2010. On July 22, 2010, PRS unanimously voted to recommend approval of NPRR249 as revised by PRS. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR249 to TAC. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR249 as recommended by PRS in the August 19, 2010 PRS Report.

NPRR249 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR250 – Suspension of Annual Profile ID Validation with Advanced Meter Deployment [Profiling Working Group (PWG)].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation



- CEO Determination: No opinion on whether or not NPRR250 is necessary prior to the Texas Nodal Market Implementation Date.
- ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
- Revision Description: This NPRR removes the market requirement for annual Load Profile ID validation in areas where Advanced Meter System (AMS) deployment is in progress.
- Procedural History: NPRR250 was posted on July 7, 2010. On July 22, 2010, PRS voted to recommend approval of NPRR250 as submitted. There was one (1) abstention from the Independent Generator Market Segment. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR250 to TAC. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR250 as recommended by PRS in the August 19, 2010 PRS Report.

NPRR250 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR251 – Synchronization of PRR845, Definition for IDR Meters and Optional Removal of IDR Meters at a Premise Where an Advanced Meter Can be Provisioned [Retail Metering Working Group (RMWG)].
 - Proposed Effective Date: Partially Upon Texas Nodal Market Implementation. Grey-boxed language will be Post Texas Nodal Market Implementation Date.
 - CEO Determination: Partially necessary prior to the Texas Nodal Market Implementation Date. Grey-boxed language is not necessary prior Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices. Impact Analysis for grey-boxed portion will be conducted at a future date due to “Not Needed for Go-Live” designation by the ERCOT CEO.
 - Revision Description: This NPRR synchronizes the Nodal Protocols with PRR845, Definition for IDR Meters and Optional Removal of IDR Meters at a Premise Where an Advanced Meter Can be Provisioned, which clarifies the meaning of an IDR Meter and provides for optional removal of IDR Meters under certain conditions for Premises where an Advanced Meter can be provisioned by the Transmission and/or Distribution Service Provider (TDSP). This NPRR also inserts grey boxed language for reporting requirements in Sections 18.6.1 and 18.6.2, to be implemented post Texas Nodal Market Implementation Date.
 - Procedural History: NPRR251 was posted on July 8, 2010. On July 22, 2010, PRS voted to recommend approval of NPRR251 as submitted. There was one (1) abstention from the Consumer Market Segment. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR251 to TAC and to recommend a priority of High to the grey-boxed language. There was one (1) abstention from the Consumer Market Segment. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of



NPRR251 as recommended by PRS in the August 19, 2010 PRS Report and to recommend a priority of High to the grey-boxed language.

NPRR251 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR252 – Synchronization of PRR758, Clarification of Language Related to Generation Netting for ERCOT Polled Settlement Meters [ERCOT].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation
 - CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This NPRR synchronizes the Nodal Protocols with PRR758, Clarification of Language Related to Generation Netting for ERCOT Polled Settlement Meters, approved by the ERCOT Board on April 15, 2008.
 - Procedural History: NPRR252 was posted on July 15, 2010. On July 22, 2010, PRS unanimously voted to recommend approval of NPRR252 as submitted. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR252 to TAC. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR252 as recommended by PRS in the August 19, 2010 PRS Report.

NPRR252 was approved as part of the Consent Agenda (Agenda Item 2).

- NPRR254 – Updates to Protocol Sections 14 and 18 [ERCOT].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation
 - CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
 - Revision Description: This NPRR aligns language in Section 14 with Commercial Operations Market Guide Revision Request (COPMGRR) 016, Update to Section 12, Renewable Energy Credits (RECs) due to PRR808, Clean-up and Alignment of RECs Trading Program Language with Public Utility Commission of Texas (PUCT) Rules (approved by TAC on April 8, 2010). This NPRR also updates Section 18, Load Profiling, with terms proposed in NPRR229, Additions to Section 2, Definitions and Acronyms.
 - Procedural History: NPRR254 was posted on July 15, 2010. On July 22, 2010, PRS unanimously voted to recommend approval of NPRR254 as submitted. On August 19, 2010, PRS unanimously voted to endorse and forward the July 22, 2010 PRS Report and Impact Analysis for NPRR254 to TAC. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of NPRR254 as recommended by PRS in the August 19, 2010 PRS Report and as revised by TAC.

NPRR254 was approved as part of the Consent Agenda (Agenda Item 2).



SCR (Agenda Item 7c)

- SCR759 – acLineSegment Name Length Increase in Information Model Manager [Steady State Working Group (SSWG)].
 - Proposed Effective Date: Upon System Implementation – Post Texas Nodal Market Implementation Date.
 - CEO Determination: Not Necessary prior to the Texas Nodal Market Implementation Date
 - ERCOT Impact Analysis: Impact Analysis will be conducted at a future date due to “Not Needed for Go-Live” designation by the ERCOT CEO.
 - Revision Description: This SCR proposes to increase the allowable character size of the acLineSegment type under the Line Equipment Container from two to 14 in the Information Model Manager.
 - Procedural History: SCR759 was posted on May 27, 2010. On July 15, 2010, ROS unanimously voted to recommend approval of SCR759 as submitted. On August 12, 2010, ROS unanimously voted to endorse and forward the July 15, 2010 ROS Report and Impact Analysis for SCR759 to PRS with a recommended priority of High. On August 19, 2010, PRS unanimously voted to recommend a priority of High for SCR759. The IPM Market Segment was not present for the vote. On September 2, 2010, TAC unanimously voted to recommend approval of SCR759 as recommended by PRS in the August 19, 2010 PRS Report and to recommend a priority of High. Credit review not applicable.

SCR759 was approved as part of the Consent Agenda (Agenda Item 2).

COMPGRR (Agenda Item 7d)

- COPMGRR020 – Creating Subsection 10.3, Unregistered Distributed Generation Reports [Non Opt-In Entity (NOIE) Distributed Renewable Generation (DRG) Settlements Task Force].
 - Proposed Effective Date: Upon Texas Nodal Market Implementation.
 - CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: Minor cost impact to be managed under the Operations and Management (O&M) budgets of affected departments; no ERCOT staffing impacts; no impacts to ERCOT computer systems; a new business process will be put in place to produce the quarterly reports called for in the proposed language; no impacts to ERCOT grid operations and practices.
 - Revision Description: This COPMGRR creates a new Section 10.3, to comply with the new reporting requirements for NOIEs and ERCOT as outlined in NPRR208, Registration and Settlement of Distributed Generation (DG) Less Than One MW.
 - Procedural History: COPMGRR020 was posted on March 18, 2010. On April 29, 2010, the COPS Communications Working Group (CCWG) was in consensus to recommend approval of COPMGRR020 as submitted. On May 27, 2010, CCWG was in consensus to endorse and forward the April 29, 2010 CCWG Recommendation Report and the Impact Analysis for COPMGRR020 to COPS. On July 13, 2010, COPS unanimously voted to



recommend approval of COPMGRR020 as recommended by CCWG in the May 27, 2010 CCWG Recommendation Report as revised by COPS. On August 5, 2010, TAC unanimously voted to recommend approval of COPMGRR020 as recommended by COPS in the July 13, 2010 COPS Recommendation Report. Credit review not applicable.

COPMGRR020 was approved as part of the Consent Agenda (Agenda Item 2).

NOGRR (Agenda Item 7e)

- NOGRR034 – Rescind Telemetry Performance Calculation Exclusions [ERCOT].
 - Proposed Effective Date: Partially Upon Texas Nodal Market Implementation. Grey-boxed language will be Post Texas Nodal Market Implementation Date.
 - CEO Determination: Partially necessary prior to the Texas Nodal Market Implementation Date. Grey-boxed language is not necessary prior Texas Nodal Market Implementation Date.
 - ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices. Impact Analysis for grey-boxed portion will be conducted at a future date due to “Not Needed for Go-Live” designation by the ERCOT CEO.
 - Revision Description: This NOGRR proposes the removal of language which allows Market Participants to, at their discretion, have any of their telemetry performance data excluded from the periodic calculations in the Telemetry Performance Monitoring Program.
 - Procedural History: NOGRR034 was posted on January 22, 2010. On February 19, 2010, the Operations Working Group (OWG) was in consensus to table NOGRR034 for one (1) month to allow the Network Data Support Working Group (NDSWG) to comment. On March 17, 2010, OWG was in consensus to table NOGRR034 for one (1) month to allow ERCOT and NDSWG to agree on language. On April 21, 2010, OWG was in consensus to recommend approval of NOGRR034 as revised by OWG. On May 21, 2010, OWG was in consensus to endorse and forward the April 21, 2010 OWG Recommendation Report for NOGRR034 as revised by OWG to the ROS and to request that a revised Impact Analysis be forwarded directly to ROS for consideration. On June 10, 2010, ROS unanimously voted to recommend approval of NOGRR034 as amended by the June 3, 2010 ERCOT comments. On July 15, 2010, ROS unanimously voted to recommend a priority of Medium for the proposed grey-box language in NOGRR034. On July 22, 2010, PRS unanimously voted to recommend a priority of Medium for the proposed grey-box language in NOGRR034. On August 5, 2010, TAC unanimously voted to recommend approval of NOGRR034 as recommended by ROS in the July 15, 2010 ROS Recommendation Report with a priority of Medium for the proposed grey-box language. Credit review not applicable.

NOGRR034 was approved as part of the Consent Agenda (Agenda Item 2).

TAC Update (Agenda Item 7) – Continued



Mr. Jones reviewed the Nodal Parking Deck, including Prioritization Guidelines, approved items and pending items, with the Board. Mr. Jones also reviewed the Guide Revision Requests approved by TAC, some of which require Board approval. He then reviewed the Non-Business Day Credit Calculations. Mr. Jones, Mr. Cleary and Mr. Dumas answered the Board members' questions on this topic. Mr. Jones reviewed the TAC approved revised Telemetry Standards. Mr. Jones, Mr. Cleary, Mr. Dumas, Mr. Ragsdale, and Cheryl Yager, ERCOT Treasurer, responded to the Board members' questions related to the 168-hour test and pricing. Mr. Dalton requested, for the October 2010 Board Meeting, that ERCOT staff identify the required telemetry metrics in order for Security Constrained Economic Dispatch (SCED) to run properly. Mr. Jones reviewed the TAC Future Agenda Items with the Board and concluded the TAC Update.

Lunch (Agenda Item 8)

The meeting adjourned for lunch at approximately 12:15 p.m. and reconvened at approximately 1:18 p.m.

2010-2011 Ancillary Services Methodology Recommendation (Agenda Item 6)

Mr. Dumas provided the Board with an overview of the 2010-2011 ERCOT Methodologies for Determining Ancillary Services Requirements. Mr. Dumas, Mr. Saathoff and Mr. Doggett responded to Board members' questions on this topic.

Mr. Helton requested that ERCOT staff obtain Market Participant input on the status of Ancillary Services at the end of the second quarter of 2011.

Mr. Helton moved to approve the 2010-2011 ERCOT Methodologies for Determining Ancillary Services Requirements with the proposed changes to be effective December 1, 2010, and to reaffirm the unchanged sections of such Methodologies until further review in September 2011 or as otherwise required. Mr. Doggett seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance & Audit (F&A) Committee Report and Approval of the First Priority Security Interest Agreement (Agenda Items 9 and 9a)

Mr. Karnei, F&A Committee Chairman, reported that the F&A Committee met earlier in the morning. He further reported that the F&A Committee considered and recommended the First Priority Security Interest Agreement for approval by the Board.

Mr. Karnei moved to approve the First Priority Security Interest Agreement. Miguel Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Karnei continued his report and noted that the F&A Committee also considered in part the following matters:

- Internal Audit 2010 Plan;



- Review of assumptions for preparation of the 2011 ERCOT annual operating budget;
- Nodal Credit Risk Profile status update;
- Credit Work Group (CWG) status update;
- Annual review of the F&A Committee Charter and structure; and
- Quarterly Committee education on accounting developments.

Acceptance of the 2009 401(k) Audit Report (Agenda Item 11)

Mr. Karnei reported, earlier in the morning, that the F&A Committee also considered and recommended acceptance of the 2009 401(k) Audit Report.

Mr. Karnei moved to accept the 2009 401(k) Audit Report. Calvin Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2011 Budget Discussion (Agenda Item 9b)

Mr. Petterson reported to the Board on the status of the 2011 Budget. Mr. Petterson and Mr. Karnei responded to the Board members' questions on this topic.

Mr. Karnei and Chairman Smitherman requested that, for the October 2010 Board Meeting, ERCOT staff develop a detailed schedule which describes the projects which potentially could be funded with the Discretionary Fund, which Mr. Petterson agreed to do. Mr. Helton requested that the 2011 Budget scenarios include information on the cents per megawatt hour related to the fee.

Chairman Smitherman requested additional detail on the "Other Revenue" costs in the Analysis of Adequacy of SAF-YE Forecast as of August 31, 2010 Budget Schedule, which Mr. Petterson agreed to do.

Mr. Petterson, Mr. Doggett and Mr. Magness responded to the Board members' questions regarding the 2011 Budget.

Human Resources & Governance (HR&G) Committee Report (Agenda Item 10)

Mr. Dalton, the HR&G Committee Chairman, reported that the HR&G Committee met earlier in the morning and considered in part the following matters:

- Unaffiliated Director Compensation;
- Briefing on Possible Reimplementation of Board Question and Answer Sessions; and
- Recommendation of 2009 401(k) Audit Report.

Mr. Dalton advised that the HR&G Committee had discussed the topic of the potential reimplementation of the Board Question-and-Answer sessions. Mr. Dalton, on behalf of the HR&G Committee, recommended a modified meeting schedule beginning in October 2010, which included holding the F&A and HR&G Committee meetings on the afternoon of the third Monday of each month and the Board meeting on the third Tuesday of each month with an



earlier start time, with future modification as needed after Nodal Go-Live. Mr. Dalton added that this modified schedule would integrate Nodal discussions in the Board meeting, obviating the need for separate Question-and-Answer sessions. The Board discussed this topic. Chairman Gent polled the Board for any objection to such modified schedule, but there was none.

Mr. Dalton and Mr. Magness reported on 2009 and 2010 Unaffiliated Director compensation. Mr. Dalton reminded the Board that Mr. Dalton, Mr. Helton and Jean Ryall would be serving on the Unaffiliated Director Compensation Subcommittee of the HR&G Committee. Mr. Dalton and Mr. Magness responded to Chairman Smitherman's questions on this topic.

2011 ERCOT Board Meeting Schedule Approval (Agenda Item 12)

Mr. Magness reviewed the 2011 ERCOT Board Meeting Schedule. The Board members discussed an alternate meeting date for March 22, 2011, to address Spring Break conflicts.

Mr. Crowder moved to approve the proposed 2011 ERCOT Board Meeting Schedule with an alternate meeting date of March 22, 2011. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

2010 Annual Meeting Planning Discussion (Agenda Item 13)

Mr. Magness asked Vickie Leady, Senior Corporate Counsel, to discuss the 2010 ERCOT Annual Meeting of Corporate Members (Annual Meeting). The Board members discussed the meeting logistics regarding the Annual Meeting and the start dates for the seating of new Board members who are elected at the Annual Meeting. Ms. Leady responded to the Board members' questions. Several Board members requested that ERCOT Legal review the alternatives for the meeting logistics for the Annual Meeting and for the seating of the Board concurrently with the calendar year. Ms. Leady agreed to provide an update at the October 2010 Board meeting and confirmed that there was no opposition to holding the Annual Meeting off site if it was not feasible to hold it at ERCOT's office at the Met Center.

Future Agenda Items (Agenda Item 15)

Chairman Gent and Mr. Magness added an update of the proposed 501(c)(3) status for early 2011 to the Future Agenda Items. Chairman Smitherman made the point Texas Reliability Entity, Inc., had received 501(c)(3) status with a hybrid Board, contrary to what was previously observed that the IRS would only grant this status to an organization with a fully independent Board. Mr. Magness agreed to make this a priority prior to the next Legislature and report back to the Board.

Dr. Patton inquired about the timing of the Loss of Load Probability Study. Mr. Saathoff agreed to provide such an update prior to the end of the year.

Other Business (Agenda Item 14)



Chairman Smitherman announced that there would be a conference call at 8:00 am on the following day at the MET Center with Chairman Smitherman, Mr. Cleary, Mr. Doggett, Ms. Ryall and guests from the IPM Market Segment. He invited anyone interested to participate.

Executive Session (Agenda Items 16 to 21)

Chairman Gent adjourned the meeting to Executive Session at approximately 2:46 p.m. until approximately 5:08 p.m.

Ratification of Officer (Agenda Item 23)

Mr. Espinosa moved to approve the Personnel matter discussed in Executive Session, that is, the ratification of Bill Magness as ERCOT Vice President, General Counsel and Corporate Secretary. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Vote on Matters from Executive Session (Agenda Item 22)

Mr. Doggett moved to authorize ERCOT staff to file a non-routine regulatory action as discussed in Executive Session. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 24)

Chairman Gent adjourned the meeting at approximately 5:10 p.m.

Board materials and presentations from the meeting are available on ERCOT's website at <http://www.ercot.com/committees/board/>.

Bill Magness
Corporate Secretary