



**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
October 19, 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 (Proxy for Laura Doll beginning with Agenda Item 19)
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility
Dalton, Andrew	Valero Services, Inc.	Consumer/Industrial
Doggett, Trip	ERCOT	President and Chief Executive Officer
Doll, Laura		Unaffiliated
Dreyfus, Mark	Austin Energy	Municipal
Espinosa, Miguel		Unaffiliated
Fehrenbach, Nick	City of Dallas	Consumer / Commercial
Gent, Michehl		Unaffiliated, Acting Board Chairman
Givens, Sheri	Office of Public Utility Counsel	Consumer/Residential
Helton, Bob	International Power America Services	Independent Generator
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
Zlotnik, Marcie	StarTex Power	Independent Retail Electric Provider

Guests:

Anderson, Kenneth	Commissioner, Public Utility Commission of Texas (through Agenda Items 5e and 6)
Brewster, Chris	City of Eastland



Cleary, Mike	ERCOT Senior Vice President and Chief Operating Officer
Day, Betty	ERCOT Director of Commercial Operations
Dumas, John	ERCOT Director of Wholesale Market Operations
Hobbs, Kristi	ERCOT Manager of Market Rules
Leady, Vickie	ERCOT Senior Corporate Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Manning, Chuck	ERCOT Vice President and Chief Compliance Officer
Morgan, Richard	ERCOT Vice President and Chief Information Officer
Ragsdale, Kenneth	ERCOT Principal of Market Design and Analysis
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning
Seely, Chad	ERCOT Senior Corporate Counsel
Walker, Mark	NRG Texas LLC (Segment Alternate)
Whittle, Brandon	DB Energy Trading LLC (Segment Alternate)
Yager, Cheryl	ERCOT Treasurer

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 8:08 a.m.

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 October 19, 2010.

Laura Doll informed Chairman Gent that she would be giving her proxy to Jorge Bermudez upon her departure from the meeting later in the afternoon.

Chairman Gent pointed out the Antitrust and Security Admonitions and asked for notice if there were any such concerns during discussions in the meeting.

Chairman Gent took the Agenda Items in the following order for scheduling convenience.

Consent Agenda (Agenda Item 2)

Chairman Gent inquired whether there were any requests to remove Agenda Items from the Consent Agenda. Nick Fehrenbach requested the removal of Nodal Protocol Revision Request (NPRR) 263 from the Consent Agenda.

Chairman Gent requested approval of the following items on the Consent Agenda:

- Agenda Item 3a – September 20, 2010 Special Board Meeting General Session Minutes;
- Agenda Item 3b – September 21, 2010 Board Meeting General Session Minutes; and
- Agenda Item 7a – Nodal Protocol Revision Requests (NPRRs) 246, 253, 255, 259, 262, 273, 274, 279, 280 and 284.



Trip Doggett, ERCOT President and Chief Executive Officer, moved to approve the above-noted items on the Consent Agenda. Jorge Bermudez seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Approval of the September 20, 2010 Special Board Meeting General Session Minutes and of the September 21, 2010 Board Meeting General Session Minutes (Agenda Items 3a and 3b)

The General Session minutes of the September 20, 2010 Special Board Meeting and of the September 21, 2010 Board Meeting were approved as part of the Consent Agenda under Agenda Item 2.

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

Mr. Doggett provided the Board with the CEO Update and responded to the Board's questions on this topic.

Mr. Doggett thanked Marcie Zlotnik for her instrumental role in the workshop held for Retail Electric Providers (REPs) during the prior week which was hosted by ERCOT and the Gulf Coast Power Association. He added that each Board member and all registered REPs would be receiving a DVD-format recording of this workshop.

Mr. Doggett recognized Misti Hancock, ERCOT Manager of Budget and Financial Analysis, and thanked her for her thorough understanding of ERCOT's business, her positive attitude, and her dedicated efforts related to the recent preparation of the proposed annual budget. Chairman Gent thanked Mr. Doggett for introducing the Board to key members of ERCOT staff.

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. Betty Day, ERCOT Director of Commercial Operations, responded to Board members' questions on this topic.



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, including an update on the power outage at the Austin Data Center on Saturday, October 16, 2010, and responded to the Board members' questions on the IT and Facilities Report.

Chairman Smitherman requested that Mr. Morgan analyze the sequence of events related to the recent Austin Data Center power outage from a risk management perspective and that Mr. Doggett consider lessons learned with regard to these types of risk issues. Mr. Morgan noted that the analysis of the issue was ongoing, but committed to reporting to the Board on this matter next month. Dr. Patton requested that special attention be paid to National Fire Protection Association (NFPA) 70E for guidance on operation practices.

Commissioner Kenneth Anderson noted that it appeared there were more hardware failures and associated IT issues than usual and inquired whether such an increase was related to Nodal. Mike Cleary, ERCOT Senior Vice President and Chief Operating Officer, responded that there is increased activity associated with Nodal Go-Live as expected. Mr. Morgan added that these IT issues were indeed more frequent, but ERCOT staff continues to be diligent in reporting and addressing them. He continued that ERCOT's service levels have remained fairly high despite these issues.

Grid Operations and Planning Report; and Quarterly Update on Protocol Revision Request (PRR) 763 – ERCOT Wind Power Forecasts (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, provided a brief update on wind forecasting. Mr. Saathoff responded to Board members' questions regarding these topics.

Mark Dreyfus inquired about the relationship between the \$8.2 billion projected cost of the five-year transmission plan to the \$9.4 billion projected cost of all projects noted in the Planning Summary of the Grid Operations Report. Mr. Saathoff responded that he would research this matter. He provided the results of his research later in the meeting.

Dr. Patton asked about the Competitive Renewable Energy Zones (CREZ) Reactive Study. Mr. Saathoff provided background and an update on the status of this study. Dr. Patton noted that issues related to reactive requirements should be closely monitored. Mr. Saathoff confirmed that ERCOT staff is closely monitoring these reactive requirements matters. Mr. Crowder inquired about the timing of a Board presentation on this study. Mr. Saathoff responded that Dan Woodfin, ERCOT Director of System Planning, would be presenting the Loss of Load Probability Study to the Board in November 2010 and could discuss these reactive requirements matters at that time or in December 2010. Mr. Dalton requested a condensed monthly one-page report on wind power forecasts to be included in the Grid Operations Report beginning in



November 2010 instead of a quarterly update. Chairman Gent requested that Mr. Saathoff proceed with the monthly update on wind power forecasts absent a request to return to the quarterly update, to which Mr. Saathoff agreed.

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 the Consent Agenda addressed all NPRRs with the exception of NPRRs 219, 244, 261 and 263 and with the added exception of Nodal Operating Guide Revision Request (NOGRR) 050.

Mr. Jones announced that TAC voted to certify Nodal Go-Live, based on certifications of ERCOT and the Nodal Advisory Task Force (NATF). This matter was discussed in further detail under Agenda Item 6 (Nodal Market Readiness Criteria Go-Live Certification – Full Nodal Operations).

NPRRs; and NOGRR050 (Agenda Items 7a and 7b)

NPRR219 and NOGRR050

- **NPRR219 – Resolution of Alignment Items A33, A92, A106, and A150 - TSPs Must Submit Outages for Resource Owned Equipment and Clarification of Changes in Status of Transmission Element Postings [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections. Grey-boxed language will be post Texas Nodal Market Implementation Date.

Chief Executive Officer (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 will require the Generation Resource to designate a TSP as the responsible Entity that will manage Outage Scheduler entries for the Generation Resource for Transmission Elements owned by the Resource other than the Outage of the Generation or Load Resource itself. This NPRR will also require all changes or expected changes in the status of Transmission Facilities to be in the Outage Scheduler to ensure that all outages in the Outage Scheduler are provided to the Market Information System (MIS).

Procedural History: NPRR219 was posted on March 24, 2010. On April 22, 2010, the Protocol Revision Subcommittee (PRS) unanimously voted to table NPRR219. On May 20, 2010, PRS unanimously voted to table NPRR219. On June 17, 2010, PRS unanimously voted to table NPRR219 for one (1) month. On July 22, 2010, PRS unanimously voted to table NPRR219. On August 19, 2010, PRS unanimously voted to table NPRR219 for one (1) month. The Independent Power Marketer (IPM) Market Segment was not present for the



vote. On September 23, 2010, PRS unanimously voted to table NPRR219 until the October 4, 2010 Special PRS meeting. On October 4, 2010, PRS voted to recommend approval of NPRR219 as amended by the September 22, 2010 Texas Industrial Energy Consumers (TIEC) comments and as revised by PRS and to forward NPRR219 and its Impact Analysis to TAC via roll call vote. PRS then voted to recommend a priority of Critical to the grey-boxed language. There was one (1) abstention from the Independent Generator Market Segment. On October 7, 2010, TAC voted to recommend approval of NPRR219 as recommended by PRS in the October 4, 2010 PRS Report and as revised by TAC and to recommend a priority of Critical to the grey-boxed language. There was one (1) abstention from the IPM Market Segment.

Chairman Gent requested that the Board consider NPRR 219 in conjunction with NOGRR050 (noted in further detail under Agenda Item 7b below), since they are related in subject. Mr. Jones provided the historical background on NPRR 219. Messrs. Jones, Saathoff and Cleary responded to Board members' question on this topic.

Mr. Crowder moved to approve NPRR219 as recommended by TAC in the October 7, 2010 TAC Report and as amended by the October 14, 2010 ERCOT comments, and to approve NOGRR050 as recommended by TAC in the October 7, 2010 TAC Report. Mr. Dreyfus seconded the motion. The motion passed by unanimous voice vote with no abstentions.

NPRR244

- **NPRR244 – Clarification of Other Binding Documents [ERCOT].**
Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections. 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; minor impacts to ERCOT's website to create a new type of revision request; new ERCOT business processes will need to be established for Other Binding Documents that do not specify a revision process; 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 clarifies the concept of "Other Binding Documents" and the revision process to better align with item (j) of the Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 39.151 (Vernon 1998 & Supp. 2003) (PURA), Essential Organizations, and P.U.C. SUBST. R. 25.503, Oversight of Wholesale Market Participants, with respect to governing documents that are public and in effect in the ERCOT Region.
Procedural History: NPRR244 was posted on June 3, 2010. On June 17, 2010, PRS unanimously voted to table NPRR244 for one (1) month. On July 22, 2010, PRS unanimously voted to table NPRR244 for one (1) month. On August 19, 2010, PRS voted to recommend approval of NPRR244 as amended by the August 4, 2010 PSEG TX comments via roll call vote. The IPM Market Segment was not present for the vote. On September 23,



2010, PRS voted to endorse and forward the August 19, 2010 PRS Report as amended by the September 13, 2010 ERCOT comments and as revised by PRS and the revised Impact Analysis for NPRR244 to TAC and to recommend a priority of High/Medium to the grey-boxed language. There was one (1) abstention from the Municipal Market Segment. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR244 as amended by the October 4, 2010 Austin Energy comments and as revised by TAC, to recommend a priority of High/Medium to the grey-boxed language and to designate PRS as the assigned TAC Subcommittee responsible for the review of the Other Binding Documents List.

Mr. Jones provided historical background on NPRR244. Kristi Hobbs, ERCOT Manager of Market Rules, advised that ERCOT staff filed two sets of comments on NPRR244, one of which revised the TAC report issued on October 4, 2010, and the other set related to ERCOT's response to the October 11, 2010 PSEG TX comments, noting ERCOT's agreement with the addition of three business procedure documents within the grey-box of the proposed Protocol language, but that ERCOT disagreed with adding the ERCOT business procedure documents to the list of Other Binding Documents. Chairman Gent inquired whether any PSEG representative was available to address PSEG's comments submitted on October 11, 2010; but there was no response.

Bob Helton moved to approve NPRR244 as presented by TAC on October 4, 2010, and as revised by PSEG's comments of October 11, 2010. Dr. Patton seconded the motion.

Mr. Fehrenbach advised that he had been working with ERCOT staff during the prior evening regarding some potential revisions to punctuation changes to NPRR244. Chairman Gent requested that Board members, to the extent possible, avoid the submission of additional comments close in time to the vote. Mr. Fehrenbach provided an explanation of the proposed revision. Chairman Gent inquired about the necessity for the Board to vote on NPRR244 at this meeting. Ms. Hobbs responded that there were timing considerations in light of Nodal Go-Live. Chad Seely, ERCOT Senior Corporate Counsel, supported Mr. Fehrenbach's proposed revisions and noted the need for resolution of this matter prior to Nodal Go-Live. Clifton Karnei expressed his concern for approving recent additional comments without further review. Mr. Jones and the Board members continued their discussion on the preferred timing of such approval. Mr. Karnei suggested that Ms. Hobbs circulate the additional comments to the Board members during the lunch break for further consideration after lunch, to which Chairman Gent agreed. **Mr. Helton withdrew his motion.** The discussion continued later in the meeting.

NPRR246

- **NPRR246 – Requirement for Resource Entities to Update Resource Parameters [ERCOT].**

Proposed Effective Date: Upon the Nodal Protocol Transition Plan's Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.

ERCOT Impact Analysis: No budgetary impact; may result in an increase in the volume of Resource Asset Registration Form updates, which could be accommodated with existing



staffing; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR requires Resource Entities to update their Resource Parameters after Net Dependable Capability (NDC) tests, reactive capability tests, ERCOT requests, and known data changes to any Resource Parameters.

Procedural History: NPRR246 was posted on June 8, 2010. On June 17, 2010, PRS unanimously voted to table NPRR246 for one (1) month. On July 22, 2010, PRS unanimously voted to recommend approval of NPRR246 as amended by the June 14, 2010 Luminant comments. On August 19, 2010, PRS unanimously voted to table NPRR246 for one (1) month. The IPM Market Segment was not present for the vote. On September 23, 2010, PRS voted to endorse and forward the August 19, 2010 PRS Report as amended by the September 7, 2010 Luminant comments and Impact Analysis for NPRR246 to TAC. There was one (1) opposing vote from the Investor Owned Utility (IOU) Market Segment. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR246 as recommended by PRS in the September 23, 2010 PRS Report.

NPRR246 was approved as part of the Consent Agenda (Agenda Item 2).

NPRR253

- **NPRR253 – CRR Balancing Account Invoice and Settlement and Billing Dispute Process [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

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 updates Section 9.12, and Section 9.14, with information pertaining to the ERCOT Invoice process and the statuses for processing of disputes. This NPRR also proposes non-substantive changes, such as capitalizing defined terms and use of acronyms.

Procedural History: NPRR253 was posted on July 15, 2010. On July 22, 2010, PRS voted to refer NPRR253 to the Commercial Operations Subcommittee (COPS). There was one (1) abstention from the Independent Generator Market Segment. On September 23, 2010, PRS unanimously voted to recommend approval of NPRR253 as amended by the September 16, 2010 COPS comments and to forward NPRR253 and the Impact Analysis to TAC. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR253 as recommended by PRS in the September 23, 2010 PRS Report.

NPRR253 was approved as part of the Consent Agenda (Agenda Item 2).



NPRR255

- **NPRR255 – Resolution of Alignment Item A81 - DRUC Timing and Execution when DAM is Delayed or Aborted [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

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 adds a new Section 5.2.2 to describe the process that ERCOT will follow in the event that the DAM is delayed or aborted.

Procedural History: NPRR255 was posted on July 15, 2010. On July 22, 2010, PRS unanimously voted to refer NPRR255 to the Nodal Advisory Task Force (NATF). On August 19, 2010, PRS unanimously voted to recommend approval of NPRR255 as submitted. The IPM Market Segment was not present for the vote. On September 23, 2010, PRS unanimously voted to table NPRR255 until the October 4, 2010 Special PRS meeting. On October 4, 2010, PRS voted to endorse and forward the September 23, 2010 PRS Report as amended by the September 30, 2010 ERCOT comments and Impact Analysis for NPRR255 to TAC. There were two (2) abstentions from the Independent Generator Market Segment. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR255 as recommended by PRS in the October 4, 2010 PRS Report.

NPRR255 was approved as part of the Consent Agenda (Agenda Item 2).

NPRR259

- **NPRR259 – Resolution of Alignment Items A175 and A176 - Settlement of Generation Resources Dispatched to Meet System Reliability Requirements [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

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 clarifies that all commitments of a specific Generation Resource in response to an ERCOT Dispatch Instruction (whether issued electronically or verbally) for the commitment of that Generation Resource will be considered to be a Reliability Unit Commitment (RUC) and will be settled in accordance with the RUC Settlement provisions described in the Nodal Protocols.

Procedural History: NPRR259 was posted on July 28, 2010. On August 19, 2010, PRS unanimously voted to table NPRR259. The IPM Market Segment was not present for the vote. On September 23, 2010, PRS unanimously voted to recommend approval of NPRR259 as amended by the September 1, 2010 ERCOT comments and as revised by PRS. On October



4, 2010, PRS unanimously voted to endorse and forward the September 23, 2010 PRS Report and Impact Analysis for NPRR259 to TAC. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR259 as recommended by PRS in the October 4, 2010 PRS Report.

NPRR259 was approved as part of the Consent Agenda (Agenda Item 2).

NPRR261

• **NPRR261 – Revision of Data Submission Timeline for Network Model [ERCOT].**

Proposed Effective Date: Upon System Implementation.

CEO Determination: No opinion on whether or not NPRR261 is necessary prior to the Texas Nodal Market Implementation Date.

ERCOT Impact Analysis: Less than \$50,000 – implementing the requirements will take approximately two (2) months after ERCOT Board of Directors approval; no ERCOT staffing impacts; minor changes to ERCOT Network Model Management System (NMMS) application; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR removes the three-month summer model and replaces it with individual model packages for each month. This NPRR also separates Item (5) of Section 3.10.4 into three (3) paragraphs for clarification of ERCOT’s requirements.

Procedural History: NPRR261 was posted on August 9, 2010. On August 19, 2010, PRS unanimously voted to recommend approval of NPRR261 as submitted. The IPM Market Segment was not present for the vote. On September 23, 2010, PRS unanimously voted to endorse and forward the August 19, 2010 PRS Report and Impact Analysis for NPRR261 to TAC. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR261 as recommended by PRS in the September 23, 2010 PRS Report.

Mr. Jones noted ERCOT staff submitted comments to NPRR 261.

Ms. Doll moved to approve NPRR261 as recommended by TAC with ERCOT comments. Mr. Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.

NPRR262

• **NPRR262 – Protocol Synchronization for Nodal Implementation Surcharge [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan’s](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.

ERCOT Impact Analysis: Less than \$50,000 – no project required; no ERCOT staffing impacts; minor impacts to ERCOT Settlement and Billing application; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR modifies the Nodal Implementation Surcharge (NIS) calculation to mirror the existing zonal calculation, by including generation from Non-



Modeled Generators and energy imported into the ERCOT System during a declared Emergency Condition through each Direct Current Tie (DC Tie) in response to an ERCOT Dispatch Instruction.

Procedural History: NPRR262 was posted on August 9, 2010. On August 19, 2010, PRS voted to recommend approval of NPRR262 as submitted. There was one (1) abstention from the Municipal Market Segment. The IPM Market Segment was not present for the vote. On September 23, 2010, PRS unanimously voted to endorse and forward the August 19, 2010 PRS Report as revised by PRS and Impact Analysis for NPRR262 to TAC. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR262 as recommended by PRS in the September 23, 2010 PRS Report.

NPRR262 was approved as part of the Consent Agenda (Agenda Item 2).

NPRR263

- **NPRR263 – Resolution of Alignment Item A99 – Settlement Point Price Calculation When Busses are De-energized [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

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 adds the requirement for ERCOT to assign a Locational Marginal Price (LMP) for use in the calculation of Day-Ahead and Real-Time Settlement Point Prices.

Procedural History: NPRR263 was posted on August 11, 2010. On August 19, 2010, PRS unanimously voted to table NPRR263 for one (1) month. The IPM Market Segment was not present for the vote. On September 23, 2010, PRS unanimously voted to table NPRR263 until the October 4, 2010 Special PRS meeting. On October 4, 2010, PRS voted to recommend approval of NPRR263 as amended by the September 29, 2010 ERCOT comments and as revised by PRS and to forward NPRR263 and the Impact Analysis to TAC. There were two (2) abstentions from the Independent Generator Market Segment. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR263 as recommended by PRS in the October 4, 2010 PRS Report and as revised by TAC.

Mr. Fehrenbach requested that, when reviewing market improvements for Nodal in 2011, ERCOT staff analyze whether the Day-Ahead Market should be 30 or 36 hours.

Mr. Fehrenbach moved to approve NPRR263 as recommended by TAC in the October 7, 2010 TAC Report. Mr. Helton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Cleary acknowledged Mr. Fehrenbach's request for such a review.



NPRR273

- **NPRR273 – Allow Use of the ONTEST Resource Status to Indicate Resource Startup, Shutdown and Test Operations [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

CEO Determination: Necessary prior to the Texas Nodal Market Implementation Date.

ERCOT Impact Analysis: Less than \$50,000 – no project required; no ERCOT staffing impacts; minor impacts to the Commercial Systems Integration (CSI) logic for the Settlement and Billing system; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR expands the use of this Resource Status to provide for Generation Resource operations during start up and shut down of the unit as well as unit testing requirements.

Procedural History: NPRR273 was posted on September 16, 2010. On September 23, 2010, PRS voted to recommend approval of NPRR273 as amended by the September 22, 2010 Luminant comments and as revised by PRS and to forward NPRR273 and the Impact Analysis to TAC. There was one (1) abstention from the Consumer Market Segment. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR273 as recommended by PRS in the September 23, 2010 PRS Report.

NPRR273 was approved as part of the Consent Agenda (Agenda Item 2).

NPRR274

- **NPRR274 – Generic Startup Costs for Combined Cycle Generation Resources – Removal of Temporal Constraint [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

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 Startup Offer Generic Cap Resource Categories for Combined Cycle Generation Resources with less than five (5) hours Off Line.

Procedural History: NPRR274 was posted on September 16, 2010. On September 23, 2010, PRS voted to recommend approval of NPRR274 as submitted. There was one (1) abstention from the Consumer Market Segment. On October 4, 2010, PRS voted to endorse and forward the September 23, 2010 PRS Report and Impact Analysis for NPRR274 to TAC. There was one (1) abstention from the Consumer Market Segment. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR274 as recommended by PRS in the October 4, 2010 PRS Report.

NPRR274 was approved as part of the Consent Agenda (Agenda Item 2).



NPRR279

- **NPRR279 – Resolution of Alignment Item A144 - Clarify Posting of MCPC for DAM and SASM [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

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 conforms the Nodal Protocols to the system and business process implementation for posting of prices from the DAM and any SASM. Reports of clearing prices in the DAM and SASM will be reviewed and if the potential exists for a change in the prices, ERCOT will provide a Market Notice on the MIS Secure Area describing the nature of the error and any conditions that may have caused the error.

Procedural History: NPRR279 was posted on September 16, 2010. On September 23, 2010, PRS unanimously voted to table NPRR279. On October 4, 2010, PRS unanimously voted to recommend approval of NPRR279 as amended by the October 4, 2010 ERCOT comments and as revised by PRS and to forward NPRR279 and the Impact Analysis to TAC. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR279 as recommended by PRS in the October 4, 2010 PRS Report.

NPRR279 was approved as part of the Consent Agenda (Agenda Item 2).

NPRR280

- **NPRR280 – Move Shift Factor Posting Requirement to Real-Time [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

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 moves the requirement to post Shift Factor data from the Day-Ahead Operations section (Section 4.2.3) of the Nodal Protocols as a daily posting to the Real-Time operations section (Section 6.5.7.1.13) as an hourly posting.

Procedural History: NPRR280 was posted on September 24, 2010. On October 4, 2010, PRS voted to recommend approval of NPRR280 as submitted and to forward NPRR280 and the Impact Analysis to TAC. There was one (1) abstention from the Independent Generator Market Segment. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR280 as recommended by PRS in the October 4, 2010 PRS Report.

NPRR280 was approved as part of the Consent Agenda (Agenda Item 2).



NPRR284

- **NPRR284 – Cost Allocation Zones as They Relate to NOIE Load Zones – As Built Systems [ERCOT].**

Proposed Effective Date: Upon the [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.

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 the as-built system. In regards to the association of a NOIE Load Zone with a Cost Allocation Zone (i.e., a 2003 CM Zone), the ERCOT system was built in alignment with paragraph (2) of Section 7.5.7, Method for Distributing CRR Auction Revenues, not Section 3.4.3(2)(c).

Procedural History: NPRR284 was posted on September 30, 2010. On October 4, 2010, PRS voted to recommend approval of NPRR284 as submitted and to forward NPRR284 and the Impact Analysis to TAC. There was one (1) abstention from the Independent Generator Market Segment. On October 7, 2010, TAC unanimously voted to recommend approval of NPRR284 as recommended by PRS in the October 4, 2010 PRS Report.

NPRR284 was approved as part of the Consent Agenda (Agenda Item 2).

NOGRR050 – (Agenda Item 7b) – Continued

- **NOGRR050 – Resolution of Reporting Issues Related to NPRR219 [CenterPoint Energy].**

Proposed Effective Date: The [Nodal Protocol Transition Plan's](#) Texas Nodal Market Implementation Date as prescribed by zonal Operating Guide Section 1.3.7, Process for Transition to Nodal Operating Guide Sections. Grey-boxed language will be post Texas Nodal Market Implementation Date.

Chief Executive Officer (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: Less than \$50,000 – no project required; no ERCOT staffing impacts; minor system changes to Enterprise Data Warehouse (EDW) and/or Market Information System (MIS) to redact the posting of information stricken under paragraph (1)(a) through (g) of Section 9.2.3, Transmission Outage Reporting; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices. Due to “Not Needed for Go-Live” designation by the ERCOT CEO for the grey-boxed portions of NOGRR050, the Impact Analysis for the grey-boxed language will be conducted at a future date.

Revision Description: This NOGRR proposes revisions to remove the requirement for ERCOT to produce several reports related to Outage Scheduling from the current Nodal Operating Guide and grey-boxing the requirements until such time ERCOT systems can be modified to include only the Transmission Service Provider's (TSP's) Outages in the reports.



Procedural History: NOGRR050 was posted on August 11, 2010. On August 12, 2010, the Reliability and Operations Subcommittee (ROS) unanimously voted to grant NOGRR050 Urgent status. ROS then voted to recommend approval of NOGRR050 as submitted. On August 19, 2010, PRS unanimously voted to table NOGRR050 for one (1) month. The Independent Power Marketer (IPM) Market Segment was not present for the vote. On October 4, 2010, PRS unanimously voted to recommend approval of NOGRR050 as amended by the September 16, 2010 ERCOT comments and to recommend a priority of Critical to the grey-boxed language. On October 7, 2010, TAC unanimously voted to recommend approval of NOGRR050 as recommended by PRS in the October 4, 2010 PRS Report and to recommend a priority of Critical to the grey-boxed language.

NOGRR050 was approved in conjunction with NPRR219 under Agenda Item 7a.

Mr. Jones reviewed the other Guide Revision Requests approved by TAC with the Board.

Congestion Revenue Right (CRR) Auction Credit Parameters (Agenda Item 7c)

Mr. Jones briefed the Board on TAC's consideration of the proposed changes to the "A" (adder) and "M" (multiplier) CRR Auction Credit Parameters. Mr. Karnei reported on the Finance and Audit (F&A) Committee's consideration of this matter on the previous day. After extensive discussion among the Board members, Mr. Dalton inquired about the financial implications, using ball-park figures, on setting the CRR auction "A" parameter to 1.00 versus 1.50. Mr. Cleary offered to coordinate obtaining figures from CRR auctions occurring that day and agreed to provide data on the potential financial impact across the transactions. In response to Board members' questions, Cheryl Yager, ERCOT Treasurer, confirmed that ERCOT supported the change of the "A" parameter to \$0.75 at TAC, but preferred that the "A" parameter be set to \$1.00 as a minimum on an ongoing basis. Ms. Yager continued to respond to Board members' questions regarding this subject. The Board members continued their discussion on this subject. Miguel Espinosa requested that ERCOT staff provide actual figures for the Board members to review after lunch and that this topic be considered again with the benefit of historical data, whether 30, 60 or 90 days after Nodal Go-Live. Mr. Doggett advised that the requested figures were in the process being calculated and would be provided to the Board as soon as possible. Ms. Ryall inquired whether the margin is based on bid or clearing price and also asked for clearing prices. Ms. Yager agreed to include such information in the figures being prepared for the Board. The Board members continued their discussions; and Ms. Yager responded to their questions. Jorge Bermudez urged caution across the board with these matters now and concurred with Mr. Espinosa in his request for a review of this issue again after historical data is available. At Chairman Gent's request, discussions were deferred until later in the meeting.

TAC Update (Agenda Item 7) – Continued

Mr. Jones advised that the Human Resources and Governance (HR&G) Committee had considered the results of TAC's Structural and Procedural Annual Review on the prior day and that this matter would be presented to the Board in November 2010. Mr. Crowder inquired whether TAC considered the necessity of both the Market Credit Working Group (MCWG) and the Credit Working Group (CWG). Mr. Jones responded that TAC did consider these Working



Groups in its review and provided background on TAC's consideration of this structure. In response to Mr. Crowder's suggestion, Chairman Gent requested that the Finance and Audit (F&A) Committee consider this matter. Mr. Karnei agreed to include this topic on the F&A Committee agenda.

Mr. Jones reviewed the General Resource Energy Deployment (GREDP) Variables, Load Distribution Factors Methodology, and Nodal Non-Spinning Reserve Service Deployment Procedure. He also noted that the Texas Renewables Integration Plan had been renamed as the Emerging Technologies Integration Plan (ETIP) and that the ETIP would be presented to TAC members and then to the Board in November 2010. Mr. Jones concluded the TAC Update.

Mr. Dalton noted the HR&G Committee's consideration of the TAC Structural and Procedural Annual Review with the benefit of ERCOT's additional comments. He noted the possibility that TAC may address the MCWG and CWG structural matter in preparation for the Board meeting in November 2010 and may provide a recommendation which may alleviate the need for the F&A Committee's consideration of this particular matter at this time. Mr. Karnei supported TAC's ability to address this matter prior to consideration by the F&A Committee.

Nodal Program Update; and Nodal Market Readiness Criteria Go-Live Certification – Full Nodal Operations (Agenda Items 5e and 6)

Mr. Cleary provided the Nodal Program Update, including key milestones on project status, to the Board. Mr. Cleary and Kenneth Ragsdale, ERCOT Principal of Market Design and Analysis, responded to Board members' questions on this topic. Mr. Doggett clarified that if the Board approved the use of Board Discretionary Funds for Post Go-Live Charges, it was anticipated that approximately half of the deferred defects would be resolved in 2011.

Market Trials Overview

Mr. Ragsdale and John Dumas, ERCOT Directors of Wholesale Market Operations, provided the Market Trials Overview. Mr. Ragsdale and Mr. Dumas responded to Board members' questions on this topic. Mr. Dalton requested a monthly report reflecting that the status of the Load Distribution Factors (LDFs) after December 1, 2010, for a few months. Mr. Ragsdale responded that such a report is required by the Protocols and that the format of the report is currently being refined by ERCOT's subject matter experts. In response to Mr. Dalton's request, Mr. Cleary responded that an update on telemetry issues and the status of the effectiveness of NPRR 240 would be included in the Nodal stabilization report after Nodal Go-Live. Mr. Crowder inquired about deferred defect prioritization criteria. Mr. Cleary responded that he would provide this information at the November 2010 Board meeting. Mr. Dumas responded to Board members' questions on this presentation. Chairman Smitherman asked Mr. Cleary to consider a more descriptive term for "deferred defects" to avoid potential confusion after Nodal Go-Live.

Nodal Go-Live Update – Review of Full Nodal Operations Go-Live Items

Mr. Ragsdale provided the Nodal Go-Live Update – Review of Full Nodal Operations Go-Live Items and responded to Board members' questions on this topic. Chairman Smitherman



requested to hear from those who abstained on the NATF and TAC votes related to Nodal Go-Live certification. Chris Brewster, the TAC Small Commercial Consumer Representative on behalf of the City of Eastland, provided comments on his abstention on the NATF motion and his opposing vote on the TAC motion. Mr. Karnei shared information on abstentions from the Cooperative segment. Mr. Fehrenbach shared comments on the abstention from the Consumer segment.

Mr. Ragsdale and Mr. Cleary responded to Board members' questions on the status of defects and costs related to fixing them. Mr. Dalton requested a trend report which illustrates the decreasing number of defects prior to Nodal Go-Live as well as the identification of the number of defects. Mr. Cleary agreed to provide such data in the weekly Nodal Update to the Board.

Mr. Ragsdale and Chairman Gent reviewed the proposed Board resolution for Certification of Full Nodal Operations. Mr. Karnei inquired whether any Board action on this Certification would include the Board's contemplated action on the CRR Auction Credit Parameters, which Bill Magness, ERCOT Vice President and General Counsel, confirmed that it would not. Mr. Cleary added that the Board could modify the CRR Auction Credit Parameters at its discretion at any time prior to Nodal Go-Live. Mr. Karnei added that, at its meeting on the prior day, the F&A Committee received a report from the CWG and that the F&A Committee supported the Board's Certification of Full Nodal Operations Go-Live. Mr. Magness presented Board members with a red-lined version of the proposed Board Resolution and reviewed the proposed modifications with the Board members. Chairman Smitherman requested an additional edit for the proposed Board resolution.

Mr. Helton made a motion to certify that all Market Readiness Criteria for Full Nodal Operations have been met for Nodal Market Go-Live for Operating Day December 1, 2010, as amended by ERCOT Legal and Chairman Smitherman's comments. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Nodal Go-Live Update – Certified Systems Update

Mr. Ragsdale reviewed the Nodal Go-Live Update – Certified Systems Update with the Board.

Nodal Parking Deck Items

Mr. Cleary reported that there were not many changes with the Nodal Parking Deck and offered to respond to any questions on this subject during lunch. There was no further discussion on parking deck items at that time.

Mr. Dalton requested an update on the development of a Nodal contingency plan. Mr. Cleary responded that ERCOT was mitigating potential issues with a soft launch and will provide contingency plans for the November 2010 Board meeting.



Monthly Financial Review

Mike Petterson, ERCOT Controller, provided the Monthly Financial Review and answered questions from Board members on this topic.

Lunch (Agenda Item 8)

The meeting adjourned for lunch at approximately 12:10 p.m. and reconvened at approximately 1:02 p.m.

NPRR244 (Agenda Item 7a) -- Continued

Ms. Hobbs reviewed a red-lined version of the proposed modifications of NPRR244, which was distributed to the Board members.

Mr. Helton moved to approve NPRR244 as modified by the October 11, 2010 PSEG TX's comments and as revised by the ERCOT Board. Dr. Patton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Congestion Revenue Right (CRR) Auction Credit Parameters (Agenda Item 7c) – Continued

Chairman Gent noted that the Board appeared to favor the "M" parameter of the CRR Auction Credit Parameters being set at zero, but that the Board did not appear to have the same consensus on the value for the "A" parameter. Chairman Gent took a straw poll of the Board members who would favor the "A" parameter being set at \$0.75, which indicated that ten Board members would favor this value. He took another straw poll for those who would favor the "A" parameter being set at \$1.00, which indicated that four Board members would favor this value. Chairman Gent then entertained a motion on the CRR Auction Credit Parameters.

Marcie Zlotnik made a motion to approve the CRR Auction Credit Parameters with the "A" parameter set at \$0.75 and with the "M" parameter set at 0 (zero), as approved by TAC and recommended by the F&A Committee and by ERCOT staff. Mr. Helton seconded the motion. The motion passed by voice vote with ten in favor (Mr. Crowder, Mr. Doggett, Ms. Doll, Mr. Dreyfus, Mr. Fehrenbach, Ms. Givens, Mr. Helton, Dr. Patton, Ms. Ryall and Ms. Zlotnik) and three opposed (Messrs. Bermudez, Espinosa and Karnei). After returning from a brief recess from the meeting, Mr. Dalton was present for the vote tally and expressed his support for the motion.

Finance & Audit (F&A) Committee Report (Agenda Item 9)

Mr. Karnei provided the F&A Committee Report. He commented that, with the new meeting format, all of the Board members had the opportunity to attend the F&A Committee meeting on the prior day. Mr. Karnei noted that the F&A Committee considered in part the following matters:



- Nodal Post Go-Live Charges; and
- Oliver Wyman's report on Nodal credit policy and practices.

Approval of Nodal Post Go-Live Charges (Agenda Item 9a)

Mr. Karnei, F&A Committee Chairman, requested that Mr. Doggett address the requested approval of the funding of the Nodal Post Go-Live Charges from the Board Discretionary Fund as discussed in the Board materials, which Mr. Doggett did. Mr. Karnei confirmed with Mr. Magness that ERCOT would be making a filing with the Commission to seek Commission approval of the use of the Nodal Surcharge for the Nodal Post Go-Live Charges. Mr. Karnei reported on the F&A Committee's consideration of this matter on the prior day.

Mr. Fehrenbach requested that the Board bifurcate the vote for non-recurring and recurring Nodal Post Go-Live Charges.

Chairman Smitherman noted that he requested that ERCOT staff prepare a sensitivity analysis regarding certain levels of growth of gigawatt hours and project assumptions. Mr. Petterson reviewed such requested data with the Board members and responded to their questions.

Mr. Fehrenbach moved to approve that ERCOT, in preparation for its 2011 budget, fund the non-recurring Nodal Post Go-Live Charges in the amount of \$13.3 million from the Board Discretionary Fund. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Cleary and Mr. Petterson responded to Board members' questions regarding project capital expenses.

Mr. Karnei made a motion to approve that ERCOT, in preparation for its 2011 budget, fund the remaining recurring Nodal Post Go-Live Charges in the amount of \$11.9 million from the Board Discretionary Fund. Mr. Dalton seconded the motion. The motion passed by voice vote with one opposed (Mr. Fehrenbach).

Mr. Karnei concluded the F&A Committee Report.

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

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

- External affairs and Legislative issues;
- Possible creation of an External Affairs Subcommittee;
- Unaffiliated Director Compensation;
- Possible revisions to the Board Policies and Procedures;
- Unaffiliated Director Succession Planning; and
- Review of TAC and TAC Subcommittee Structure.



Update on 2010 Annual Meeting of Corporate Members (Agenda Item 11)

Mr. Magness provided the Board members with an overview of the proposed options for the 2010 Annual Meeting of Corporate Members (2010 Annual Meeting). Mr. Magness, Vickie Leady, ERCOT Senior Corporate Counsel, and Mr. Petterson responded to Board members' questions on this topic.

Mr. Karnei made a motion to approve Option 1 as recommended by ERCOT for the 2010 Annual Meeting. Ms. Doll seconded the motion. The motion passed by voice vote with one opposed (Mr. Dalton).

Mr. Magness noted that the 2010 Annual Meeting would occur as originally scheduled on December 14, 2010, and would be held off site in order to accommodate the expected attendance of Corporate Members.

Future Agenda Items (Agenda Item 12)

Chairman Gent called for any additions to the Future Agenda Items, but none were received.

Grid Operations and Planning Report; and Quarterly Update on Protocol Revision Request (PRR) 763 – ERCOT Wind Power Forecasts (Agenda Item 5d) – Continued

Mr. Saathoff responded to Mr. Dreyfus' earlier question regarding the distinction between the costs of the transmission plan projects.

Other Business (Agenda Item 13)

No other business was considered at this time.

Executive Session (Agenda Items 14 to 19)

Chairman Gent adjourned the meeting to Executive Session at approximately 1:51 p.m. until approximately 3:14 p.m.

Vote on Matters from Executive Session (Agenda Item 20)

There were no voting matters from Executive Session (other than the approval of the Executive Session minutes which occurred during Executive Session).

Adjournment (Agenda Item 21)

Chairman Gent adjourned the meeting at approximately 3:15 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