Exhibit A

Technical Advisory Committee
2010 Structural and Procedural Review

Review and Recommendations

TAC Approved November 4, 2010

1. Purpose

The ERCOT Technical Advisory Committee (TAC) proposes to annually review, analyze and improve its existing processes and organizational structure for the purpose of enhancing efficiency, effectiveness, and aligning its structure to meet new goals and objectives. This document summarizes that process as well as the proposals and recommendations of TAC arising from its 2010 *Structural and Procedural Review*.

2. Process

In July of each year, TAC leadership, including the leadership of each of the TAC subcommittees, will meet for the purpose of generating proposals for possible structural and procedural improvements. All meetings will be posted and open to any interested party. All improvement proposals developed at the TAC leadership meeting will be presented to the TAC membership at the next regular meeting of TAC to gather further input.

Following the gathering of input from TAC members, a draft *Structural and Procedural Review* document will be circulated to all TAC members and comments will be solicited. The comments received will be discussed at the next TAC meeting with the expectation of finalizing a document for presentation to the October ERCOT Board of Directors.

3. Four Major Structural and Process Improvement Target Areas

Irrespective of the task, it is important that each task is designed and periodically reviewed, improved, or substituted by another task, with a view to continuous improvement in four major areas:

1. Effectiveness;

2. Efficiency;

3. Transparency; and

4. Fairness

The recommendations will be divided below into Structural Improvement Proposals and Procedural Improvement Proposals.

4. Structural Improvement Proposals and Recommendations

4.1. Retirement of the Commercial Operations Subcommittee

Proposal Description:

Retire the Commercial Operations Subcommittee (COPS) and consolidate the three working groups under COPS into a single working group to be known as the Settlements Working Group. The Settlements Working Group will report to the Wholesale Market Subcommittee (WMS).

Discussion:

The COPS was originally created as a single forum to address and design those unique Market Processes that affected both the Wholesale and Retail Market. Much of the work developing these processes has been completed and the majority of the current work products produced by COPS are Settlement related.

None of the current work of COPS is being eliminated but, rather, will be performed by the Settlements Working Group under WMS. It is expected that this new structure would facilitate working relationships among various entities that now operate within multiple working groups. This may improve the working efficiency on common issues while allowing greater participation across all efforts related to settlement.

Coincident with this restructuring, the Metering Working Group that is currently reporting to WMS would be merged into the new Settlements Working Group.

Opponents of this recommendation argue that implementation of the Nodal market on December 1, 2010 will likely generate several settlement issues that will require the unique expertise of COPS. Conversion of COPS to a working group under WMS would not allow COPS to take expedient action on emerging settlement issues given that working groups do not have a voting structure.

Decision and Timing:
TAC decided to not adopt this proposal at this time. At its October 7, 2010 meeting, TAC voted to retain COPS as a subcommittee. The motion passed with two abstentions from the Municipal and Consumer Market Segments.

4.2. Retirement of the Protocols Revision Subcommittee

Proposal Description:

Retire the Protocols Revision Subcommittee (PRS) and incorporate its activities into WMS, the Retail Market Subcommittee (RMS), and the Reliability and Operations Subcommittee (ROS).

Discussion:

Under this proposal, the PRS would be retired and its primary functions would be accomplished by other standing committees. PRS is specifically tasked in the Protocols with reviewing and recommending action on formally submitted Protocol Revision Requests (PRRs) and Nodal Protocol Revision Requests (NPRRs). A retirement of PRS would necessitate a change to the Protocols.

Supporters of the proposal claim that the retirement of the PRS would eliminate redundancy, streamline the process, reduce the number of subcommittee meetings, and allow for a restructuring of meeting dates to improve efficiency. Opponents of the proposal claim that eliminating PRS and replacing it with three subcommittees that will be able to propose rule revisions directly to TAC would actually increase the time and resources required for participation and may decrease transparency. Others argued for caution with regard to implementing the proposal in 2011 due to the probable increase in workload related to emerging nodal issues.

Decision and Timing:

TAC decided to not adopt this proposal at this time. At its October 7, 2010 meeting, TAC voted to retain PRS as a subcommittee. There was one abstention from the Consumer Market Segment.

4.3. Retirement of All Working Groups Reporting Directly to TAC

Proposal Description:

Retire the Nodal Advisory Task Force (NATF) following completion of Nodal stabilization and incorporate its tasks into the standard subcommittee processes. Retire the Renewable Technologies Working Group (RTWG) and incorporate its remaining work into the existing Power Storage Working Group reporting to WMS that will be renamed the Emerging Technologies Working Group.

Discussion:

- The primary functions of the NATF are to respond timely to all ERCOT Nodal Project Team's requests for Market Participant input and to assist in transitioning TAC subcommittees to the Nodal environment. Those functions will largely be accomplished following Nodal stabilization. The NATF should be retired in the second quarter of 2011.
- The RTWG was established to coordinate and track stakeholder efforts to capture the benefits and address the challenges associated with the introduction of renewable energy generating technologies interconnected to the ERCOT grid. Much of the work of this working group will be accomplished with the completion of the Texas Renewable Implementation Plan in the 3rd Quarter of 2010. The RTWG's remaining work, including future quarterly renewable reports, will be combined at

the beginning of 2011 into the new Emerging Technologies Working Group reporting to WMS. However, some parties have expressed concern that movement of the working group under a subcommittee could diminish its perceived importance.

Decision and Timing:

At its October 7, 2010 meeting, TAC approved this proposal on the timeframes indicated above. There was one abstention from the Consumer Market Segment.

4.4. Restructure and Retirement of Certain Workgroups Reporting to the RMS

Proposal Description:

Retire the Retail Metering Working Group, Retail Advanced Meter Processes Task Force, Texas Test Plan Team, Market Trak Task Force and the Meter Tampering Task Force.

Discussion:

- The Retail Metering Working Group no longer has regular activities that warrant a standing working group. The Competitive Meter Guide will be included into the Retail Market Guide. The Working Group will retire at the end of the year.
- The Retail Advanced Meter Processes Task Force will be retired before the end of 2010. This task force no longer has any activities to address on behalf of the market.
- The Texas Test Plan Team will be retired and its activities will be moved under the existing Texas Standard Electronic Transactions Working Group.
- The Market Trak Task Force will be retired in 2011 following completion and stabilization of the MarkeTrak project associated with SCR756 and all remaining tasks of the task force will be moved to the existing Texas Data Transport Working Group
- The Meter Tampering Task Force will be retired at the end of 2010. The project that required this task force to be created has been implemented. The task force might have additional items to address with the final approval of PUCT Project 36131, but should be able to conclude its activities this year.

Decision and Timing:

At its October 7, 2010 meeting, TAC approved this proposal on the timeframes indicated above. There was one abstention from the Consumer Market Segment.

4.5. Restructure and Retirement of Certain Working Groups Reporting to the WMS

Proposal Description:

Merge the activities of the Market Credit Working Group (MCWG) with that of the Credit Working Group (CWG) reporting to the Board.[1]

Discussion:

The Board of Directors established the CWG as a group of credit professionals to help ensure that appropriate procedures are implemented to mitigate credit risk in the ERCOT Region in a manner that is fair and equitable to all Market Participants. The TAC ordered WMS to create the MCWG to provide WMS with input and recommendations on issues of credit risk management. The MCWG could be retired if WMS were allowed to query the CWG regarding input and recommendations on issues of credit risk management and the CWG were responsive to those requests.

Decision and Timing:

At its November 4, 2010 meeting, TAC unanimously approved the retention of the MCWG.

4.6. Restructure and Retirement of Certain Working Groups Reporting to the ROS

Discussion:

There are no new proposals for the ROS. The ROS has recently created a Planning Working Group (PLWG) and intends to have the Steady State, System Protection, and Dynamics Working Groups become task forces under PLWG.

[1] Also, see Structural Improvement Proposal 4.1 and 4.3 for other proposed changes to the WMS working groups.

5. Procedural Improvement Proposals and Recommendations

5.1. Alter the Subcommittee Meeting Calendar to Improve Communications

Proposal Description:

The current subcommittee meeting calendar creates inefficiencies in communicating decisions from WMS to PRS.

Discussion:

The PRS currently meets the day following WMS. As many policy issues are debated at WMS, there is limited time for parties to review the decisions and/or discussions at WMS, to formulate company positions, and to document written comments prior to the PRS meeting. This often leads to comments being filed late, verbal comments delivered at the PRS meeting, and delayed PRS action. Moving WMS a week prior to PRS would allow time for deliberations and encourage written comments to be filed fostering better preparation and improving efficiency.

Since WMS regularly has comments on NPRRs considered by PRS on the day following WMS, ERCOT staff recommended switching the RMS and WMS meeting dates. By moving WMS a week prior to PRS, interested parties will have additional time to review and respond to WMS recommendations to PRS. Since there are issues that tend to overlap between WMS and ROS as well as ROS and RPG, those groups should be parallel to allow for ease of participation at both meetings. See Example Calendar below.

Decision and Timing:

At its November 4, 2010 meeting, TAC unanimously revised its subcommittee meeting calendar to switch the RMS and WMS meeting dates.

Example Calendar

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
						1
2	3	4	5 TAC	6	7	8
9	10 COPS	11 WMS	12 ROS	13 RPG	14	15
16	17 Board	18 RMS	19 PRS	20	21	22
23	24	25	26	27	28	29
30	31					

5.2. Consent Agenda

Proposal Description:

Utilize a TAC consent agenda for the approval of all NPRRs that are approved unanimously at PRS.

Discussion:

A consent agenda will streamline the decision making process at TAC. A consent agenda will still allow for any TAC member to remove an item from consent for further discussion.

Decision and Timing:

There were no objections to this proposal noted at the October 7, 2010 TAC meeting.

5.3. Encourage the Posting of Comments Seven Days In Advance of a Meeting

Proposal Description:

TAC should develop incentives to encourage timely-filed comments.

Discussion:

The filing of comments by parties at least seven days in advance of TAC or a subcommittee meeting will allow other parties to prepare for the meeting and will improve meeting efficiency. Often times, comments are either filed within the seven day period or are not filed at all but are discussed at the meeting by participants. The development of a set of incentives that encourage timely comments would be useful. One such example may be to allow the presentation of the comments by the filer prior to any other discussion on the issue taking place.

Decision and Timing:

At the October 7, 2010 TAC meeting, the TAC Chair requested PRS to develop a set of alternative approaches for consideration by TAC that will encourage the timely filing of comments.

5.4. Change the Voting Structure at WMS, ROS, and RMS to Participatory Voting

Proposal Description:

Change the voting structure at WMS, ROS, and RMS to the same voting structure used by PRS, Participatory Voting.

Discussion:

The current voting structure at WMS, ROS, and RMS is one in which a Segment is represented by up to four members that are elected or appointed by the voting members of that segment. PRS and COPS utilize a participatory structure where each Segment has one Segment Vote and the representative of each Voting Entity, present at the meeting and participating in the vote, receives an equal fraction of its Segment's Vote.

Supporters of this proposal claim that fairness in the process is improved by participatory voting.

Decision and Timing:

At its November 4, 2010 meeting, TAC decided to retain the current voting structures for its subcommittees. The vote passed with two opposing votes from the Independent Power Marketer (IPM) and Independent Generator Market Segments and two abstentions from the IPM and the Independent Retail Electric Provider (IREP) Market Segments.

5.5. Change the Voting Structure at TAC to Participatory Voting

Proposal Description:

Change the voting structure at TAC to Participatory Voting.

Discussion:

The current voting structure at TAC is a representative structure in which a Segment is represented by up to four members that are elected or appointed by the voting members of that Segment. The voting structure at TAC is addressed by the bylaws.

Supporters of this proposal claim that fairness in the process is improved by participatory voting. Opponents point out that the current ERCOT bylaws already allow each Segment to decide whether it will use participatory voting for its TAC Segment and they further claim that it is unadvisable to force that voting structure on segments that do not wish to use it.

Decision and Timing:

At its October 7, 2010 meeting, TAC voted to not recommend approval of this proposal. The motion passed with two opposing votes from the Consumer and Independent Power Marketer Market Segments and one abstention from the Consumer Market Segment.

5.6. Reduce the 21 Day Comment Period on Protocol Revisions

Proposal Description:

Protocols and Guides require a 21 day comment period before a Revision Request can be taken up officially by the recommending group. Reduce the comment period to 10 days to improve efficiency of the process.

Discussion:

Supporters argue that this timeline can be confusing for participants to determine when a Revision Request must be posted to make the next meeting. An excerpt from the Protocols that illustrates the complexity of the comment rules follows:

> *21.4.3 Protocol Revision Subcommittee Review and Action*
> …
> *(3) The PRS shall consider the NPRR at its next regularly scheduled meeting after the end of the 21 day comment period, unless the 21 day comment period ends less than three Business Days prior to the next regularly scheduled PRS meeting. In that case, the NPRR will be considered at the next subsequent regularly scheduled PRS meeting.*
> …

This timeline can be confusing for participants to determine when a Revision Request must be posted to make the next meeting. If a deadline is missed, it can add another month to the approval process. Additionally, we often see that comments are not filed until the end of the comment period just prior to the item being taken up in the stakeholder process or comments are filed in response to the committee recommendation.

Decision and Timing:

At its October 7, 2010 meeting, TAC voted to request that ERCOT staff draft an NPRR to revise the initial comment period for NPRRs to 14 days. The motion passed with one abstention from the Consumer Market Segment.

6. Additional ERCOT Staff Proposals and Recommendations

6.1. Allow Working Group Submission of Revision Request Comments

Proposal Description:

Allow Working Groups to formally submit comments to the revision request process without first obtaining subcommittee approval.

Discussion:

Some subcommittees do allow their Working Groups to file comments prior to subcommittee approval while other subcommittees require the Working Group to first obtain subcommittee approval before filing comments. Requiring subcommittee approval first can make it difficult for entities that are not engaged in the Working Group level discussion to know what is being discussed so they can prepare for subcommittee discussion and/or votes. Opponents to this concept argue that Working Groups do not have voting rights and that Working Group comments may only represent a few participants; therefore, Working Group comments should not be given the same consideration as comments filed from the subcommittee. Proponents would argue increased transparency which could lead to better meeting preparation and that if there are concerns about perceived weight of Working Groups when there was limited representation that one could document who contributed to the Working Group discussion (via an attendance list).

Decision and Timing:

At its November 4, 2010 meeting, TAC decided that Working Groups and Task Forces can formally submit revision requests or comments on revision requests following voted direction of the relevant subcommittee(s). Neither ERCOT nor a Market Participant may characterize such action of Working Groups or Task Forces as approval. The vote passed via roll call vote with six opposing votes from the Investor Owned Utility (IOU) (3), Independent Generator and IREP (2) Market Segments and three abstentions from the IREP (2) and IPM Market Segments.

6.2. Revise the TAC Subcommittee Meeting Calendar

Proposal Description:

The subcommittee meeting calendar should be revised to move subcommittees that frequently comment on NPRRs (such as WMS) to allow for more efficient processing of NPRR comments and for adequate review time prior to PRS consideration.

Discussion:

See Item 5.1, Alter the Subcommittee Meeting Calendar to Improve Communications, above.

Decision and Timing:

At its November 4, 2010 meeting, TAC unanimously revised its subcommittee meeting calendar to switch the RMS and WMS meeting dates.

6.3. Allow ERCOT to File Administrative NPRRs

Proposal Description:
Request ERCOT staff to draft an NPRR to revise the Protocol revision process to allow ERCOT staff to file administrative NPRRs.

Discussion:

ERCOT currently has the capability to file administrative revision requests to the Market Guides. For example, if ERCOT identifies non-substantive corrections such as typos (excluding grammatical changes), internal references (including table of contents), improper use of acronyms, and references to ERCOT Protocols, PUCT Substantive Rules, the Public Utility Regulatory Act (PURA), North American Electric Reliability Corporation (NERC) regulations, Federal Energy Regulatory Commission (FERC) rules, etc, ERCOT can file an administrative guide revision request. If the required commenting period expires with no comments on the administrative guide revision request, then ERCOT can implement the revision. This tool within the Nodal Protocols would assist participants by allowing ERCOT to handle such non-substantive edits while not diminishing transparency to revisions.

Decision and Timing:

At its November 4, 2010 meeting, TAC unanimously approved requesting ERCOT to file an NPRR to allow ERCOT staff to file administrative NPRRs.