

**DRAFT MINUTES OF THE THIRTY-NINTH ANNUAL MEMBERSHIP MEETING
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC. (ERCOT)**

Hilton Austin Airport Hotel
9515 New Airport Drive
Austin, Texas 78744
December 15, 2009

Trip Doggett, ERCOT Interim President and Chief Executive Officer (CEO), called the Thirty-Ninth Annual Membership Meeting to order at approximately 11:10 a.m. by announcing that a quorum was present (through physical attendance and written proxies), welcoming Chairman Barry T. Smitherman of the Public Utility Commission of Texas (Commission), keynote speaker Senator Kirk Watson, newly appointed public counsel Sheri Givens of the Office of Public Utility Counsel (OPUC), the Texas Regional Entity Staff, the ERCOT Corporate Members, the ERCOT Directors, Officers and Staff and others to the meeting.

Mr. Doggett introduced Jan Newton, Chairman of the ERCOT Board of Directors (Board). Chairman Newton acknowledged and thanked the following departing Directors and Segment Alternate for their service to ERCOT: Mark Armentrout as an Unaffiliated Director; Don Ballard, Director from the Residential Consumer Segment; Brad Cox, Director from the Independent Power Marketer Segment; Robert Thomas, Director from the Independent Retail Electric Provider Segment; Charles Jenkins, Director from the Investor Owned Utility Segment; Dan Wilkerson, Director from the Municipal Segment; and Steve Bartley, Segment Alternate from the Municipal Segment. Chairman Newton reviewed the progress made on the Texas Nodal Market Implementation Program over the past year and thanked all who participated in these efforts.

Mr. Doggett made some brief statements regarding the state of ERCOT and his observations during the past year.

Approval of December 9, 2008 Annual Meeting Minutes

Mr. Doggett noted that the draft minutes from the December 9, 2008 Annual Meeting were provided to all present and entertained a motion for approval of the minutes. **Bob Helton of International Power America Services, Inc., moved for approval of the December 9, 2008 Annual Meeting minutes. Clifton Karnei of Brazos Electric Cooperative, Inc., seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Confirmation and Approval of 2010 Board of Directors

Mr. Doggett called attention to the list of proposed Directors and Segment Alternates for 2010, as selected by the individual market segments, which was provided as set forth below to all present. **Dan Wilkerson of Bryan Texas Utilities moved to confirm the 2010 Directors and Segment Alternates, as set forth below. Andrew Dalton of Valero Services, Inc., seconded the motion.** Nick Fehrenbach of the City of Dallas inquired about Mark Armentrout's listing as an Unaffiliated Director for the 2010 Board. Mike Grable, ERCOT Vice President, General Counsel and Corporate Secretary, replied that Mr. Armentrout's listing as an Unaffiliated Director for the 2010 Board was appropriate as Mr. Armentrout would not be resigning from the

Board until after the 2010 Board’s first meeting on December 15, 2009 (upon conclusion of the Annual Meeting). Brad Jones of Luminant Energy inquired about Don Ballard’s listing as the Office of Public Utility Counsel representative on the 2010 Board. Mr. Grable replied that Mr. Ballard’s listing on the 2010 Board was appropriate as Mr. Ballard was officially in office through the December 15, 2009 Board Meeting and that recently appointed Sheri Givens would be Mr. Ballard’s successor on the Board in this ex officio position. **The motion passed by unanimous voice vote with no abstentions.**

<u>Segment</u>		<u>Member</u>	<u>Segment Alternate</u>
Consumer	- OPUC (<i>ex officio</i>) - Commercial - Industrial	Don Ballard Nick Fehrenbach – City of Dallas Andrew Dalton – Valero Services Inc.	N/A
Cooperative		Clifton Karnei – Brazos Electric Power Cooperative Inc.	Michael Packard – South Texas Electric Cooperative Inc.
ERCOT CEO (<i>ex officio</i>)		Trip Doggett (Interim)	N/A
Independent Generator		Bob Helton – International Power America Services Inc.	Mark Walker – NRG Texas LLC
Independent Power Marketer		Jean Ryall – Constellation Energy Commodities Group	Brandon Whittle – DB Energy Trading LLC
Independent Retail Electric Provider		Marcie Zlotnik – StarTex Power	Deryl Brown – Hudson Energy Services LP
Investor Owned Utility		Calvin Crowder – American Electric Power Service Corporation	Scott Prochazka – CenterPoint Houston Electric LLC
Municipal		Mark Dreyfus – Austin Energy	Ray Schwertner – Garland Power & Light
PUCT Chair (<i>ex officio, non-voting</i>)		Barry T. Smitherman	N/A
Unaffiliated		Mark Armentrout Miguel Espinosa Michehl Gent Jan Newton A. D. Patton	N/A

Approval of Suggested Revisions to Amended and Restated Bylaws

Mr. Doggett called attention to the suggested revisions to ERCOT's Amended and Restated Bylaws, which were provided by first class mail and email to all present. **Barbara Clemenhagen of Topaz Power Group moved to approve the suggested revisions to ERCOT's Amended and Restated Bylaws. Charles Jenkins of Oncor Electric Delivery Company seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Announcement of 2010 Technical Advisory Committee Representatives

Mr. Doggett then announced that segment voting had been completed and noted that a list of the 2010 Technical Advisory Committee (TAC) Representatives, as selected by the individual market segments, was provided to all present. He advised that the Directors would confirm the 2010 TAC Representatives at the Board meeting later in the day after the conclusion of this Annual Meeting.

Open Meeting of the Commission

Commission Chairman Barry T. Smitherman noted the presence of Commissioner Donna Nelson and called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for December 15, 2009.

Lunch

The meeting recessed briefly for lunch.

Keynote Speaker – Senator Kirk Watson

After lunch, Mr. Doggett introduced Senator Kirk Watson to provide the keynote address. Senator Watson provided his thoughts on the ways in which Texas and the electric industry can be leaders in the 21st century. Mr. Doggett thanked Senator Watson for his informative speech.

Mr. Doggett asked if there were any additional matters to be considered at the meeting, but there were none. He reminded everyone that the ERCOT Board Meeting was scheduled to start at 1:30 p.m. at the ERCOT offices at 7620 Metro Center Drive in Austin.

Adjournment

Mr. Doggett adjourned the Annual Meeting at approximately 12:30 p.m.

Vickie G. Leady
Senior Corporate Counsel and
Assistant Corporate Secretary