



Date: December 7, 2010
To: Board of Directors
From: Bill Magness, ERCOT Vice President and General Counsel
Subject: Adjunct Membership Approval of Panda Power Funds

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: December 14, 2010

Agenda Item No.: 9

Issue:

Whether Panda Power Generation Infrastructure Fund LLC, doing business as Panda Power Funds (Panda Power), should be approved as an Adjunct Member for Membership Year 2011.

Background/History:

Since Panda Power currently does not meet the definition of any Segment as set forth in the Bylaws and Membership Application and Agreement for Membership Year 2011, Panda Power has applied as an Adjunct Member. Please see Attachment A. Adjunct Membership requires approval by the Board of Directors.

Key Factors Influencing Issue:

- Adjunct Membership requires approval by the Board of Directors.
- Whether it is in the best interest of ERCOT for Panda Powers' application to be approved.

Alternatives:

- Approve Adjunct Membership for Panda Power; or
- Deny Adjunct Membership for Panda Power. If Adjunct Membership is denied, Panda Power will not be a member of ERCOT.

Conclusion/Recommendation:

Approve Panda Power as an Adjunct Member of ERCOT for Membership Year 2011.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, Panda Power Funds (Panda Power) does not meet the Segment requirements for Membership in Electric Reliability Council of Texas, Inc. (ERCOT) for Membership Year 2011;

WHEREAS, after due consideration of the alternatives, the ERCOT Board of Directors (Board) deems it desirable and in the best interest of ERCOT to approve Panda Power as an Adjunct Member of ERCOT for Membership Year 2011; and

THEREFORE, BE IT RESOLVED, that ERCOT is hereby authorized and approved to grant Adjunct membership status to Panda Power for Membership Year 2011.

CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its December 14, 2010 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of December, 2010.

Bill Magness
Corporate Secretary