



**Date:** March 15, 2011  
**To:** Board of Directors  
**From:** Andrew Dalton, H.R. and Governance (HR&G) Committee Chair  
**Subject:** HR&G Committee Charter

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors Meeting Date:** March 22, 2011

**Agenda Item No.:** 10a

**Issue:**

Whether to approve any or all of the ERCOT staff-proposed HR&G Committee Charter revisions, and whether to recommend and approve any other changes to the Charter.

**Background/History:**

The HR&G Committee Charter is reviewed annually and updated as needed. ERCOT staff has reviewed the document and respectfully propose several minor changes and clarifications. ERCOT staff-proposed revisions are identified in red-lined and clean versions in Attachment A.

The HR&G Committee reviewed these proposed changes at their meetings on January 17, 2011, with the exception of the language related to quorums as noted in the red-lined version of the proposed HR&G Committee Charter, which will be considered at the March 21, 2011 HR&G Committee meeting. The HR&G Committee is expected to recommend that the Board of Directors (Board) adopt, reject, or amend the revisions at the March 22, 2011 Board meeting.

**Key Factors Influencing Issue:**

The HR&G Committee Charter identifies the functions that the HR&G Committee is to perform and is reviewed annually to ensure that the HR&G Committee continues to address relevant issues and to assist the Board in providing necessary oversight consistent with fiduciary duties.

**Alternatives:**

1. Approve the proposed HR&G Committee Charter amendments as recommended by the HR&G Committee;
2. Leave the HR&G Committee Charter in its current form; or
3. Remand the HR&G Committee Charter to the HR&G Committee with instructions.

**Conclusion/Recommendation:**

The HR&G Committee will review these proposed changes at their meeting on March 21, 2011, and is expected to recommend to the Board of Directors whether any HR&G Committee Charter revisions should be made. If the HR&G Committee recommends revisions to the HR&G Committee Charter, then it is expected that the HR&G Committee will recommend that the revisions become effective upon approval by the Board.



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

WHEREAS, after its meeting on March 21, 2011, the Human Resources and Governance (HR&G) Committee of the Board of Directors of Electric Reliability Council of Texas, Inc. (ERCOT) has recommended revisions to the HR&G Committee Charter consistent with the document appended to this resolution and incorporated as Attachment A hereto;

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to revise the HR&G Committee Charter as recommended by the HR&G Committee; and

THEREFORE, BE IT RESOLVED, that the HR&G Committee Charter is revised consistent with Attachment A, to be effective immediately.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its March 22, 2011 meeting, the ERCOT Board passed a motion approving the above Resolution by \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of March, 2011.

\_\_\_\_\_  
Bill Magness  
Corporate Secretary