



**MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive, Room 206
Austin, Texas 78744
February 14, 2011 at 1:00 p.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 Director
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 (CEO)
Doll, Laura (Chair)		Unaffiliated Director
Dreyfus, Mark	Austin Energy	Municipal
Espinosa, Miguel		Unaffiliated Director
Gent, Michehl (Vice Chair)		Unaffiliated Director
Givens, Sheri	Office of Public Utility Counsel	Consumer/Residential
Helton, Bob	IPR-GDF SUEZ North America	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Commissioner (Alternate Representative for Barry T. Smitherman, Chairman)
Patton, A.D.		Unaffiliated Director
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer
Zlotnik, Marcie	StarTex Power	Independent Retail Electric Provider



Guests:

Brown, Jeff	Shell Energy North America (US) (Segment Alternate)
Cobos, Lori	ERCOT Associate Corporate Counsel
Cleary, Mike	ERCOT Senior Vice President and Chief Operating Officer
Day, Betty	ERCOT Director of Commercial Market Operations
Dumas, John	ERCOT Director of Wholesale Market Operations
Gage, Theresa	ERCOT Director of External Affairs
Gresham, Kevin	E.ON Climate & Renewables NA (Segment Alternate)
Hendrick, Eric	Stream Energy (Segment Alternate)
Hobbs, Kristi	ERCOT Manager of Market Rules
Leady, Vickie	ERCOT Assistant General 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
Petterson, Mike	ERCOT Vice President of Finance and Treasury
Ogelman, Kenan	CPS Energy – Technical Advisory Committee (TAC) Vice Chair
Prochazka, Scott	CenterPoint Houston Electric (Segment Alternate)
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning
Seely, Chad	ERCOT Assistant General Counsel
Wullenjohn, Bill	ERCOT Director of Internal Audit

Call Open Session to Order and Announce Proxies (Agenda Item 1)

Chairman Laura Doll determined a quorum was present and called the meeting to order at approximately 1:00 p.m. Chairman Doll noted the Antitrust and Security Admonitions and asked each Board Member to introduce themselves.

Chairman Doll announced that the Special Board Meeting would focus exclusively on reviewing the February 2, 2011 Energy Emergency Alert (EEA) event and that Trip Doggett, ERCOT President and CEO, would be providing the Board with a presentation on this matter. She added that this presentation was posted publicly on ERCOT's website.

Chairman Doll further announced that the Board would not be convening in Executive Session and would not be taking any action at the meeting.

Review of February 2, 2011 Energy Emergency Alert (EEA) Event (Agenda Item 2)

Mr. Doggett presented a review of the February 2, 2011 EEA Event.

Chairman Doll announced that the Board, with the assistance of ERCOT staff, would be focusing on three key areas related to this EEA event in the next few weeks – Communications, Operations and Credit. She added that these areas would be addressed as follows:

- Communications – A task force comprised of Jean Ryall (lead), Marcie Zlotnik, Sheri Givens, Mark Dreyfus, and Calvin Crowder would review the communication procedures



followed for the EEA event, address best practices going forward, and review and provide input on ERCOT's overall communications plan.

- Operations – A task force comprised of Michehl Gent (lead), A.D. Patton, and Clifton Karnei would review operations matters related to the EEA event.
- Credit – The Finance and Audit (F&A) Committee would review the EEA event and its impact on credit.

Chairman Doll requested that these Communications and Operations task forces and the F&A Committee provide a status report to the Board on their respective subjects at the March 2011 Board meeting. Chairman Doll clarified that the work of these groups was not intended to displace or replace any of the work of the Technical Advisory Committee (TAC) and its subcommittees and working groups.

Chairman Doll then requested comments and questions from each Board member, which they provided. Mr. Doggett responded to the Board members' comments and questions. The following specific direction was provided by the Board members:

- Mr. Karnei requested that Kent Saathoff, ERCOT Vice President of Grid Operations and System Planning, provide the number of megawatts (MWs) of additional responsive reserves that were procured on February 1, 2011 by ERCOT.
- Mr. Dalton requested that Mr. Doggett add January 8, 2010 and January 9, 2010 to the analysis of whether the generation units affected on January 13, 2011 were the same or different generation units affected on February 2, 2011, including an evaluation of wind chill on these days.
- Mr. Crowder requested that Mr. Doggett evaluate whether emergency interruptible loads (EILS) is being interrupted in the right sequence relative to other loads.
- Jorge Bermudez recommended that ERCOT focus on defining enterprise risk management going forward.
- PUCT Commissioner Donna Nelson emphasized the importance of the ERCOT Board and ERCOT staff moving quickly to address the concerns of the Legislature, Governor, and public and requested that Mr. Doggett outline a process to ensure that ERCOT has the staff in place to answer questions from the public and press.
- Mr. Gent requested that a group, such as the Regional Planning Group (RPG), take a closer look at the regional winter and summer seasonal assessments and present the findings to the Board on a going forward basis.
- Ms. Givens requested that ERCOT, the PUCT, and Market Participants contact OPUC if there is communication that needs to be provided to residential and small business consumers regarding emergency events in the future.
- Dr. Patton requested that Mr. Saathoff provide the number of committed generation units that were unable to come online versus the number of committed generation units that tripped offline after coming online.
- Bob Helton requested that the Operations group look at whether EILS should be utilized earlier in the EEA process, such as during EEA Level 1, from a reliability standpoint and encouraged ERCOT to establish of an emergency response plan organization along with its communications plan.



- Ms. Zlotnik recommended that ERCOT develop information packets that outline the emergency event process and responsibilities as part of its communications plan to help ERCOT be better prepared to address emergency events in the future.

Chairman Doll deferred to the leads of the Communications and Operations groups to determine which group should examine operational communication. Chairman Doll concluded the discussion by noting that a Senate hearing would be held on February 15, 2011 and a House hearing would be held on February 16, 2011.

Other Business (Agenda Item 3)

There was no other business considered at this time.


Executive Session; Vote on Matters from Executive Session (Agenda Items 4-8)

No Executive Session was convened.

Adjournment (Agenda Item 9)

Mr. Crowder made a motion to adjourn the Special Board meeting and Ms. Ryall seconded the motion. Chairman Doll adjourned the meeting at approximately 3:07 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