



**DRAFT MINUTES OF THE HUMAN RESOURCES & GOVERNANCE COMMITTEE
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas Inc.
7620 Metro Center Drive, Room 206
Austin, Texas 78744
March 21, 2011

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Human Resources and Governance (HR&G) Committee of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

Meeting Attendance:

Committee Members:

Director	Affiliation	Segment
Bivens, Danny	Office of Public Utility Counsel	Designated Alternate Representative for Sheri Givens-Consumer/Residential
Dalton, Andrew (Chairman)	Valero Services, Inc.	Industrial Consumer
Doll, Laura	Unaffiliated Director	Unaffiliated Director, Board Chairman
Gent, Michehl	Unaffiliated Director	Unaffiliated Director, Board Vice Chairman
Helton, Bob	IPR –GDF SUEZ North America	Independent Generator
Patton, A.D. (Vice Chairman)	Unaffiliated Director	Unaffiliated Director
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer

Other Board Members and Segment Alternates:

Director	Affiliation	Segment
Bermudez, Jorge	Unaffiliated Director	Unaffiliated Director
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility (beginning with Agenda Item 3)
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Espinosa, Miguel	Unaffiliated Director	Unaffiliated Director
Fehrenbach, Nick	City of Dallas	Commercial Consumer (Agenda Items 1 through 5)
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative



Smitherman, Barry T.	Public Utility Commission of Texas (PUCT)	Chairman
Zlotnik, Marcie	StarTex Power	Independent Retail Electric Provider
Brown, Jeff	Shell Energy North America (US) LP	Segment Alternate – Independent Power Marketer
Gresham, Kevin	E.ON Climate & Renewables NA LLC	Segment Alternate – Independent Generator
Hendrick, Eric	Stream Energy	Segment Alternate – Independent Retail Electric Provider

ERCOT Staff and Guests:

Cobos, Lori	ERCOT Associate Corporate Counsel
Cleary, Mike	ERCOT Senior Vice President and Chief Operations Officer
Day, Betty	ERCOT Director of Commercial Market Operations
Hobbs, Kristi	ERCOT Manager of Market Rules
Ierullo, Bruno	ERCOT Director of Human Resources
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
Nelson, Donna	Public Utility Commission of Texas – Commissioner
Pettersen, Mike	ERCOT Vice President of Finance and Treasury
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning
Wullenjohn, Bill	ERCOT Director of Internal Audit

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

Chairman Dalton determined that a quorum was present and called the HR&G Committee meeting to order at approximately 3:03 p.m. No proxies were announced.

Barry T. Smitherman, Chairman of the Public Utility Commission of Texas (PUCT, Commission), called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for March 21, 2011.

Approval of February 14, 2011 Meeting Minutes (Agenda Item 2)

Chairman Dalton entertained a motion to approve the February 14, 2011 HR&G Committee General Session Meeting Minutes (Minutes).

Laura Doll moved to approve the Minutes as presented. Dr. Patton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Personnel Update including Human Resources (HR) Operations Report (Agenda Item 3)

Bruno Ierullo provided a Personnel Update to the Committee members and discussed the new monthly Human Resources (HR) Operations Report that will be provided to the Committee



members on a going forward basis. No comments or questions were voiced by the Committee members.

Recommendation regarding 2011 Key Performance Indicators (KPIs) (Agenda Item 4)

Mr. Ierullo discussed recommendations regarding the 2011 KPIs with the Committee members and agreed to incorporate the Committee members' feedback into final, more robust 2011 KPIs for Committee approval at the April 2011 HR&G Committee meeting.

Report on Adoption of Public Utility Commission of Texas (PUCT) Rule on ERCOT Oversight (Agenda Item 5)

Bill Magness provided a report to the Committee members on the recently adopted PUCT Rules on ERCOT oversight that would be effective on March 22, 2011.

Periodicity of Future Meetings (Agenda Item 5a)

Mr. Magness discussed the new PUCT rule provision that requires ERCOT to review the periodicity of its Board of Directors meetings. Ms. Doll requested that Mr. Magness evaluate the cost of meetings and survey other Independent System Operators (ISOs) and Regional Transmission Organizations (RTOs) to determine what their bylaws provide about the frequency and structure of Board of Director meetings. Ms. Doll also requested that Trip Doggett and Mr. Magness provide a specific list of standing items that the Board of Directors must review on an annual basis, along with related deadlines and target dates, in a chart similar to the Finance and Audit (F&A) Committee Calendar to the Committee members at the April 2011 HR&G Committee meeting.

Chairman Dalton asked Kristi Hobbs to provide information regarding the items that the Technical Advisory Committee (TAC) is required to review on an annual basis to assist with the review of the frequency of Board of Director meetings at the April 2011 HR&G Committee Meeting.

Review Proposed 2011 Committee Calendar (Agenda Item 6)

Chairman Dalton noted that the 2011 HR&G Committee Calendar had been re-formatted to reflect the Committee's responsibilities in the HR&G Committee Charter.

Future Agenda Items (Agenda Item 6a)

No future agenda items were discussed.

Recommendation regarding Committee Charter (Agenda Item 7)

Chairman Dalton presented the HR&G Committee Charter for Committee approval, noting that the Charter contained proposed revisions related to the quorum requirement language. Vickie Leady explained that the proposed language stated that fifty percent (50%) of the Committee members gathering to transact the business of the HR&G Committee would constitute a quorum and that the proposed language was consistent with the quorum requirement in the F&A Committee Charter and ERCOT Bylaws.



Bob Helton made a motion to recommend Board approval of the 2011 HR&G Committee Charter with the proposed quorum requirement language. Chairman Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Benefits Committee Annual Status Report (Agenda Item 8)

Mr. Ierullo provided the Benefits Committee Annual Status Report to the Committee members. No comments or questions were voiced by the Committee members.

Update on Strategic Planning Event (Agenda Item 9)

Chairman Dalton solicited feedback from the Committee members about whether a 2011 Strategic Planning Event should be held by the Board. After some discussion about the timing of the event among the Committee members, Chairman Dalton decided to revisit the issue at the June 2011 HR&G Committee meeting.

Other Business (Agenda Item 10)

No other business was discussed at this time.

Chairman Dalton adjourned the General Session into Executive Session at approximately 4:22 p.m. and adjourned the Executive Session at approximately 6:15 p.m. Chairman Dalton reconvened the General Session at approximately 2:48 p.m. the following day on March 22, 2011.

Vote on Matters from Executive Session (Agenda Item 16)

Michehl Gent made a motion to ratify Mark Ruane as Vice President of Credit and Enterprise Risk Management and Mike Petterson as Vice President of Finance and Treasury. Dr. Patton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjourn (Agenda Item 17)

Chairman Dalton adjourned the Committee meeting at approximately 2:50 p.m. on March 22, 2011.

Committee materials and presentations from the meeting are available on ERCOT's website at http://www.ercot.com/committees/board/hr_governance/.

Lori Cobos
Associate Corporate Counsel