



Date: April 12, 2011
To: Board of Directors
From: Bruno Ierullo, Director of Human Resources
Subject: Ratification of Benefits Committee Members

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: April 19, 2011

Agenda Item No.: 20

Issue:

Whether to ratify the following officers as additional voting members of the Benefits Committee: Vice President of Human Resources and Chief Compliance Officer; and Vice President of Finance and Treasury.

Background/History:

On October 20, 2009, the ERCOT Board of Directors (Board) ratified the following positions as members of the Benefits Committee: President and Chief Executive Officer; Vice President and Chief Administrative Officer; Vice President and Chief Financial Officer; Vice President and General Counsel; and Senior Vice President and Chief Operating Officer. Since that time, the position of Vice President and Chief Administrative Officer and the position of Vice President and Chief Financial Officer have been eliminated. Responsibility for oversight of ERCOT's Human Resources Department has been shifted to the Vice President of Human Resources and Chief Compliance Officer. The Vice President of Finance and Treasury oversees ERCOT's Budget and Finance Administration Department and Accounting and Financial Reporting Department.

Key Factors Influencing Issue:

Pursuant to the Employee Retirement Income Security Act (ERISA) and pertinent case law, any individual who exercises discretionary control over (i) the management of a covered employee benefit plan or (ii) management or disposition of plan assets, is deemed a fiduciary who must administer the plan prudently for the benefit of participants of such plan. This fiduciary responsibility must be exercised by individuals who have a level of education, knowledge and experience that allows them to make proper decisions for the benefit of plan participants. Individuals who are qualified to hold the positions of Vice President of Human Resources and Chief Compliance Officer and Vice President of Finance and Treasury have been selected for their positions based on significant education, knowledge and experience requirements and are qualified to exercise these responsibilities.

Alternatives:

- Ratify the designated list of ERCOT officers to serve as members of the Benefits Committee;
- Designate a different list of ERCOT officers to serve as members of the Benefits Committee; or
- Defer any action at this time.



Conclusion/Recommendation:

ERCOT Staff respectfully recommends that the Board ratify the following officers as additional voting members of the Benefits Committee: Vice President of Human Resources and Chief Compliance Officer; and Vice President of Finance and Treasury.



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

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to ensure that administration of ERCOT's employee benefits plans is performed by individuals having a level of education, knowledge and experience that allows them to make proper decisions for the benefit of plan participants; and

WHEREAS, individuals who are qualified to hold the positions of Vice President of Human Resources and Chief Compliance Officer, and Vice President of Finance and Treasury have the requisite education, knowledge and experience;

THEREFORE, BE IT RESOLVED, that the ERCOT Board hereby ratifies as additional members of the Benefits Committee the following officers: Vice President of Human Resources and Chief Compliance Officer; and Vice President of Finance and Treasury.

CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its April 19, 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 April, 2011.

Bill Magness
Corporate Secretary