

Human Resources Governance Committee Meeting - April 18, 2011
Anticipated Agenda Items for Review of Periodicity of ERCOT Board of Directors Meetings

Code	Color	Task Description	Frequency	Source	J	F	M	A	M	J	J	A	S	O	N	D
		Codes: M=Mandatory; A=As Needed; O=Optional														
M	1	Election of Chief Executive Officer (CEO)	Annual	Bylaw 8.2												
M	1	Ratification of Officers (Other than CEO)	Annual/ As Needed	Bylaw 4.10, 8.2												
M	1	Elect Board of Directors (Board) Chair and Vice Chair	Annual	Bylaw 4.4												
M	1	Confirmation of Technical Advisory Committee (TAC) Chair and Vice Chair	Annual	Bylaw 5.1 (g)												
M	1	Confirmation of TAC Representatives	Annual	Bylaw 4.8												
M	1	Approve Proposed Budget for Following Year, including Financing Plan, as Recommended by F&A Committee [Note: Board Policies & Procedures Section 3.3 states that the CEO will present the budget by October of each year, or at such other time as directed by the Board. The Budget will be submitted for Board approval in August under the 2012 Budget Schedule.]	Annual	Bylaw 4.10 and 10.3; Board Policies & Procedures 3.3** (See Also F&A Committee Charter p. 3)												
M	1	Selection of Qualified Independent Public Accounting Firm to Audit Financial Statements as Recommended by F&A Committee	Annual	Bylaw 4.10, 10.6 (See also F&A Committee Charter p. 4)												
M	1	Board Director & Segment Alternate Ethics Agreements, possible discussion regarding vendor relationship disclosures if needed	Upon Joining Board & Annual/ As Needed	Bylaw 4.3, Board Policies & Procedures 2.6.7												
M	1	Approve Schedule of ERCOT Board Meetings for Following Year; Modify Schedule of Board Meetings	Annual/As Needed	Bylaw 4.6												
M	1	Approve CEO Employment and Terms/Termination of Employment	As needed	Bylaw 7.1, 4.10												
M	1	Adopt Policies related to Delegation of: (1) Acquisition of Real Property, (2) Sale of ERCOT Assets, (3) Execution of Contracts, (4) Large Purchases, and (5) Borrowing Money or Establishing a Line of Credit in ERCOT's Name	Periodic	Bylaw 4.10												
M	1	Recommend Amendments to Bylaws to Corporate Members	As Needed	Bylaw 13.1												
A	1	Recommend Amendments to Articles of Incorporation to Corporate Members	As Needed	Bylaw 13.2												
M	1	Set Unaffiliated Director Compensation	As Needed/ Historically Every 3 Years	Bylaw 10.1(b), Board Policies & Procedures 2.8, and HR&G Charter - Future Planned Agenda Items Chart												
M	1	Set Compensation for Appointed Residential Consumer TAC Representative	Annual	Bylaw 10.1 (c); Board Policies & Procedures 2.9												
M	1	Hear CEO Annual and Periodic Report concerning ERCOT activities	Annual/Monthly	Bylaw 7.1												
M	1	Approve and Ratify Initiation of Non-routine Filings Seeking Regulatory Action by a Regulatory Agency and Lawsuit	As Needed	Bylaw 4.10; Board Policies & Procedures 2.4.2 and 2.4.3												
A	1	Approve TAC Recommendations on Expenditures and Projects, Review TAC-Approved Guidelines, Criteria, and other Actions, Approve TAC Recommendations	As Needed	Bylaw 5.2												
M	1	Hear TAC, F&A Committee, Human Resource and Governance (HR&G) Committee Updates	As Needed	Bylaw 5.2, F&A Committee Charter p. 6, HR&G Committee Charter p. 3,												
M	1	Executive Session Matters (Personnel, Compliance, Risk Management, Litigation and Contracts Matters)	As Needed	Bylaw 4.6(e), Board Policies & Procedures 1.4 and 2.3												
M	2	Operating Reports (Financial Summary Report, External Affairs Update, Wholesale Market Operations Report, Commercial Market Operations Report, Grid Operations and Planning Report, IT & Facilities Report, and Business Integration Update)	As Needed	Board Policies & Procedures 2.3												

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O	2	Approval of Key Performance Indicators (KPIs)	Annual/ As Needed	No Specific Source, Indirectly required by Board Policies & Procedures 2.1												
M	2	Set Date and Location of Annual Meeting of Corporate Member; Modify Date or Location of Annual Meeting	Annual/ As Needed	Board Policies & Procedures 7.1 **												
M	2	Review and Approve Revisions to Board Policies & Procedures	Annual (at or before Strategic Planning Mtg)	Board Policies & Procedures 9.1 *												
M	2	Compliance and Enterprise Risk Management (ERM) Update	Periodic	No Specific Source - Indirectly referenced in Board Policies & Procedures 3.5												
O	2	Board Strategic Planning Event	Annual	No Specific Source												
M	2	Committee Member Preferences/Assignments	Annual	F&A and HR&G Committee Charters												
M	2	Approve Purchase of Goods or Services or Contract for Purchase of Goods or Services with Value of over \$1 Million (Under Certain Circumstances) and \$3 Million	As Needed	Board Policies & Procedures 2.4.4 and 2.4.5												
M	2	Approve Sale or Pledge of Assets Valued in Excess of \$1 Million	As Needed	Board Policies & Procedures 2.4.6												
M	2	Establish a Line of Credit, Loan, or other Form of Indebtness exceeding \$1 Million	As Needed	Board Policies & Procedures 2.4.7												
M	2	Upon Termination or Liquidation of ERCOT, consistent with Applicable Federal and State Regulatory Requirements, Liquidate ERCOT and Dispose of its Property and Assets consistent with Texas Law	Upon Organizational Dissolution	Board Policies & Procedures 5.1												
M	2	Consider Appeal of a TAC Action on an NPRR, Nodal Operating Guide Revision Request (NOGRR), Other Binding Document Revision Request (OBDRR), and System Change Request (SCR)	As Needed	Board Policies & Procedures 8.1, Protocol 21.4.10.2, 21.8.11.3												
O	3	Approve User Fees, excluding SAF and Nodal Surcharge	As Needed	PUCT Subst. R. 25.363 (f)												
O	3	Emerging Technologies Integration Plan (ETIP)	Quarterly	PUCT Order on Rehearing in Docket No. 33672 (October 6, 2008) requires that the Quarterly Updates be filed at PUCT, rather than presented to the Board												
M	4	Approve F&A Committee Charter Changes as Recommended by F&A Committee	Annual/ As Needed	F&A Committee Charter p. 6												
M	4	Approve Changes to Investment Corporate Standard as Recommended by F&A Committee	Annual/As Needed	F&A Committee Charter p. 3												
M	4	Approve Changes to Financial Corporate Standard as Recommended by F&A Committee	Annual/ As Needed	F&A Committee Charter p. 3												
M	4	Approve Changes to Market Credit Risk Corporate Standard as Recommended by F&A Committee	Annual/ As Needed	F&A Committee Charter p. 3												
A	4	Approve Changes to Credit Policies as Recommended by F&A Committee	Periodic/ As Needed	F&A Committee Charter p. 4												
O	4	Review Internal Revenue Service (IRS) Tax Form 990 Filing (<u>Note</u> : Best Corporate Practices Would Require This Board Review)	Annual	F&A; IRS Form 990												
M	4	Acceptance of Financial Statements Audit Report as Recommended by F&A Committee	Annual	F&A Committee Charter p. 5												

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M	4	Acceptance of Statement on Standards for Attestation Engagements (SSAE) 16 Audit Report (formerly known as SAS70 Audit Report) as Recommended by F&A Committee	Annual/ As Needed	F&A Committee Charter p. 5												
M	4	Acceptance of 401(k) Savings Plan Audit Report as Recommended by F&A Committee	Annual	F&A Committee Charter p. 5												
M	4	Report Results of F&A Committee Self-Evaluation, including Recommended Membership, Charter, and other Changes	Annual	F&A Committee Charter p. 7												
A	4	Review of Disclosures related to Certain Transactions with Market Participants that are also Financial Institutions	As Needed	F&A Charter p.6												
A	4	Debt Structure as Recommended by F&A Committee	Annual/ As Needed	F&A Charter p. 4												
A	4	Reivew Five-Year Forecast and Fee Alternatives	Annual	F&A Charter												
M	4	Approve Specific Debt Financing Transactions as Recommended by F&A Committee	As Needed	F&A Committee Charter p. 3												
M	5	Approve HR&G Committee Charter Changes Recommended by HR&G Committee	Annual/ As Needed	HR&G Committee Charter p. 3; HR&G Planned Future Agenda Items Chart												
M	5	Poll regarding Board Training	Annual/ As Needed	HR&G Committee Charter p. 3; HR&G Planned Future Agenda Items Chart												
M	5	Consider Succession Planning for Unaffiliated Directors Recommendations from HR&G Committee	Annual/ As Needed	HR&G Committee Charter p. 1; HR&G Planned Future Agenda Items Chart												
M	5	Approve CEO Compensation Package, based on Performance Evaluation, as Recommended by HR&G Committee	Annual	HR&G Committee Charter p. 1, HR&G Planned Future Agenda Items Chart												
M	5	Approve Compensation of Officers (Other than CEO) as Recommended by HR&G Committee	Annual	HR&G Committee Charter p. 3, HR&G Planned Future Agenda Items Chart												
M	5	Consider Senior Management Sucession Planning Recommendations from HR&G Committee	Periodic	HR&G Committee Charter p. 1												
A	5	Consider Organizational Succession Planning Update by HR&G Committee	Periodic	HR&G Charter, Planned Future Agenda Items Chart												
M	5	Approve General Compensation Philosophy, Strategy, Policies, and Program Recommendations from HR&G Committee	Annual	HR&G Committee Charter p. 2												
M	5	Approve Employee Compensation and Benefit Strategies, including Employee Benefit Plans, as Recommended by HR&G Committee	Annual/As Needed	HR&G Committee Charter p. 1												
M	5	Approve Overall Board Governance Structure, including Number, Focus, and Membership of Board Committees and Subcommittees, Recommendations from HR&G Committee - includes TAC and TAC Subcommittee Structure	Periodic/ As Needed	HR&G Committee Charter p. 2, HR&G Future Planned Agenda Items Chart												
M	5	Review ERCOT Five-Year Strategic Plan	Annual	HR&G												
M	5	Benefits Committee Status Report	Annual/ As Needed	HR&G												
M	5	Ratification of Benefits Committee	Annual	HR&G												
M	5	Consider Risk Issues related to Staffing Levels Identified by HR&G Committee	As Needed	HR&G Committee Charter p. 3												

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M	5	Report Results of HR&G Committee Self-Evaluation, including Recommended Membership, Charter, and other Changes	Annual	HR&G Committee Charter p. 4												
M	6	Review ERCOT Crisis Communications Procedures	Annual	Crisis Communications Procedures Section 12												
M	7	Approve Regional Planning Group (RPG) Charter and Procedures and Revisions	Periodic	RPG Charter and Procedures p. 4												
M	8	Approve Changes to System Administrative Fee (SAF) or Nodal Surcharge	Periodic/As Needed	Protocol 9.16, PUCT Subst. R. 25.363, PUCT Nodal Surcharge Orders												
M	8	Approve Nodal Protocol Revision Requests (NPRRs), Nodal Operating Guide Revisions Requests (NOGRRs), Other Binding Document Revision Requests (OBDRRs), and System Change Requests (SCRs) as Recommended by TAC or Modified by the Board	Periodic/As Needed	Protocol 21.4.9 and 21.8.9, Guides												
M	8	Approve Withdrawal of an NPRR, NOGRR, OBDRR, or SCR that has been Recommended by TAC for Board Approval, but not Approved by the Board	Periodic	Protocol 21.4.2(2) and 21.8.2(3); Guides												
M	8	Approve Minimum Ancillary Services Methodology and Monthly Percentage of Load Resources, Controllable Load Resources, and DC Ties allowed to provide RRS	Periodic	Protocol 3.16(3)												
M	8	Approval of Addition, Deletion, or Change of Load Zone	Periodic	Protocol 3.4.2(1)												
M	8	Endorsement of Tier 1 Projects (estimated cost is \$50,000,000 or greater) - ERCOT must make a reasonable effort to present the Tier 1 projects to TAC and the ERCOT Board at the next regularly scheduled meeting following the completion of its Independent Review of the project	Periodic	Protocol 3.11.4.7(2), 3.11.4.9												
M	8	Notice of Signed Reliability Must Run (RMR) Agreement - At next Board meeting after ERCOT signs an RMR Agreement	Periodic	Protocol 3.14.1.3												
M	8	No later than 90 days after the execution of an RMR Agreement, ERCOT shall Report to the Board a list of feasible alternatives that may, at a future time, be more cost-effective than the continued renewal of the existing RMR agreement	Periodic	Protocol 3.14.1.4												
M	8	Approve Changes to Competitive Constraints	Periodic	Protocol 3.19												
M	8	Approve RMR and MRA Exit Strategy	Periodic	Protocol 3.14.1.7(2)												
M	8	Approve Generation Resource Capacity from Intermittent Renewable Resources (IRRs)	Periodic	Protocol 3.2.1(4)												
M	8	Approve "Disclosure Area" (i.e., a geographical area of the ERCOT Region) as Defined by TAC - the "Disclosure Area is used for posting 15 Minute Settlement Interval data on the MIS Public Area after the execution of SCED	Periodic	Protocol 3.2.5(1)												
M	8	Approve Changes to Market Participant Standard Form Agreement and Fees	Periodic	Protocol 2.1 and 16.1(3)(b)												
M	8	Approve Procedures for Setting Nodal Day-Ahead Market Credit Requirements as Recommended by TAC	Annual	Protocol 4.4.10(6)(ii)												
M	8	Approve Changes to Variable that Define the pre-DAM Credit Validation Process	Annual	Protocol 4.4.10(7)												
M	8	Approve Changes to DAM Locational Marginal Prices (LMPs), Market Clearing Prices for Capacity (MCPCs), and Settlement Point Prices due to Significant Affect of Software or Data Error	Periodic	Protocol 4.5.3 (5)												
M	8	Approve Changes to Real-Time LMPs, Supplemental Ancillary Services Market (SASM) MCPCs, and Settlement Point Prices due to Significant Affect of an Error	Periodic	Protocol 6.3(4)												

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M	8	Approve Values Assigned to Maximum Shadow Price Caps and Effective Date for Application of the Maximum Shadow Price Caps	Periodic	Protocol 6.5.7.1.11(5)												
M	8	Approve Final Methodology for Setting Maximum Shadow Prices for Network Constraints and Power Balance Constraint as Recommended by TAC	Periodic	Protocol 6.5.7.1.11(4)												
M	8	Approve Point-to-Point (PTP) Obligations	Periodic	Protocol 7.5.1(4)(c) and (d)												
M	8	Approve Changes to Values used in PTP Obligation Credit Requirements as Recommended by TAC	Annual	Protocol 7.5.5.3(1)(a)(iii)												
M	8	Approve the Extension of the Method for Distributing Congestion Revenue Rights (CRR) Auction Revenues or Ratify an Alternative Method for Distributing CRR Auction Revenue	Before end of 3 yr period after Nodal Market Implementation	Protocol 7.5.7(2)												
A	8	Direct ERCOT to Suspend Issuance of Settlement Statement for Day-Ahead Market (DAM) to address Unusual Circumstances	Periodic	Protocol 9.2.9												
A	8	Direct ERCOT, in its Discretion, to Run a Resettlement of any Operating Day, at any time, to address Unusual Circumstances	Periodic	Protocol 9.5.69(1)												
A	8	Direct ERCOT to Suspend Issuance of Settlement Statement for Real-Time Market (RTM) to address Unusual Circumstances	Periodic	Protocol 9.5.12												
M	8	Approve Wide Area Network (WAN) Fee	Periodic	Protocol 9.16.3												
M	8	Approve Permanent Exemption from Section 10 of Protocols, Metering, requirements	Periodic	Protocol 10.14.1												
M	8	Adopt ERCOT Creditworthiness Standards	Periodic	Protocol Section 16												
M	8	Approve Standard Guarantee Form and Letter of Credit	Periodic	Protocol 16.11.3												
M	8	Approve Changes to Values used in Calculations used to Determine Counter-Party Future Credit Exposure	Periodic	Protocol 16.11.4.5(2)												
M	8	Approve Schedule for Submission of Reports related to Market Monitoring and Data Collection to PUCT Staff, Independent Market Monitor (IMM), and Federal Energy Regulatory Commission (FERC)	Periodic	Protocol 17.5(2)												
M	8	Approve Resolution of an Alternative Dispute Resolution (ADR) Dispute arising from an Error in a manner that deviates from normal application of the Protocols	Periodic	Protocol 20.8(3)												
M	8	Approve Project Prioritization as Recommended by TAC or Modified by Board, Reject TAC's Project Prioritization Recommendations, or Remand TAC's Project Prioritization Recommendations back to TAC	Periodic	Protocol 21.9												
M	8	Approve RMR Agreements with a Term Longer than (1) One Year	Periodic	Protocol Section 22, Attachment B												
M	8	Approve Standard Form Synchronous Condenser Agreement with a Term Longer than (1) One Year	Periodic	Protocol Section 22, Attachment F												
M	9	Loss of Load Events (LOLEV) Study	No later than Nov. 15, 2012	November 30, 2010 Board Resolution												

Preliminary Draft for the Purpose of Soliciting Feedback from HR&G Committee

** = Indicates that a more defined deadline is set forth in the Board Policies & Procedures

Bylaw 4.6 (a) requires that a Board Meeting be held at least Quarterly, with at least (1) one Board meeting occurring in conjunction with the Annual Meeting of Corporate Members

Bylaw 3.7 requires that the Corporate Members meet at least Annually on a date and at a place established by the Board (Historically held in December)

This chart does not reflect those items that may also require approval by the Public Utility Commission of Texas. The chart was developed primarily to focus on the items that require Board approval for the purpose of reviewing the periodicity of Board meetings.

Sources	Color Code
Bylaws	1
Board Policies and Procedures	2

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		PUCT Rule	3															
		F&A Charter or Planned Future Agenda Items Chart	4															
		HR&G Charter or Planned Future Agenda Items Chart	5															
		Crisis Communications Procedures	6															
		RPG Charter and Procedures	7															
		Protocols	8															
		Board Resolution	9															