



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

Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive, Room 206
Austin, Texas 78744
April 19, 2011

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. After meeting in Executive Session, the ERCOT Board met in General Session.

Meeting Attendance:

Board Members:

Director	Affiliation	Segment
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility (IOU)
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO)
Doll, Laura	Unaffiliated Director	Unaffiliated Director, Board Chairman (Proxy for Andrew Dalton)
Dreyfus, Mark	Austin Energy	Municipal (Except Agenda Items 9 and 10)
Espinosa, Miguel	Unaffiliated Director	Unaffiliated Director (Proxies for Jorge Bermudez and Nick Fehrenbach)
Gent, Michehl	Unaffiliated Director	Unaffiliated Director, Board Vice Chairman
Givens, Sheri	Office of Public Utility Counsel	Consumer/Residential
Helton, Bob	IPR-GDR SUEZ North America	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Patton, Dr. A.D.	Unaffiliated Director	Unaffiliated Director
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer (IPM)
Smitherman, Barry T.	Public Utility Commission of Texas (PUCT)	Chairman (Except for Agenda Item 12g)
Zlotnik, Marcie	StarTex Power	Independent Retail Electric Provider (IREP)

Guests:

Brown, Jeff	Shell Energy North America (US) (IPM Segment Alternate)
Day, Betty	ERCOT Director of Commercial Market Operations
Dumas, John	ERCOT Director of Wholesale Market Operations
Cleary, Mike	ERCOT Senior Vice President and Chief Operating Officer



Cobos, Lori	ERCOT Associate Corporate Counsel
Gage, Theresa	ERCOT Director of External Affairs (Agenda Items 4 through 5b only)
Gresham, Kevin	E.ON Climate & Renewables NA (Independent Generator Segment Alternate)
Hendrick, Eric	Stream Energy (IREP Segment Alternate)
Hobbs, Kristi	ERCOT Manager of Market Rules
Jones, Brad	Luminant Energy, Technical Advisory Committee (TAC) Chair
Jones, Dan	Potomac Economics, Independent Market Monitor (IMM)
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Lowe, Cagle	ERCOT (Interim) Director of Business Integration
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer
Mickey, Joel	ERCOT Director of Grid Operations
Morgan, Richard	ERCOT Vice President and Chief Information Officer
Nelson, Donna	Public Utility Commission of Texas - Commissioner (Except for Agenda Item 12g)
Ogelman, Kenan	CPS Energy, TAC Vice Chair
Patterson, Mark	ERCOT Manager of Demand Response
Petterson, Mike	ERCOT Vice President of Finance and Treasury
Prochazka, Scott	CenterPoint Houston Electric (IOU Segment Alternate)
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning
Seely, Chad	ERCOT Assistant General Counsel

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

Laura Doll, Board Chairman, determined that a quorum was present and called the meeting to order at approximately 8:31 a.m. Chairman Doll called for a Board member roll call and each Board member in attendance introduced themselves, along with their affiliation and segment if applicable. Chairman Doll noted the Antitrust and Security Admonitions and requested notice if there were any such concerns during the discussion in the meeting.

Chairman Doll then announced that she held a proxy for Andrew Dalton and Miguel Espinosa held proxies for Jorge Bermudez and Nick Fehrenbach. Chairman Doll noted that the Consent Agenda would be eliminated from the meeting agenda on a going forward basis.

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 April 19, 2011.

Convene to Executive Session (Agenda Items 2-8)

Chairman Doll adjourned the meeting into Executive Session at approximately 8:35 a.m. and reconvened Open Session at approximately 10:15 a.m. Chairman Doll addressed the following Agenda Items in the order below.



Vote on Matters from Executive Session (Agenda Item 9)

Michehl Gent moved to approve the litigation and regulatory matters discussed in Executive Session under Agenda Item 7. Miguel Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions. Mark Dreyfus was not present for the vote.

Approval of March 22, 2011 Board of Director Meeting Minutes (Agenda Item 10)

Chairman Doll entertained a motion to approve the March 22, 2011 Board of Directors General Session meeting minutes (Minutes) as presented.

Bob Helton moved to approve the Minutes as presented. Mr. Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions. Mr. Dreyfus was not present for the vote.

Chief Executive Officer (CEO) Update (Agenda Item 11)

Trip Doggett, ERCOT CEO, provided the CEO Update to the Board members and responded to questions and comments from the Board members. Mr. Doggett recognized Clayton Greer, with Morgan Stanley, for his leadership and work on recent Point-to-Point (PTP) Obligation issues and John Dumas, ERCOT Director of Wholesale Market Operations, for receiving a 2011 Utility Wind Integration Group Technical Achievement Honoree Award for his leadership on renewable generation issues.

Operating Reports/Updates (Agenda Item 12)

Financial Summary Report (Agenda Item 12a)

Mike Petterson, ERCOT Vice President of Finance and Treasury, provided the Financial Summary Report to the Board members and responded to comments and questions from the Board members.

External Affairs Update (Agenda Item 12b)

Theresa Gage, ERCOT Director of External Affairs, provided the External Affairs Update to the Board members and responded to comments and questions from the Board members.

Wholesale Market Operations Update (Agenda Item 12c)

John Dumas, ERCOT Director of Wholesale Market Operations, invited comments and questions from the Board members on the monthly Wholesale Market Operations Report. No comments or questions were voiced by the Board members. Mr. Dumas then provided an overview of the oscillation of West to North constraint issue and responded to comments and questions from the Board members.

Commercial Market Operations Report (Agenda Item 12d)

Betty Day, ERCOT Director of Commercial Market Operations, provided the Commercial Market Operations Report to the Board members and responded to comments and questions from the Board members.

Grid Operations and Planning Report, including a Summer Assessment (Agenda Item 12e)

Kent Saathoff, ERCOT Vice President of Grid Operations and System Planning, provided the Grid Operations and Planning Report to the Board members and responded to comments and questions from the Board members. Joel Mickey, ERCOT Director of Grid Operations, provided an overview of the 2011 Summer Assessment and responded to questions and comments from the Board members.



Information Technology (IT) and Facilities Report (Agenda Item 12f)

Richard Morgan, ERCOT Vice President and Chief Information Officer, provided the IT and Facilities Report to the Board members and responded to comments and questions from the Board members.

Independent Market Monitor (IMM) Report (Agenda Item 13)

Dan Jones, IMM, provided the IMM Report to the Board members and responded to comments and questions from the Board members.

Lunch (Agenda Item 15)

The meeting adjourned for lunch at approximately 12:12 p.m. and reconvened at approximately 1:02 p.m.

Business Integration Update, including Data Center Update (Agenda Item 12g)

Cagle Lowe, ERCOT Director of Business Integration, provided the Business Integration Update to the Board members and responded to comments and questions from the Board members.

Technical Advisory Committee (TAC) Update (Agenda Item 14)

Brad Jones, TAC Chair, provided the TAC Update to the Board members and responded to comments and questions from the Board members.

Nodal Protocol Revision Requests (NPRRs)

Mr. B. Jones, TAC Chair, and Kenan Ogelman, TAC Vice Chair, presented the following NPRRs for Board approval.

Unanimous NPRRs (Agenda Item 14a)

Mr. B. Jones presented a group of NPRRs that were unanimously recommended by TAC for Board approval:

- NPRR290, ERCOT Publication of DAM PSS/E Files
- NPRR294, Texas SET 4.0 Including: Acquisition and Transfer of Customers From One REP to Another; Meter Tampering Transactional Solution
- NPRR298, New Definitions Related to Black Start and Clarification to the Hourly Standby Fee Payments for Black Start Resources (formerly “New Definitions Related to Black Start”)
- NPRR301, Correct Energy Trade Language for Adjustment Period
- NPRR304, Removal of Frequency Bias Methodology Approval Requirement
- NPRR331, Addition of the Balance of the Year PCRR Allocation – URGENT
- NPRR335, TSP Request for Interval Data – URGENT
- NPRR339, Modifications to Heuristic Rules to Determine LMP at De-energized Electrical Bus and Treatment of CRR Offers at De-energized Settlement Points – URGENT
- NPRR341, Remove Ancillary Service Offers from SASM that do not Meet the Lead Time – URGENT
- NPRR343, CRR Bid and PTP Obligation Bid Criteria Change – URGENT

No comments or questions regarding the NPRRs were voiced by the Board members.



Mr. Helton made a motion to approve NPRRs 290, 298, 301, and 304 as recommended by TAC in their respective March 3, 2011 TAC Reports; NPRRs 331, 335, 339, 341, and 343 as recommended by TAC in their respective April 7, 2011 TAC Reports; and NPRR294 as amended by the March 29, 2011 Retail Market Subcommittee's (RMS) comments. Dr. Patton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Non-Unanimous NPRRs (Agenda Item 14b)

Mr. Ogelman presented the NPRRs that were not unanimously recommended for approval by TAC on an individual basis.

NPRR316 – Negative Self-Arranged Ancillary Services Quantity (formerly “Negative Self-Arranged Ancillary Services”) – URGENT

Dr. Patton made a motion to approve NPRR316 as recommended by TAC in the April 7, 2011 TAC Report. Calvin Crowder seconded the motion. The motion passed by unanimous voice vote (including Mr. Espinosa's proxy votes on behalf of Mr. Bermudez and Mr. Fehrenbach) with one abstention (Miguel Espinosa on his individual behalf due to his son's employment at Morgan Stanley).

NPRR320 – Minimum PTP Option Bid and Settlement (formerly “Minimum PTP Option Bids and CRR Auction Fees”) – URGENT

Sheri Givens made a motion to approve NPRR320 as recommended by TAC in the April 7, 2011 TAC Report. Mr. Crowder seconded the motion. The motion passed by voice vote with no abstentions and one opposed (Jean Ryall).

NPRR329 – Security Classification Changes for Extracts/Reports – URGENT

Mr. Helton made a motion to approve NPRR329 as recommended by TAC in the April 7, 2011 TAC Report. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

NPRR342 – Notification and Actions to Address Outcomes Inconsistent With Efficient Operation of the ERCOT Market – URGENT

Mr. Helton made a motion to approve NPRR342 as recommended by TAC in the April 7, 2011 TAC Report. Mr. Gent seconded the motion. The motion passed by voice vote with no abstentions and one opposed (Ms. Givens).

Planning Guide Revision Request (PGRR) Approved by Non-Unanimous TAC Vote (Agenda Item 14c)

PGRR002 – New Planning Guide Section 2, Definitions and Acronyms, and Section 8, Planning Reserve Margin and Associated Change Process for the PRM (formerly “New Planning Guide Section 2, Definitions and Acronyms, and Section 8, Planning Reserve Margin”).

Mr. Crowder made a motion to approve PGRR002 as recommended by TAC in the March 3, 2011 TAC Report. Mr. Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions. Mr. Helton was not present for the vote.



Finance & Audit (F&A) Committee Report (Agenda Items 18 and 18a)

Mr. Karnei, F&A Committee Chairman, reported that the F&A Committee met the prior day and highlighted the items discussed at the F&A Committee meeting for the Board members. Mr. Karnei presented the following item that the F&A Committee recommended for Board acceptance:

2010 Audited Financial Statements (Agenda Item 18a)

Mr. Karnei made a motion to recommend Board acceptance of the 2010 Audited Financial Statements in substantially the same form presented to the F&A Committee on April 18, 2011. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources & Governance (HR&G) Committee Report (Agenda Items 19, 19a and 19b)

Dr. Patton, HR&G Committee Vice Chairman, reported that the HR&G Committee met the prior day and highlighted the items discussed at the HR&G Committee meeting for the Board members. Dr. Patton presented the following items that the HR&G Committee recommended for Board approval:

2011 Key Performance Indicators (KPIs) (Agenda Item 19a)

Dr. Patton made a motion to approve the 2011 KPIs as presented. Mr. Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ratification of Officer (Agenda Item 19b)

Dr. Patton made a motion to ratify Chuck Manning as Vice President of Human Resources and Chief Compliance Officer (CCO). Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ratification of Benefits Committee Members (Agenda Item 20)

Mr. Espinosa made a motion to ratify the Benefits Committee members, which will include the Vice President of Human Resources and CCO and Vice President of Finance and Treasury. Dr. Patton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Break

Chairman Doll recessed the Board meeting for a break from approximately 2:38 p.m. to 2:50 p.m.

Wholesale Market Board Approval Items (Agenda Item 16, 16a and 16b)

Proposed Price Correction related to De-energized Settlement Points (Agenda Item 16a)

Bill Magness, Vice President-General Counsel and Corporate Secretary, provided an overview of the Proposed Price Correction related to De-energized Settlement Points to the Board members and responded to questions and comments from the Board members.

Mr. Helton made a motion to approve the Proposed Price Correction related to De-energized Settlement Points as presented. Dr. Patton seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Recommendation on Board-Approved Point-to-Point (PTP) Obligations for Balance of Year Auction (Agenda Item 16b)

Mr. Magness provided an overview of the recommendation on Board-Approved PTP Obligations for Balance of Year Auction to the Board members and responded to questions and comments from the Board members.

Mr. Helton made a motion to approve the PTP Obligations for Balance of Year Auction as presented in the revised Board Resolution. Marcie Zlotnik seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Emergency Interruptible Load Service (EILS) Update (Agenda Item 17)

Mark Patterson, ERCOT Manager of Demand Response, provided an EILS update to the Board members and responded to questions and comments from the Board members.

Future Agenda Items (Agenda Item 21)

Chairman Doll noted that the EILS Update would be added as a standing agenda item on a going forward basis.

Other Business (Agenda Item 22)

No other business was discussed at this time.

Adjournment (Agenda Item 23)

Ms. Zlotnik made a motion to adjourn the Board meeting. Mr. Crowder seconded the motion. Chairman Doll adjourned the meeting at approximately 3:35p.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