



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

WHEREAS, paragraph (4) of Nodal Protocol Section 6.5.7.1.11, Transmission Network and Power Balance Constraint Management, requires the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) approval of a final methodology for setting maximum Shadow Prices for network constraints; and

WHEREAS, the ERCOT Board deems it desirable and in ERCOT's best interest to approve the revised ERCOT Business Practice, Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch, as described in Attachment A.

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves the revised ERCOT Business Practice, Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch, as described in Attachment A to be effective on May 25, 2011, and directs the Technical Advisory Committee (TAC) to report back to the ERCOT Board on the following: (1) a recommendation for a holistic methodology for setting appropriate Shadow Price caps for constraints not resolvable by Security Constrained Economic Dispatch (SCED) and (2) a recommendation for addressing gaps between operations and planning processes to be able to identify constraints not resolvable by SCED.

CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its May 17, 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 May, 2011.

Bill Magness
Corporate Secretary