



To: Human Resources & Governance (HR&G) Committee  
From: Bill Magness, Vice President, General Counsel and Corporate Secretary  
Date: June 13, 2011  
Re: 2011 Board Training

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Please let the following serve as some ERCOT management comments and suggestions in connection with the Committee's consideration of 2011 Board training opportunities.

### **HR&G Committee Charter**

The Committee Charter provides, in part, that the Committee shall "[c]onsider Board training opportunities that could enhance the Board's performance." *See* Purpose section of Charter, page 1, paragraph 7. The Committee's functions include "[c]onsideration of necessary training to enhance the Board's performance, keeping apprised of the latest corporate governance trends and issues." *See* Duties and Responsibilities section of Charter, page 3, paragraph 12.

### **2011 Board Training Opportunities**

- **National Association of Corporate Directors (NACD) Memberships**  
At the January 17, 2011 Committee meeting, the Committee generally discussed Board training resources and National Association of Corporate Directors (NACD) membership for 2011. Currently, ERCOT pays a flat-fee membership for six Board members and staff.
- **2011 Board Strategic Planning Event**  
ERCOT management would propose holding the 2011 Board Strategic Planning Event in August 2011 as will be discussed in further detail during the June 20, 2011 Committee meeting.
- **ERCOT Operational Briefings – “Lunch-and-Learn” Sessions**  
ERCOT management would propose that ERCOT staff provide the Board with briefings on ERCOT operations (by department) in a Lunch-and-Learn format on a monthly basis beginning in September 2011 (assuming the Committee recommends the Board Strategic Planning Event to occur in August 2011), which would be scheduled immediately prior to the various Committee meetings on September 19, 2011. Otherwise, the briefings could begin in August 2011.
- **Ethics Training**  
ERCOT Legal deferred ethics training while the Legislature was in session in case the session resulted in changes to ERCOT's governing documents that should be addressed during the training. Since it now appears that there will not be such changes, ERCOT Legal would suggest that the training be conducted in conjunction with the upcoming Strategic Planning Event.

We look forward to the Committee's feedback on these topics.