



Date: June 21, 2011
To: Board of Directors
From: Bill Magness, Vice President, General Counsel and Corporate Secretary
Subject: 2011 Board Meeting Schedule

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: June 21, 2011

Agenda Item No.: 11a

Issue:

Whether the ERCOT Board of Directors (Board) should approve the cancellation of one set of Board and related Committee meetings in 2011, likely those scheduled for November 2011.

Background/History:

Public Utility Commission of Texas (PUCT) Substantive Rule 25.362(i)(5) provides that “ERCOT shall recommend annually to the commission the periodicity of governing board meetings.” Pursuant to the rule requirement, the Human Resources and Governance (HR&G) Committee of the ERCOT Board has been evaluating the periodicity of Board meetings. As part of these discussions, the HR&G Committee considered the possibility of cancelling at least one set of Board, HR&G Committee, Finance and Audit (F&A) Committee, and Nominating Committee meetings (collectively, Board/Committee Meetings) during 2011. At its May 16, 2011 meeting, the HR&G Committee unanimously voted to recommend Board approval of the cancellation of the November 2011 Board/Committee Meetings. HR&G Committee Chairman Andrew Dalton recommended that, prior to formal recommendation to the Board, the HR&G Committee further consider the cancellation of the November 2011 Board/Committee Meetings (as opposed to other remaining months in 2011) at its June 20, 2011 meeting to allow ERCOT staff to assess whether the timing of such cancellation was indeed feasible in light of potential Board or Committee approvals required by year end. The HR&G Committee is scheduled to consider this 2011 Board Meeting Schedule agenda item at its June 20, 2011 meeting and is expected to continue to recommend that one set of Board/Committee Meetings be cancelled in 2011, likely those scheduled for November 2011.

Since the May 16, 2011 HR&G Committee meeting, ERCOT staff has confirmed that the cancellation of the November 2011 Board/Committee Meetings can be accommodated without undue negative consequences. Furthermore, ERCOT staff supports and recommends the cancellation of the November 2011 Board/Committee Meetings.

Key Factors Influencing Issue:

- Based on its prior vote and ERCOT staff’s recommendation, at its June 20, 2011 meeting, the HR&G Committee is expected to recommend Board approval of the cancellation of the November 2011 Board/Committee Meetings.
- The ERCOT Bylaws, Board Policies and Procedures, HR&G Committee Charter, F&A Committee Charter and ERCOT Protocols do not specifically require the consideration of any items at the November Board and related Committee meetings. Therefore, the Board can consider the items that have been historically considered at the November Board and



Committee meetings at other Board and Committee meetings in 2011.

- The revision requests that TAC will recommend for approval at its October and November 2011 meetings could be presented for the Board's consideration at another time, such as, the December 2011 Board meeting.

Alternatives:

- Approve the cancellation of the November 2011 Board/Committee Meetings.
- Approve the cancellation of an alternative set of 2011 Board/Committee Meetings.
- Do not approve the cancellation of a Board meeting and related Committee meetings in 2011 and allow the 2011 Board Meeting Schedule to remain unchanged.

Conclusion/Recommendation:

ERCOT staff respectfully recommends that the Board approve the cancellation of the November 2011 Board/Committee Meetings. At its June 20, 2011 meeting, the HR&G Committee is expected to recommend that the Board approve the cancellation of one set of Board and related Committee meetings in 2011, likely those scheduled for November 2011.



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

WHEREAS, after due consideration of the alternatives, the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) deems it desirable and in ERCOT's best interest to accept the recommendations of ERCOT staff and the Human Resources and Governance Committee to approve the cancellation of the [November] 2011 Board and related Committee meetings.

THEREFORE, be it RESOLVED, that ERCOT hereby approves the cancellation of the [November] 2011 Board and Committee meetings.

CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its June 21, 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 June, 2011.

Bill Magness
Corporate Secretary