



**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  
June 21, 2011 at 8:30 a.m.

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.

**Meeting Attendance:**

**Board Members:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Bivens, Danny	Office of Public Utility Counsel	Alternate Representative for Sheri Givens – Residential Consumer
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility (Proxy for Michael Packard for Agenda Items 2 – second discussion, 21 and 22)
Dalton, Andrew	Valero Services, Inc.	Industrial Consumer (Beginning with Agenda Item 3 and except Agenda Items 4f and 6)
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO) (except Agenda Item 4e)
Doll, Laura (Chairman)	Unaffiliated	Unaffiliated Director
Espinosa, Miguel	Unaffiliated	Unaffiliated Director
Fehrenbach, Nick	City of Dallas	Commercial Consumer (except for Agenda Items 2 – second discussion, 21 and 22)
Gent, Michehl (Vice Chairman)	Unaffiliated	Unaffiliated Director
Helton, Bob	International Power America Services, Inc.	Independent Generator (Except for Agenda Items 10, 11, 12, and 13)
Hendrick, Eric	Stream Energy	Independent Retail Electric Provider Segment Alternate (except for Agenda Items 2 – second discussion, 21 and 22)
Packard, Michael	South Texas Electric Cooperative, Inc.	Cooperative Segment Alternate for Clifton Karnei (except for Agenda Items 2 – second discussion, 21 and 22)



Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer (Except Agenda Item 4e)
Schwertner, Ray	Garland Power & Light	Municipal Segment Alternate for Mark Dreyfus (except for Agenda Items 2 – second discussion, 21 and 22)
Smitherman, Barry T.	Public Utility Commission of Texas (PUCT)	Chairman (except for Agenda Items 2 – second discussion, 21 and 22)

Guests:

Anderson, Ken	Public Utility Commission of Texas – Commissioner (Beginning with Agenda Item 3)
Brown, Jeff	Shell Energy North America (US) LP (Independent Power Marketer 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
Forfia, David	ERCOT Director of Information Technology (IT) Projects
Gage, Theresa	ERCOT Director of External Affairs
Gresham, Kevin	E.ON Climate & Renewables NA LLC (Independent Generator Segment Alternate)
Hancock, Misti	ERCOT Director of Finance
Hobbs, Kristi	ERCOT Manager of Market Rules
Ierullo, Bruno	ERCOT Director of Human Resources
Jones, Brad	Luminant Energy, Technical Advisory Committee (TAC) Chair
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
Morgan, Richard	ERCOT Vice President and Chief Information Officer
Nelson, Donna	Public Utility Commission of Texas – Commissioner
Ogelman, Kenan	CPS Energy, TAC Vice Chair
Petterson, Mike	ERCOT Vice President of Finance and Treasury
Prochazka, Scott	CenterPoint Houston Electric (Investor Owned Utility 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
Sullivan, Patrick	Haynes & Boone, LLP on Behalf of Sandy Creek Services
Woodfin, Dan	ERCOT Director of System Planning

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

Laura Doll, Board Chairman, determined 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 then requested that each guest introduce themselves for the benefit of those in attendance and viewing the webcast.

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 announced Marcie Zlotnik's resignation from the Board, thanked Ms. Zlotnik for her service on Board, and announced that Eric Hendrick, the Independent Retail Electric Provider Segment Alternate, would be replacing Ms. Zlotnik on the Board. Chairman Doll announced that Michael Packard, Cooperative Segment Alternate, would be representing the Cooperative segment for Clifton Karnei and Ray Schwertner, Municipal Segment Alternate, would be representing the Municipal segment for Mark Dreyfus.

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 June 21, 2011.

Chairman Doll addressed the following Agenda Items in the order below.

**Approval of May 17, 2011 Board of Directors Meeting Minutes (Agenda Item 2)**

Chairman Doll noted that Bill Magness, ERCOT Vice President, General Counsel and Corporate Secretary, requested that this agenda item be taken up later in the meeting to allow the Board members time to review Jean Ryall's proposed revisions to the minutes.

**CEO Update (Agenda Item 3)**

Trip Doggett, ERCOT CEO, provided a CEO Update to the Board members and responded to questions and comments from the Board members. Mr. Doggett introduced Shelly Botkin, ERCOT Government Relations Manager, and recognized her valuable contributions during the legislative session. Commissioner Nelson echoed Mr. Doggett's recognition of Ms. Botkin's work.

**Operating Reports (Agenda Item 4)**

**Grid Operations and Planning Report (Agenda Item 4g)**

Kent Saathoff, ERCOT Vice President of Grid Operations and System Planning, provided a Grid Operations and Planning Report to the Board members and responded to comments and questions from the Board members.

**Financial Summary Report (Agenda Item 4a)**

Mike Petterson, ERCOT Vice President of Finance and Treasury, provided a Financial Summary Report to the Board members. No comments or questions were raised by the Board members.

**External Affairs Update (Agenda Item 4b)**

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



#### **Wholesale Market Operations Update (Agenda Item 4c)**

John Dumas, ERCOT Director of Wholesale Market Operations, provided a Wholesale Market Operations Report to the Board members and responded to comments and questions from the Board members.

#### **Break**

Chairman Doll recessed the meeting for a brief break from approximately 10:02 a.m. until 10:11 a.m.

#### **Status Review of Market Transition (Agenda Item 6)**

Mike Cleary, ERCOT Senior Vice President and Chief Operating Officer, provided a Status Review of Market Transition to the Board members. Mr. Cleary and Mr. Dumas responded to comments and questions from the Board members.

#### **Operating Reports (Agenda Item 4) - continued**

##### **Commercial Market Operations Report (Agenda Item 4d)**

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

##### **2011 Long-Term Load Forecast and Capacity, Demand and Reserves (CDR) Update (Agenda Item 5)**

Dan Woodfin, ERCOT Director of System Planning, provided the 2011 Long-Term Load Forecast and CDR Update to the Board members and responded to comments and questions from the Board members.

##### **Information Technology (IT) and Facilities Report (Agenda Item 4e)**

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

##### **Proposed Price Correction related to Day-Ahead Market (DAM) Settlement Points (Agenda Item 7)**

Mr. Dumas provided an update on the Proposed Price Correction related to DAM Settlement Points to the Board members and responded to comments and questions from the Board members.

#### **Lunch (Agenda Item 9)**

The meeting adjourned for lunch at approximately 11:48 a.m. and reconvened at approximately 1:00 p.m.

##### **Business Integration Update (Agenda Item 4f)**

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



David Forfia, ERCOT Director of IT Projects, provided a Data Center Project Update to the Board members. No comments or questions were voiced by the Board members.

### **Technical Advisory Committee (TAC) Update (Agenda Items 8)**

#### **Nodal Protocol Revision Requests (NPRRs) Unanimously Recommended by TAC for Approval (Agenda Item 8a)**

Brad Jones, TAC Chair, and Kenan Ogelman, TAC Vice Chair, provided a summary of the TAC items that were unanimously recommended by TAC for Board approval to the Board members and responded to comments and questions from the Board members. The following unanimous TAC items were considered for Board approval:

- NPRR264 – Clarification of Nodal Protocol Requirements for Generators With Multiple Points of Interconnection
- NPRR311 – Correction of Wind Adjust Formula to Account for Daylight Savings Time
- NPRR312 – Clarification of Qualified Scheduling Entity Requirements for Split Generation Resources – Urgent
- NPRR317 – Clarification of Entity Responsible for Hydro Responsive Testing
- NPRR318 – Alignment of Nodal Registration Requirements with Current Registration Process
- NPRR326 – Adjust the Calculation of the Real-Time Settlement Point Price for a Resource Node
- NPRR330 – Change in Frequency of Four Protocol Required Audits from Annual to Periodic (formerly titled “Change in Frequency of Five Protocol Required Audits from Annual to Periodic”)

**Bob Helton made a motion to approve NPRRs 264, 311, 317, 318, 326, and 330 as recommended by TAC for Board approval as presented under Agenda Item 8a. Calvin Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Patrick Sullivan, on behalf of Sandy Creek Services, provided commentary to the Board members on NPRR 312.

**Andrew Dalton made a motion that the Board approve NPRR 312 , as originally filed by ERCOT, without any amendments from the stakeholder process and encouraged stakeholders to submit separate NPRRs rather than layering on a series of amendments to an NPRR that allows ERCOT to comply with the ERCOT Protocols. Michehl Gent seconded the motion.**

After further discussion among the Board members, Chairman Smitherman suggested that the Board remand NPRR312 back to TAC to enable the Board to consider a clean version of NPRR312 as proposed by ERCOT with enhancements by the stakeholder process and allow for the other stakeholder amendments to be submitted as a separate NPRR at some point in the future. Mr. Dalton withdrew his motion in support of Chairman Smitherman’s suggestion.



**Mr. Gent then made a motion to remand NPRR312 back to TAC with instructions that TAC consider the comments made at the Board meeting. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**NPRR Non-Unanimously Recommended by TAC for Approval (Agenda Item 8b)**

- NPRR322 Real-Time Point-to-Point Option Modeling – URGENT

**Mr. Gent made a motion to approve NPRR322 as recommended by TAC in its respective TAC Report. Mr. Helton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Impact Assessment for Parking Deck NPRR Unanimously Recommended by TAC for Approval and Other Revision Requests Unanimously Recommended by TAC for Approval (Agenda Items 8c and 8d)**

- NPRR146 – Inter-Control Center Communications Protocol Telemetry Information Submittals
- Planning Guide Revision Request 007 – New Planning Guide Section 6, Data/Modeling and 6.4, Transmission Project Information Tracking Report and Data Requirements
- System Change Request 765 – Public Aggregated Wind Dashboard – URGENT

**Mr. Crowder made a motion to approve NPRR146, PGRR007, and SCR765 as recommended by TAC in their respective TAC Reports. Danny Bivens seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Mr. B. Jones provided a 2011 TAC Goals Update to the Board members and responded to comments and questions from the Board members. Mr. B. Jones then provided a list of Future TAC Agenda Items to the Board members and no comments or questions were voiced by the Board members.

**Finance & Audit (F&A) Committee Report (Agenda Items 10)**

Jorge Bermudez, Acting 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. Bermudez presented the following items that the F&A Committee recommended for Board approval.

**ERCOT Security Screening Study Fee (Agenda Item 10a)**

**Mr. Bermudez made a motion to approve the revised ERCOT Security Screening Study Fee as presented with an effective date of July 1, 2011. Mr. Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Investment Corporate Standard (Agenda Item 10b)**

**Mr. Gent made a motion to approve the Investment Corporate Standard as presented with the addition of language stating “as soon as possible, but no later than July 18, 2011.” Mr. Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.**



**Modifications to Guarantee Agreement and Letter of Credit Standard Forms (Agenda Item 10c)**

Chairman Doll announced that this agenda item would be deferred to the July 2011 Board meeting.

**Human Resources & Governance (HR&G) Committee Report (Agenda Items 11)**

Mr. Dalton, HR&G Committee 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. Mr. Dalton presented the following items that the HR&G Committee recommended for Board approval.

**2011 Board Meeting Schedule (Agenda Item 11a)**

**Chairman Doll made a motion to approve the cancellation of the November 2011 Board Meeting as presented. Mr. Bivens seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Chairman Dalton announced that the Annual Strategic Planning Event would be held on August 17, 2011 at the ERCOT Taylor Facility and would focus on strategic issues for 2012-2013.

**Ratification of ERCOT Mission Statement (Agenda Item 11b)**

**Miguel Espinosa made a motion to ratify the ERCOT Mission Statement, as of March 23, 2010, as presented. Mr. Helton seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Other Business (Agenda Item 12)**

No other business was discussed.

**Future Agenda Items (Agenda Item 13)**

No future agenda items were discussed.

**Executive Session (Agenda Items 14 - 20)**

Chairman Doll adjourned the meeting into Executive Session at approximately 2:28 p.m. and reconvened the General Session at approximately 4:17 p.m.

**Approval of May 17, 2011 Board of Directors Meeting Minutes (Agenda Item 2) - continued**

Chairman Doll entertained a motion to approve the May 17, 2011 Board of Directors meeting minutes (Minutes) with modifications suggested by Ms. Ryall.

**Mr. Crowder moved to approve the revised Minutes. Mr. Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Vote on Matters from Executive Session (Agenda Item 21)**

Chairman Doll entertained a motion to approve the personnel matter from Executive Session.



**Mr. Espinosa made a motion to approve the Personnel Matter from Executive Session as discussed during Agenda Item 15. Mr. Helton seconded the motion. The motion passed by unanimous voice vote with one abstention (Mr. Doggett).**

**Adjournment (Agenda Item 22)**

Mr. Espinosa made a motion to adjourn the Board meeting. Mr. Helton seconded the motion. Chairman Doll adjourned the meeting at approximately 4:19 p.m.

Board materials and presentations from the meeting are available on ERCOT's website at <http://www.ercot.com/committees/board/>.

---

Lori Cobos  
Associate Corporate Counsel