



Date: December 5, 2011
To: Board of Directors
From: H.B. "Trip" Doggett, ERCOT President and Chief Executive Officer
Subject: 2012 ERCOT Key Performance Indicators (KPIs)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: December 12-13, 2011

Agenda Item No.: 9a

Issue:

Whether the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) should approve the 2012 ERCOT KPIs as recommended by ERCOT staff.

Background/History:

The ERCOT leadership team annually develops specific key performance indicators and corresponding target metrics to drive performance of the organization. The indicators, along with their specific measurements are outlined in the 2012 KPIs. The KPIs are reviewed on a quarterly basis and are used to measure the successful performance of the organization. It is important that the leadership team and the ERCOT Board are aligned on the specific goals and focus of ERCOT for 2012.

The Human Resource and Governance (HR&G) Committee will be considering whether to recommend that the Board approve the 2012 KPIs as presented at its meeting on December 12, 2011. A copy of the 2012 KPIs is attached hereto as Exhibit A.

Key Factors Influencing Issue:

The 2012 KPIs correlate to ERCOT's strategic direction of the Board and provide performance measures to the Board and ERCOT leadership and staff.

Alternatives:

- Approve the 2012 KPIs as presented;
- Instruct ERCOT leadership team to modify the 2012 KPIs; or
- Instruct ERCOT leadership team to utilize a different tool for identifying and measuring performance.

Conclusion/Recommendation:

The ERCOT leadership team respectfully recommends that the HR&G Committee recommend approval and that the ERCOT Board approve the 2012 KPIs as presented.



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

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to accept the recommendations of ERCOT staff and the Human Resources and Governance Committee to approve the 2012 ERCOT Key Performance Indicators (KPIs) attached hereto as Exhibit A; and

THEREFORE, BE IT RESOLVED, that the 2012 ERCOT KPIs, attached hereto as Exhibit A, are hereby approved.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its December 12-13, 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 December, 2011.

Vickie G. Leady
Assistant Corporate Secretary