

**DRAFT MINUTES OF THE FORTIETH ANNUAL MEMBERSHIP MEETING  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC. (ERCOT)**

Austin Hilton Airport Hotel, Bergstrom C/D Room  
9515 New Airport Drive  
Austin, Texas 78744  
December 14, 2010

H.B. “Trip” Doggett, ERCOT President and Chief Executive Officer (CEO), opened the meeting at approximately 11:15 a.m. by announcing that a quorum was present (through physical attendance and written proxies). Barry T. Smitherman, Chairman of the Public Utility Commission of Texas (PUCT), called an Open Meeting of the PUCT to order to consider matters which had been duly posted with the Texas Secretary of State for December 14, 2010. Mr. Doggett welcomed the ERCOT Membership, Chairman Smitherman, the PUCT Commissioners, the PUCT Executive Director, Legislative Staff, the ERCOT Directors, Officers and Staff and others to the meeting.

Mr. Doggett introduced Michehl Gent, ERCOT Acting Board Chairman. Chairman Gent reported that, at the ERCOT Board of Directors (Board) meeting earlier in the day, the Board commended ERCOT staff for the successful launch of the Texas Nodal Market Implementation Program by December 1, 2010. **Clifton Karnei of Brazos Electric Cooperative, Inc., moved to commend ERCOT staff for the successful Nodal Go-Live as noted by Chairman Gent. Andrew Dalton of Valero Services, Inc., seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

Chairman Gent acknowledged and thanked the following departing Segment Alternates for their service to ERCOT during the 2010 year: Mark Walker from the Independent Generator Segment; Brandon Whittle from the Independent Power Marketer Segment; and Deryl Brown from the Independent Retail Electric Provider Segment. Chairman Gent reviewed the nodal market implementation progress during the year and thanked all who participated in these efforts.

**Approval of December 15, 2009 Annual Meeting Minutes**

Mr. Doggett noted that the draft minutes from the December 15, 2009 Annual Meeting were provided to all present and entertained a motion for approval of the minutes. **Bob Helton of International Power America Services, Inc., moved for approval of the December 15, 2009 Annual Meeting minutes. Barbara Clemenhagen of Topaz Power Group seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Confirmation and Approval of 2010 Directors and Segment Alternates – December 15, 2010 through December 31, 2010**

Mr. Doggett called attention to the list of proposed Directors and Segment Alternates to serve on the ERCOT Board from December 15 through December 31, 2010 as selected by the individual market segments, which was provided (as set forth below) to all present. **Dan Wilkerson of Bryan Texas Utilities moved to confirm the list of proposed Directors and Segment Alternates from December 15 through December 31, 2010. Marcie Zlotnik of StarTex**

Power seconded the motion. The motion passed by unanimous voice vote with no abstentions.

<u>Segment</u>		<u>Member</u>	<u>Segment Alternate</u>
<b>Consumer</b>	- OPUC ( <i>ex officio</i> ) - Commercial - Industrial	<b>Sheri Givens</b> <b>Nick Fehrenbach</b> – City of Dallas <b>Andrew Dalton</b> – Valero Services Inc.	N/A
<b>Cooperative</b>		<b>Clifton Karnei</b> – Brazos Electric Power Cooperative Inc.	<b>Michael Packard</b> – South Texas Electric Cooperative Inc.
<b>ERCOT CEO</b> ( <i>ex officio</i> )		<b>Trip Doggett</b>	N/A
<b>Independent Generator</b>		<b>Bob Helton</b> – International Power America Services Inc.	<b>Mark Walker</b> – NRG Texas LLC
<b>Independent Power Marketer</b>		<b>Jean Ryall</b> – Constellation Energy Commodities Group	<b>Brandon Whittle</b> – DB Energy Trading LLC
<b>Independent Retail Electric Provider</b>		<b>Marcie Zlotnik</b> – StarTex Power	<b>Deryl Brown</b> – Hudson Energy Services LP
<b>Investor Owned Utility</b>		<b>Calvin Crowder</b> – American Electric Power Service Corporation	<b>Scott Prochazka</b> – CenterPoint Houston Electric LLC
<b>Municipal</b>		<b>Mark Dreyfus</b> – Austin Energy	<b>Ray Schwertner</b> – Garland Power & Light
<b>PUCT Chair</b> ( <i>ex officio, non-voting</i> )		<b>Barry T. Smitherman</b>	N/A
<b>Unaffiliated</b>		<b>Jorge Bermudez</b> <b>Laura Doll</b> <b>Miguel Espinosa</b> <b>Michehl Gent</b> <b>A. D. Patton</b>	N/A

**Confirmation and Approval of 2011 Directors and Segment Alternates – January 1, 2011 through December 31, 2011**

Mr. Doggett called attention to the list of proposed Directors and Segment Alternates to serve on the ERCOT Board from January 1 through December 31, 2011 as selected by the individual market segments, which was provided (as set forth below) to all present. Mr. Doggett asked for a motion for approval of the Board of Directors and Segment Alternates from January 1 to December 31, 2011. **Cesar Seymour of GDF Suez Energy Marketing NA, Inc., made a**

motion to confirm the list of proposed Directors and Segment Alternates from January 1 through December 31, 2011. Jean Ryall of Constellation Energy Commodities Group seconded the motion. The motion passed by unanimous voice vote with no abstentions.

<u>Segment</u>		<u>Member</u>	<u>Segment Alternate</u>
<b>Consumer</b>	- OPUC ( <i>ex officio</i> ) - Commercial - Industrial	<b>Sheri Givens</b> <b>Nick Fehrenbach</b> – City of Dallas <b>Andrew Dalton</b> – Valero Services Inc.	N/A
<b>Cooperative</b>		<b>Clifton Karnei</b> – Brazos Electric Power Cooperative Inc.	<b>Michael Packard</b> – South Texas Electric Cooperative Inc.
<b>ERCOT CEO (<i>ex officio</i>)</b>		<b>Trip Doggett</b>	N/A
<b>Independent Generator</b>		<b>Bob Helton</b> – International Power America Services Inc.	<b>Kevin Gresham</b> – E.ON Climate & Renewables NA LLC
<b>Independent Power Marketer</b>		<b>Jean Ryall</b> – Constellation Energy Commodities Group	<b>Jeff Brown</b> – Shell Energy North America (US) LP
<b>Independent Retail Electric Provider</b>		<b>Marcie Zlotnik</b> – StarTex Power	<b>Eric Hendrick</b> – Stream Energy
<b>Investor Owned Utility</b>		<b>Calvin Crowder</b> – American Electric Power Service Corporation	<b>Scott Prochazka</b> – CenterPoint Houston Electric LLC
<b>Municipal</b>		<b>Mark Dreyfus</b> – Austin Energy	<b>Ray Schwertner</b> – Garland Power & Light
<b>PUCT Chair (<i>ex officio, non-voting</i>)</b>		<b>Barry T. Smitherman</b>	N/A
<b>Unaffiliated</b>		<b>Jorge Bermudez</b> <b>Laura Doll</b> <b>Miguel Espinosa</b> <b>Michehl Gent</b> <b>A. D. Patton</b>	N/A

**Announcement of 2010 Technical Advisory Committee Representatives - December 15, 2010 through December 31, 2010**

Mr. Doggett then announced that segment voting had been completed and noted that the list of Technical Advisory Committee (TAC) Representatives, as selected by the individual market segments to serve from December 15 through December 31, 2010, was provided to all present. He advised that, since there were no TAC meetings scheduled during December 15 through

December 31, 2010, the Directors would vote to confirm and ratify these TAC Representatives at the January 18, 2011 Board meeting.

**Announcement of 2011 Technical Advisory Committee Representatives - January 1, 2011 thorough December 31, 2011**

Mr. Doggett announced that segment voting has been completed and noted that the list of the TAC Representatives, as selected by the individual market segments to serve from January 1 through December 31, 2011, was provided to all present. He advised that the Directors would vote to confirm these TAC Representatives at the January 18, 2011 Board meeting.

**Lunch**

The meeting recessed briefly for lunch.

**Keynote Speaker – PUCT Chairman Barry T. Smitherman**

Mr. Doggett reported that the scheduled keynote speaker, Michael Williams, Commissioner of the Railroad Commission of Texas, had developed an unexpected work conflict and would not be able to join the meeting. He announced that Chairman Smitherman had graciously agreed to provide the keynote speech for the meeting.

Mr. Doggett briefly reflected on the accomplishments of ERCOT over the prior year. He then introduced Chairman Smitherman who shared his observations during his recent trip to China, which was sponsored by the Clean Air Task Force.

Mr. Doggett thanked Mr. Smitherman for his speech and reminded everyone that the ERCOT Board Meeting was scheduled to reconvene at 1:30 p.m. at the ERCOT offices at 7620 Metro Center Drive in Austin.

**Adjournment**

Mr. Doggett adjourned the Annual Meeting at approximately 12:30 p.m.

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Vickie G. Leady  
Assistant Corporate Secretary