



Date: January 10, 2012
To: ERCOT Board of Directors
From: Kenan Ogelman, Technical Advisory Committee (TAC) Chair
Subject: Annual TAC Structure and Procedural Review

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: January 17, 2012

Agenda Item No.: 12c

Issue:

In an effort to improve TAC's existing processes and organizational structure for the purpose of enhancing efficiency, effectiveness, and aligning its structure to meet new goals and objectives, TAC annually reviews its existing structure and procedures. TAC submits the TAC 2011 Structural and Procedural Review document which was also discussed at the December 12, 2011 Human Resources and Governance Committee of the Board for ERCOT Board input on implementing the identified improvements.

Background/History:

In 2010, TAC established a process that in July of each year, TAC leadership, including the leadership of each of the TAC subcommittees, would meet for the purpose of generating proposals for possible structural and procedural improvements to be considered by TAC. On July 20, 2011, TAC and subcommittee leadership met to discuss ideas to improve TAC's existing processes and structure. Ideas from the leadership meeting were shared at the August 4, 2011 TAC. Subsequently, proposals for consideration were compiled and distributed for stakeholder comment. Comments to the proposal were filed by ERCOT, the Protocol Revision Subcommittee (PRS), the Retail Market Subcommittee (RMS) and the Commercial Operations Subcommittee (COPS) and were reviewed at the November 3, 2011 TAC meeting.

In an effort to improve TAC's existing processes and organizational structure for the purpose of enhancing efficiency, effectiveness, and aligning its structure to meet new goals and objectives, TAC voted at its November 3, 2011 meeting to adopt provisions of the 2011 Structural and Procedural Review document, attached hereto as Attachment A.

In summary, the following recommendations were adopted at the November 3, 2011 TAC meeting within the Structural and Procedural Review document:

- TAC and its subcommittees will regularly review meeting agendas to determine if they can reduce their meeting schedule.
- Procedural Improvement Recommendations:
 - Endorsed ERCOT drafting a Nodal Protocol Revision Request (NPRR) to develop the Board Priority action concept
 - Endorsed concept of ERCOT submitting NPRRs with an alignment designation to alert Market Participants that the NPRR should be limited in scope
 - Eliminated the use of email urgency votes at PRS
 - Endorsed concept of requiring an ERCOT opinion on all NPRRs
 - Requested PRS to review the appeals process to ensure consistency between the



Protocols and Board Policies and Procedures

- Revised TAC Procedures to specify that an Entity (including the organization and all of its Affiliates) (1) must designate which Segment it will vote in at COPS and PRS for the calendar year and that it may not change Segments mid-year and (2) cannot have more than one vote at any TAC subcommittee.

Please refer to Attachment A for additional recommendations that were considered but deferred or declined by TAC at this time.

Key Factors Influencing Issue:

The TAC met, discussed the issues and voted to submit the above recommendation for ERCOT Board input.

Alternatives:

1. Provide feedback on how TAC should proceed in implementing the 2011 Structural and Procedural Review document as described above;
2. Defer decision on the merits of the TAC recommendation on the 2011 Structural and Procedural Review document; or
3. Request further analysis and input from TAC in regards to the 2011 Structural and Procedural Review document.

Conclusion/Recommendation:

As more specifically described above, TAC requests that the ERCOT Board provide feedback on the TAC 2011 Structural and Procedural Review recommendation.