



**MINUTES OF THE HUMAN RESOURCES & GOVERNANCE COMMITTEE
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Room 206
Austin, Texas 78744
October 17, 2011 at 3:00 p.m.

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Human Resources and Governance (HR&G) Committee of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

Meeting Attendance:

Committee Members:

Director	Affiliation	Segment
Barker, Laurie (for Sheri Givens)	Office of Public Utility Counsel	Residential Consumer
Dalton, Andrew (Chairman)	Valero Services, Inc.	Industrial Consumer
Doll, Laura	Unaffiliated	Unaffiliated Director
Gent, Michehl	Unaffiliated	Unaffiliated Director
Helton, Bob	International Power America Services, Inc.	Independent Generator

Guest Board Members and Segment Alternates:

Director	Affiliation	Segment
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Crowder, Calvin	AEP Service Corp.	Investor Owned Utility
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Espinosa, Miguel	Unaffiliated	Unaffiliated Director
Hendrick, Eric	Stream Energy	Independent REP
Karnei, Clifton	Brazos Electric Power Cooperative	
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman

Other Guests:

Feuerbacher, Paula	ERCOT Manager, Strategic and Organizational Development
Ierullo, Bruno	ERCOT Director of Human Resources
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary



Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer
Petterson, Mike	ERCOT VP, Finance & Treasury
Ruane, Mark	ERCOT VP, Credit & Enterprise Risk Management
Westbrook, Susan	ERCOT Assistant General Counsel

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

Mr. Dalton determined that a quorum was present and called the HR&G Committee meeting to order at approximately 3:06 p.m.

Approval of August 15, 2011 Meeting Minutes (Agenda Item 2)

Chairman Dalton entertained a motion to approve the September 19, 2011 HR&G Committee Meeting Minutes (Minutes).

Mr. Helton moved to approve the Minutes as presented. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Personnel Update including Human Resources (HR) Operations Report (Agenda Item 3)

Chuck Manning provided a Personnel Update and overview of the HR Operations Report to the Committee members. Mr. Manning, Trip Doggett and Bruno Ierullo responded to comments and questions from the Committee members.

Task Force Report on Board Policies and Procedures (Agenda Item 4)

Ms. Doll reported that the Task Force on Board Policies and Procedures met following the September Board meeting. Due to the number of changes and developments that might occur during 2012, including changes arising from the sunset review of the Public Utility Commission (PUC), the Task Force recommended that changes to the Bylaws be deferred until after the next legislative session. Mr. Magness stated that the Task Force will recommend changes to the Board Policies and Procedures needed to accommodate PUC rules changes at the December Committee meeting.

Status of Member Approval of Unaffiliated Directors (Agenda Item 5)

Mr. Magness reported that ERCOT members had approved the nomination of Craven Crowell, Karl Pfirrmann and Judy Walsh as Unaffiliated Directors and that ERCOT staff had filed petitions for PUC approval of the nominees. He anticipated Commissioners would vote on the nominees in time to allow the nominees to be seated at ERCOT's January Board meeting.

Development of 2012 Committee Calendar (Agenda Item 6)

Mr. Magness and the Committee members briefly discussed the proposed schedule of six meetings of the Committee during 2012.

Planning for 2012-2013 Benefits Program (Agenda Item 7)

Mr. Manning discussed timing of the development of the employee benefits plan for plan year 2012-2013 to ensure the Committee has the opportunity to review such plan prior to implementation. No comments or questions were voiced by the Committee members.



Key Performance Indicators (“KPIs”) (Agenda Item 8)

2011 KPI Results – Third Quarter

Ms. Feuerbacher discussed ERCOT’s performance against KPIs during the third quarter. Ms. Feuerbacher, Mr. Doggett and Mr. Saathoff responded to questions and comments from the Committee members.

Proposed 2012 KPIs

Ms. Feuerbacher presented the proposed 2012 KPIs. She and Mr. Doggett responded to questions and comments from the Committee members. Mr. Doggett said he would like to have more dialogue with market participants on the IT service level agreement, especially for Security-Constrained Economic Dispatch (SCED). He agreed to address any proposed changes at the December HR&G Committee meeting.

2012-2016 Strategic Plan (Agenda Item 9)

Ms. Feuerbacher and the Committee members briefly discussed the proposed 2012-2016 Strategic Plan. Mr. Gent and Ms. Doll suggested that ERCOT management consider revising the plan to address environmental studies and measures. Mr. Gent complimented Ms. Feuerbacher and Mr. Doggett on the plan. Both Ms. Doll and Mr. Dalton suggested that the vision statement be reworded.

Task Force on Unaffiliated Director Compensation (Agenda Item 10)

Mr. Dalton stated that he planned to convene a task force to review materials from the last two Unaffiliated Director Compensation Subcommittees that evaluated director compensation. He said he planned to provide a proposal for restructure of payment at existing levels to Unaffiliated Directors at the Committee’s December meeting.

Status of Public Utility Commission Consideration of Proposed Changes to Conflict of Interest Corporate Standard (Agenda Item 11)

Mr. Magness reported that the Commissioners had not yet had time to consider proposed changes to ERCOT’s Conflict of Interest Corporate Standard.

Other Business (Agenda Item 12)

No other business was discussed at this time.

Convene to Executive Session

Mr. Dalton announced that there were no voting items scheduled for Executive Session and that the Committee would not reconvene to open session. He adjourned the open session at approximately 3:51 p.m.

Committee materials and presentations from the meeting are available on ERCOT’s website at http://www.ercot.com/committees/board/hr_governance/.

Susan M. Westbrook
Assistant General Counsel