



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

7620 Metro Center Drive, Room 206
Austin, Texas 78744
December 12, 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
Dalton, Andrew (Chairman)	Valero Services, Inc.	Industrial Consumer
Doll, Laura	Unaffiliated	Unaffiliated Director
Gent, Michehl	Unaffiliated	Unaffiliated Director
Givens, Sheri	Office of Public Utility Counsel	Residential Consumer
Helton, Bob	International Power America Services, Inc.	Independent Generator
Ryall, Jean (Vice Chair)	Constellation Energy Commodities Group	Independent Power Marketer

Guest Board Members and Segment Alternates:

Director	Affiliation	Segment
Crowder, Calvin	AEP Service Corp.	Investor Owned Utility
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman
Fehrenbach, Nick	City of Dallas	Commercial Customer
Bowling, Shannon	Cirro Group	Independent Retail Electric Provider

Other Guests:

Cleary, Mike	ERCOT Sr. VP & Chief Operating Officer
Crowell, Craven	ERCOT Unaffiliated Director Nominee
Day, Betty	ERCOT VP, Business Integration



Dreyer, Jerry	ERCOT VP & Chief Information Officer
Feuerbacher, Paula	ERCOT Manager, Strategic and Organizational Development
Hobbs, Kristi	ERCOT Manager – Market Rules
Ierullo, Bruno	ERCOT Director of Human Resources
Jones, Brad	Chairman, Technical Advisory Committee
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
Markham, Lori	ERCOT Corporate Governance Specialist
Petterson, Mike	ERCOT VP, Finance & Treasury
Pfirmann, Karl	ERCOT Unaffiliated Director Nominee
Rife, Carolyn	ERCOT Senior Administrative Assistant
Ruane, Mark	ERCOT VP, Credit & Enterprise Risk Management
Saathoff, Kent	ERCOT VP, Grid Operations & System Planning
Walsh, Judy	ERCOT Unaffiliated Director Nominee
Westbrook, Susan	ERCOT Assistant General Counsel
Wilkins, Tisa	ERCOT External Relations Specialist

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

Chairman Dalton determined that a quorum was present and called the HR&G Committee meeting to order at approximately 3:49 p.m.

Approval of October 17, 2011 Meeting Minutes (Agenda Item 2)

Chairman Dalton entertained a motion to approve the October 17, 2011 HR&G Committee Meeting Minutes (Minutes).

Bob Helton moved to approve the Minutes as presented. Laura Doll seconded the motion. The motion passed by unanimous voice vote with one abstention (Sheri Givens).

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

Chuck Manning provided a Personnel Update and overview of the HR Operations Report and responded to comments and questions from Committee members.

Recommendation to Approve Proposed Changes to Unaffiliated Director Compensation (Agenda Item 4)

Chairman Dalton discussed proposed revisions to the Board Policies and Procedures pertaining to compensation for Unaffiliated Directors and responded to questions and comments from Committee members and Craven Crowell.

Recommendation to Approve Proposed Changes to Board Policies and Procedures (Agenda Item 5)

Bill Magness discussed the proposed changes to the Board Policies and Procedures, noting that most revisions were intended to comply with changes to the rules adopted by the PUCT. Committee members and Mr. Crowell briefly discussed the proposed changes.



Jean Ryall moved to recommend Board approval of the proposed changes to the Board Policies and Procedures, including the clarifications to be provided by Chairman Dalton. Chairman Dalton seconded the motion. The motion passed by unanimous voice vote with two abstentions (Ms. Doll and Michehl Gent).

Status of PUC Approvals of Unaffiliated Directors (Agenda Item 6)

Mr. Magness reported that all three Unaffiliated Director nominees had been approved by the PUCT and would be seated at the January 17, 2012 Board meeting.

Proposed 2012 Committee Meeting Planner (Agenda Item 7)

Chairman Dalton solicited feedback to the proposed 2012 Committee Meeting Planner as presented. Receiving none, he progressed to Agenda Item 8.

Recommendation to Accept 2012 KPIs (Agenda Item 8)

Committee members briefly discussed the proposed 2012 Key Performance Indicators (KPIs). Trip Doggett responded to questions and comments.

Mr. Helton moved to recommend acceptance of the 2012 KPIs. Ms. Doll seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Proposed Revisions to Conflict of Interest Corporate Standard (Agenda Item 9)

Mr. Magness briefly discussed a previous proposal by ERCOT staff to revise the Conflict of Interest Corporate Standard to permit employees to make limited investments in affiliates of Market Participants, and reported that staff wished to withdraw such proposal.

Chairman Dalton moved to withdraw ERCOT staff's proposal to revise the Conflict of Interest Corporate Standard. Mr. Helton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Annual TAC Structural and Procedural Review (Agenda Item 10)

Brad Jones discussed the Technical Advisory Committee (TAC) annual organizational structure and process review and the recommended changes adopted by TAC at its November 3, 2011 meeting. Mr. Jones and Kristi Hobbs responded to questions and comments from Committee members.

Committee Self-Assessment Template (Agenda Item 11)

Chairman Dalton discussed the Committee Self-Assessment Template and asked members for feedback with regard to modifications or updates. The Template will be distributed to the Committee and the results will be evaluated and discussed at the February 20, 2012 meeting.

Other Business (Agenda Item 12)

No other business was discussed at this time.

Convene to Executive Session

Chairman Dalton announced there were no voting matters from Executive Session and that the Committee would not reconvene to Open Session. He adjourned Open Session at 4:55 p.m.



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

A handwritten signature in cursive script that reads "Susan M. Westbrook". The signature is written in black ink and is positioned above a horizontal line.

Susan M. Westbrook
Assistant General Counsel