



**MINUTES OF THE BOARD OF DIRECTORS MEETING OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive, Room 206
Austin, Texas 78744
January 17, 2012 at 9:00 a.m.

Pursuant to notice duly given, the meeting of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT), convened on the above-referenced date.

Meeting Attendance:

Board Members:

Director	Affiliation	Segment
Bermudez, Jorge	Unaffiliated	Unaffiliated Director
Crowell, Craven	Unaffiliated	Unaffiliated Director
Dalton, Andrew	Valero Services, Inc.	Consumer/Industrial
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal (except for Agenda Items 1 through 22)
Fehrenbach, Nick	City of Dallas	Consumer/Commercial
Gent, Michehl	Unaffiliated	Unaffiliated Director
Givens, Sheri	Office of Public Utility Counsel	Consumer/Residential
Gresham, Kevin	E.On Climate & Renewables	Independent Generator (except for Agenda Items 25 and 26)
Clemenhagen, Barbara	Topaz Power Holdings, LLC	Independent Generator Segment Alternate (Agenda Items 25 and 26 only)
Hendrick, Eric	Stream Energy	Independent Retail Electric Provider (IREP)
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative; Proxy for Mark Dreyfus for Agenda Items 1 through 22
Pfirmann, Karl V.	Unaffiliated	Unaffiliated Director
Prochazka, Scott	CenterPoint Energy Houston Electric LLC	Investor Owned Utility
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer (IPM)
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guests:

Anderson, Kenneth	Public Utility Commission of Texas – Commissioner (except for Agenda Item 11)
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Pablos, Rolando	Public Utility Commission of Texas – Commissioner (except for Agenda Items 10 through 26)
Billo, Jeff	ERCOT Manager of Mid-Term Planning
Bowling, Shannon	Cirro Group (IREP Segment Alternate)
Brown, Jeff	Shell Energy North America (US) LP (IPM Segment Alternate)
Clemenhagen, Barbara	Topaz Power Holdings, LLC (Independent Generator Segment Alternate)
Day, Betty	ERCOT Vice President of Business Integration
Doll, Laura	Former Chair of ERCOT Board of Directors
Dumas, John	ERCOT Director of Wholesale Market Operations
Dryer, Jerry	ERCOT Vice President and Chief Information Officer
Gage, Theresa	ERCOT Director of External Affairs
Goodman, Dale	ERCOT Director of Commercial Market Operations
Hobbs, Kristi	ERCOT Manager of Market Rules and Stakeholder Support
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
Ogelman, Kenan	CPS Energy, Technical Advisory Committee (TAC) Chair
Petterson, Mike	ERCOT Vice President of Finance and Treasury
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning

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

Trip Doggett, ERCOT President and CEO, determined a quorum was present and called the meeting to order at approximately 9:02 a.m. Mr. Doggett noted the Antitrust and Security Admonitions and requested notice if there were any such concerns during the discussion in the meeting. Mr. Doggett announced that Clifton Karnei held the proxy for Mark Dreyfus.

Kenneth Anderson, Commissioner of the Public Utility Commission of Texas (PUCT or Commission), called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for January 17, 2012.

Election of Board Chair and Vice Chair (Agenda Item 2)

Mr. Doggett entertained a nomination for the 2012 Board Chair.

Jean Ryall nominated Craven Crowell as 2012 Board Chair. Mr. Karnei seconded the nomination. Mr. Crowell was elected as 2012 Board Chair by unanimous voice vote with no abstentions.

Chairman Crowell expressed appreciation for his election as Board Chairman and entertained a nomination for the 2012 Board Vice Chair.

Michehl Gent nominated Judy Walsh as 2012 Board Vice Chair. Mr. Karnei seconded the nomination. Ms. Walsh was elected as 2012 Board Vice Chair by unanimous voice vote with no abstentions.

Vice Chair Walsh expressed appreciation for her election as 2012 Board Vice Chair.



Mr. Karnei moved to recognize Laura Doll, former Board Chair, for her leadership and service to the Board. Andrew Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chairman Crowell and, on behalf of the PUCT, Commissioner Anderson expressed appreciation for Ms. Doll's service to ERCOT. Ms. Doll thanked the Board for the opportunity to serve as Board Chair during 2011.

Election of Chief Executive Officer (CEO) and Ratification of Officers (Agenda Item 3)

Chairman Crowell entertained a motion for election of the CEO and ratification of Officers.

Mr. Dalton, Chair of the 2011 Human Resources and Governance (HR&G) Committee, reported that the HR&G Committee considered the election of the CEO and the ratification of officers at its December 12, 2011 meeting.

Mr. Dalton moved to approve the election of the CEO and ratification of Officers as presented. Karl Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Committee Member Preferences and Assignments (Agenda Item 4)

Chairman Crowell reported that the Committee Member Preferences and Assignments were included in the meeting materials. There was no further discussion on this matter at this time.

Confirmation of Technical Advisory Committee (TAC) Representatives (Agenda Item 5)

Chairman Crowell entertained a motion for confirmation of TAC Representatives.

Mr. Dalton moved to approve the confirmation of TAC Representatives as presented. Mr. Doggett seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Confirmation of TAC Chair and Vice Chair (Agenda Item 6)

Chairman Crowell entertained a motion for confirmation of the 2102 TAC Chair and Vice Chair.

Mr. Doggett moved to approve the confirmation of TAC Chair and Vice Chair as presented. Eric Hendrick seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Approval of December 12-13, 2011 Board of Directors Meeting Minutes (Agenda Item 7)

Chairman Crowell entertained a motion to approve the December 12-13, 2011 Board of Directors meeting minutes (Minutes).

Nick Fehrenbach moved to approve the Minutes as presented. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with two abstentions (Jorge Bermudez and Mr. Hendrick).

CEO Update (Agenda Item 8)

Mr. Doggett provided Board members with the CEO update and responded to questions and comments from Board members.



Kevin Gresham conveyed his appreciation to ERCOT staff and Market Participants for their dedication and efforts related to resource adequacy.

Mr. Doggett introduced and recognized ERCOT's newest Technical Principals: Jose Conto, Dynamic Studies; Michael Legatt, Human Factors; John Moseley, Model Architecture; Diran Obadina, System Development and Carl Raish, Load Profiling.

Operating Reports (Agenda Item 9)

Chairman Crowell provided an opportunity for ERCOT staff highlights and Board members' questions on the Operating Reports.

Financial Summary Report (Agenda Item 9a)

Mike Petterson, ERCOT Vice President of Finance and Treasury, responded to Board members' questions on the Financial Summary Report.

External Affairs Update (Agenda Item 9b)

There was no discussion of the External Affairs Update at this time.

Wholesale Market Operations Update (Agenda Item 9c)

There was no discussion of the Wholesale Market Operations Update at this time.

Commercial Market Operations Report (Agenda Item 9d)

Dale Goodman, ERCOT Director of Commercial Market Operations, provided some highlights on the Commercial Market Operations Report and responded to Board members' questions on this topic.

Grid Operations and Planning Report (Agenda Item 9e)

Kent Saathoff, ERCOT Vice President of Grid Operations and System Planning, provided some highlights on the Grid Operations and Planning Report. Mr. Saathoff and Mr. Doggett responded to Board members' questions on this topic.

Information Technology (IT) Report (Agenda Item 9f)

Jerry Dreyer, ERCOT Vice President and Chief Information Officer, responded to Board members' questions on the IT Report.

Business Integration Update (Agenda Item 9g)

Betty Day, ERCOT Vice President of Business Integration, provided some highlights on the Business Integration Update and responded to Board members' questions on this topic.

Cross Valley 345 kV Regional Planning Group (RPG) Project (Agenda Item 10)

Jeff Billo, ERCOT Manager of Mid-Term Planning, presented the Cross Valley 345 kV Regional Planning Group (RPG) Project presentation and responded to Board Members' questions on this topic.

Mr. Gent moved to: (1) endorse the need for the Cross Valley 345 kV RPG Project to meet the reliability requirements for the ERCOT System which ERCOT staff has independently reviewed and recommends for Board endorsement and the Technical Advisory Committee (TAC) has voted



to support; and (2) deem the North Edinburg-Loma Alta 345 kV line critical to reliability of the ERCOT System pursuant to Public Utility Commission of Texas Substantive Rule 25.101(b)(3)(D). Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Preliminary Discussion of Proposed Price Correction for DC N Settlement Point (November 24, 2011 (Agenda Item 11))

Commissioner Anderson excused himself from the meeting room during discussion of this Agenda Item.

John Dumas, ERCOT Director of Wholesale Market Operations, presented the Proposed Price Correction for DC_N Settlement Point (November 24, 2011) presentation and responded to Board members' questions on this topic.

TAC Update (Agenda Item 12)

Mr. Ogelman, TAC Chairman, provided the TAC Update and responded to Board members' questions on this topic.

Revision Requests Unanimously Recommended by TAC (Agenda Item 12a)

Mr. Ogelman reported that the following Revision Requests were unanimously recommended by TAC:

- Nodal Protocol Revision Request (NPRR) 413 – Oklaunion Exemption Calculation Verification;
- NPRR414 – Unaccounted for Energy (UFE) Calculation Clarifications;
- NPRR415 – Inadvertent Interchange and Inadvertent Energy Clarification;
- NPRR417 – Transmission and/or Distribution Service Provider (TDSP) Submittal of Consumption and Demand Values for Advanced Metering System (AMS) Electric Service Identifiers (ESI IDs); and
- System Change Request (SCR) 764 – Public Access to Select Market Information System (MIS) Dashboards.

Mr. Gent moved to approve NPRRs 413, 414, 415, and 417 and SCR 764 as recommended by TAC in their respective TAC reports. Mr. Bermudez seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Annual Review of Minimum Point-to-Point Option Bid Price Required by Protocol (Agenda Item 12b)

Mr. Karnei moved to approve the Annual Review of Minimum Point-to-Point Option Bid Price Required by Protocol as recommended by TAC. Mr. Doggett seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Annual TAC Structure and Procedural Review (Agenda Item 12c)

Mr. Ogelman provided a report on the Annual TAC Structure and Procedural Review and responded to the Board members' questions on this topic.

Chairman Crowell deferred the lunch break (Agenda Item 13).



Adjunct Membership Approval for Membership Year 2012 for RRE Austin Solar LLC (Agenda Item 14)

Bill Magness, ERCOT Vice President, General Counsel and Corporate Secretary, presented the requested Adjunct Membership Approval for Membership Year 2012 for RRE Austin Solar, LLC.

Ms. Walsh moved to approve the Adjunct Membership Approval for Membership Year 2012 for RRE Austin Solar LLC. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ethics Agreements for Directors and Segment Alternates (Agenda Item 15)

Mr. Magness reminded the Board members that the Ethics Agreements for Directors and Segment Alternates were contained in the meeting materials and signed copies of the Ethics Agreements should be forwarded to the Legal Department.

Future Agenda Items (Agenda Item 16)

There was no discussion regarding Future Agenda Items at this time.

Other Business (Agenda Item 17)

There was no discussion of Other Business at this time.

Lunch (Agenda Item 13)

Chairman Crowell recessed the Open Session of the meeting for lunch at approximately 11:33 a.m.

Executive Session (Agenda Items 18 through 24)

Chairman Crowell adjourned the meeting into Executive Session at approximately 12:08 p.m. and reconvened Open Session at approximately 2:23 p.m.

Vote on Matters from Executive Session (Agenda Item 25)

After reconvening to Open Session, Chairman Crowell called for a motion to approve a matter from Executive Session.

Mr. Karnei made a motion to approve the Litigation and Regulatory Matter noted in the Executive Session meeting materials as Agenda Item 23b as discussed in Executive Session. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 26)

Chairman Crowell adjourned the meeting at approximately 2:25 p.m.

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


Vickie G. Leady
Assistant Corporate Secretary