



To: Board of Directors
From: Bill Magness, ERCOT Vice President, General Counsel and Corporate Secretary
Date: April 9, 2012
Re: Update on March 16, 2012 Special Meeting of Corporate Members

On February 20, 2012, the Nominating Committee of the ERCOT Board of Directors (Board) unanimously selected Michehl Gent as an Unaffiliated Director to serve on the Board for his third and final term beginning after election by ERCOT Corporate Members and upon approval by the Public Utility Commission of Texas (Commission).

On February 21, 2012, the Board called a Special Meeting of the Corporate Members for March 16, 2012, for the purpose of voting on the election of Mr. Gent as the proposed Unaffiliated Director. On February 23, 2012, pursuant to the direction of the ERCOT Board, ERCOT issued its notice of Special Meeting of Corporate Members to be held on March 16, 2012 (Special Meeting) for the re-election of Mr. Gent. Corporate Membership voting for the Unaffiliated Director candidate was conducted pursuant to the ERCOT Bylaws procedures requiring approval by a majority of Member Segments (*i.e.*, at least four out of seven Member Segments). Mr. Gent received the requisite number of Corporate Member votes by ballot upon the conclusion of voting on March 14, 2012, in lieu of the Special Meeting, to be re-elected as an Unaffiliated Director for a third and final three-year term.

On March 16, 2012, ERCOT filed its petition for Commission approval of Mr. Gent's re-election as an Unaffiliated Director (PUC Docket No. 40233). Commission staff has supported ERCOT's request for expeditious approval of Mr. Gent's re-election. ERCOT Legal will update the Board on developments in the Commission proceeding as they occur.