



**DRAFT 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
May 15, 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; Proxy for Michehl Gent
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Dalton, Andrew	Valero Services, Inc.	Industrial Consumer
Doggett, H. B. "Trip"	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Fehrenbach, Nick	City of Dallas	Commercial Consumer
Givens, Sheri	Office of Public Utility Counsel	Residential Consumer
Gresham, Kevin	E.On Climate & Renewables NA LLC	Independent Generator
Hendrick, Eric	Stream Energy	Independent Retail Electric Provider (REP)
Karnei, Clifton	Brazos Electric Power Cooperative, Inc.	Cooperative
Pablos, Rolando	Commissioner	Public Utility Commission of Texas (PUCT) <i>(Except for Agenda Items 1-3)</i>
Pfirmedann, Karl V.	Unaffiliated	Unaffiliated Director
Prochazka, Scott	CenterPoint Energy Houston Electric LLC	Investor Owned Utility <i>(Except for Agenda Items 1-3)</i>
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer
Walsh, Judy (Vice Chair)	Unaffiliated	Unaffiliated Director



Guests:

Bowling, Shannon	Cirro Group – Independent REP Segment Alternate
Brown, Jeff	Shell Energy North America (US) LP – Independent Power Marketer Segment Alternate
Day, Betty	ERCOT Vice President Business Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Dumas, John	ERCOT Director of Wholesale Market Operations
Gage, Theresa	ERCOT Director of External Affairs
Hobbs, Kristi	ERCOT Manager of Market Rules and Stakeholder Support
Jones, Dan	Director of Potomac Economics, ERCOT Independent Market Monitor
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, Michael	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
Seely, Chad	ERCOT Assistant General Counsel
Wittmeyer, Bob	TAC Residential Consumer Representative, TAC Vice Chair

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

Craven Crowell, Board Chairman, determined a quorum was present and called the meeting to order at approximately 9:02 a.m. Chairman Crowell noted the Antitrust and Security Admonitions. He announced that Michehl Gent's re-election as an Unaffiliated Director was approved by the Public Utility Commission of Texas (PUCT), but Mr. Gent was unable to attend the meeting. He noted that Jorge Bermudez held a proxy for Mr. Gent. Chairman Crowell provided a statement on the importance of resource adequacy in the ERCOT Region and ongoing resource adequacy efforts.

Chairman Crowell addressed the following Agenda Items in the order below.

Consent Agenda (Agenda Item 2)

Chairman Crowell entertained a motion for the approval of the Consent Agenda as follows:

- Unopposed Revision Requests Recommended by the Technical Advisory Committee (TAC) for Approval
 - Nodal Protocol Revision Request (NPRR) 412, Quick Start Generation Resource Compliance Metric Adjustments;
 - NPRR439, Updating a Counter-Party's Available Credit Limit for Current Day Day-Ahead Market (DAM);
 - NPRR441, Revision of Dynamic Rating Recommendation Posting Timeline;
 - NPRR442, Energy Offer Curve Requirement for Generation Resources Providing Reliability Must-Run Service;
 - System Change Request (SCR) 770, Revision to Outage Scheduler Entry for Resource Maintenance Outage Level Designation;



- SCR771, ERCOT System Change Allowing Independent Master Qualified Scheduling Entity (QSE) to Represent Split Generation Resources;
- Nodal Operating Guide Revision Request (NOGRR) 084, Daily Grid Operations Summary Report;
- Planning Guide Revision Request (PGRR) 015, New Section 3, Regional Planning; and
- PGRR016, Planning Reserve Margin Review.

Andrew Dalton moved to approve the Consent Agenda as presented. Jorge Bermudez seconded the motion. The motion passed by unanimous voice vote with no abstentions.

With regard to future Consent Agenda items, Chairman Crowell requested that Board members contact him or Bill Magness, ERCOT Vice President, General Counsel and Corporate Secretary, at least one day prior to a scheduled Board meeting if they plan to request the removal of any item from the Consent Agenda.

Approval of April 16-17, 2012 Board of Directors Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the April 16-17, 2012 Board of Directors Meeting minutes (Minutes).

Mr. Dalton advised that he submitted modifications related to Agenda Item 13a (specifically, the NPRR405 discussion and motion) in the Minutes and that such modification had been circulated by paper copy to the Board at the beginning of the meeting. Chairman Crowell called for any objections to Mr. Dalton's modifications, but there were none.

Mr. Dalton moved to approve the Minutes with his recommended modifications to Agenda Item 13a (specifically, the NPRR405 discussion and motion). Mr. Hendrick seconded the motion. The motion passed by unanimous voice vote with two abstentions (Mr. Bermudez and Kevin Gresham).

CEO Update (Agenda Item 4)

H.B. "Trip" Doggett, ERCOT President and CEO, provided Board members with the CEO Update. Mr. Doggett recognized Kristi Hobbs, ERCOT Manager of Market Rules and Stakeholder Support, for her upcoming ten-year anniversary with ERCOT and her dedicated efforts with regard to the market rules process and stakeholder support.

Financial Summary and Operations Reports (Agenda Item 5)

Mr. Doggett presented the Financial Summary and Operations Reports to the Board. Mr. Doggett and Michael Petterson, ERCOT Vice President of Finance and Treasury, responded to questions and comments from Board members.

Preview of Summer 2012 (Agenda Item 6)

Mr. Doggett reviewed the Preview of Summer 2012 presentation with the Board and responded to questions and comments from Board members. Jean Ryall, who served as the lead Director for the Board's Communications Task Force following the February 2, 2011 Energy Emergency Alert (EEA) Event, reported on the Crisis Communications Plan review process. Theresa Gage, ERCOT Director of External Affairs, reported on the development of the ERCOT conservation mobile device application.



Mr. Doggett recognized Jackie Ashbaugh, Manager of Data Integrity, and her staff for their efforts in the development of this application. In response to questions from Board Vice Chair Judy Walsh, John Dumas, ERCOT Director of Wholesale Market Operations, reviewed the Emergency Response Service (ERS) pilot project.

Independent Market Monitor (IMM) Report (Agenda Item 7)

Dan Jones, Director of Potomac Economics, the ERCOT IMM, provided Board members with the IMM Report and responded to comments and questions from Board members.

Reconsideration of Board's Approval of Price Correction for DC_N Settlement Point (November 24, 2011) on February 21, 2012, in Light of Subsequent Public Utility Commission of Texas Order in Docket 39433 (Agenda Item 8)

Chairman Crowell entertained a motion for the reconsideration of Price Correction of DC_N Settlement Point for Operating Day November 24, 2011, approved by the Board in February 21, 2012, in light of the subsequent PUCT Order in Docket 39433.

Vice Chair Walsh noted that, subsequent to the Board's approval of the Price Correction for DC_N Settlement Point (Operating Day November 24, 2011) on February 21, 2012, the PUCT entered its Order in Docket 39433 in which the PUCT determined a software design flaw cannot justify a resettlement of a data or software error.

Vice Chair Walsh moved, in light of the PUCT final Order in Docket 39433, to reconsider the Board's approval of the Price Correction for DC_N Settlement Point (Operating Day November 24, 2011) on February 21, 2012, and to confirm the Real-Time Locational Marginal Prices and Settlement Point Prices for Operating Day November 24, 2011 are deemed final as reflected at 1600 of the next Business Day. Jean Ryall seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Technical Advisory Committee (TAC) Update (Agenda Item 9)

Kenan Ogelman, TAC Chair, presented the TAC Update and responded to questions and comments from Board members.

Proposed Modifications to 2012 Board Meeting Schedule, including 2012 Strategic Planning Event (Agenda Item 10)

At Chairman Crowell's request, Mr. Magness presented the proposed modifications to the 2012 Board meeting schedule as recommended by ERCOT staff and provided an update on the November 2012 meeting dates. Mr. Petterson responded to questions and comments from the Board members. Chairman Crowell inquired whether there were objections to this proposed meeting schedule, but there were none. Chairman Crowell requested that the Board members update their meeting calendars with the noted meeting dates and advised that the meeting calendar could be changed at a later date if necessary.

Other Business (Agenda Item 11)

There was no discussion of other business at this time.



Executive Session (Agenda Items 12 through 19)

Chairman Crowell adjourned the meeting into Executive Session at approximately 10:35 a.m., immediately after a 15-minute recess. He reconvened Open Session at approximately 11:47 a.m.

Vote on Matters from Executive Session (Agenda Item 20)

Chairman Crowell reported that there were no matters discussed in Executive Session that required a vote by the Board.

Adjournment (Agenda Item 21)

Chairman Crowell adjourned the meeting at approximately 11:47 a.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