



**To:** Human Resources and Governance (HR&G) Committee  
**From:** Bill Magness, ERCOT Vice President, General Counsel and Corporate Secretary  
**Date:** November 5, 2012  
**Re:** Periodicity of Meetings

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The Public Utility Commission of Texas' rules regarding ERCOT oversight, adopted in 2011, include the following requirement at PUC SUBST. R. §25.362(i)(5):

**Meeting Periodicity Report.** Beginning with the effective date of this section, ERCOT shall recommend annually to the commission the periodicity of governing board meetings. ERCOT's recommendation shall be based on an examination of the frequency of meetings conducted by similar organizations and shall include an estimate of the costs associated with meeting more frequently than once per quarter.

ERCOT made its first "periodicity of meetings" filing at the Commission on December 29, 2011. The filing included ERCOT's recommendations for the number of ERCOT Board of Directors meetings to be held in 2012, as well as recommendations for the number of Finance & Audit (F&A) and HR&G Committee meetings. As required by the Commission's rule, the ERCOT filing includes information on the frequency of governing board meetings held by the other ISO/RTOs, and an estimate of the costs associated with the recommended number of meetings.

HR&G Committee Chair Andrew Dalton requested that ERCOT Legal file a draft of its periodicity of meetings filing for review by the Committee at its November 12, 2012 meeting. The attached draft reflects the Board's decision in September 2012 to approve a meeting schedule including seven (7) Board meetings in 2013. The draft also notes that the F&A and HR&G Committees are scheduled to meet six (6) times each, as they did in 2012.

Please note that ERCOT has not completed its review of the frequency of other ISO/RTO meetings, nor has it finalized its cost number for the number of meetings proposed for 2013. Those items will be completed before ERCOT files its periodicity of meetings report at the Commission. The report is due by year-end 2012.

PROJECT NO. 27706

REPORTS OF THE ELECTRIC § PUBLIC UTILITY COMMISSION  
RELIABILITY COUNCIL OF TEXAS § OF TEXAS

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**RECOMMENDATIONS FOR PERIODICITY**  
**OF GOVERNING BOARD MEETINGS IN 2013**

COMES NOW, Electric Reliability Council of Texas, Inc. (ERCOT), pursuant to PUC SUBST. R. §25.362(i)(5), and files its *Recommendations for Periodicity of Governing Board Meetings in 2013*.

The Commission's rules regarding ERCOT oversight include the following requirement at PUC SUBST. R. §25.362(i)(5):

**Meeting Periodicity Report.** Beginning with the effective date of this section, ERCOT shall recommend annually to the commission the periodicity of governing board meetings. ERCOT's recommendation shall be based on an examination of the frequency of meetings conducted by similar organizations and shall include an estimate of the costs associated with meeting more frequently than once per quarter.

At its September 2012 meeting, the ERCOT Board of Directors adopted a meeting schedule for 2013 that is the basis for ERCOT's meeting periodicity recommendation for calendar year 2013. ERCOT's recommendations are attached hereto as Exhibit 1. In summary, ERCOT recommends that the ERCOT Board hold seven (7) regular meetings in 2012 (meetings held every other month, except for consecutive meetings in November and December, 2013), and that the Board's Finance & Audit (F&A) and Human Resources & Governance (HR&G) standing committees hold six (6) regular meetings (with each committee meeting held the day before the scheduled Board meeting).

ERCOT notes that the recommended schedule for 2013 includes three (3) fewer Board meetings than were included in the 2012 recommendation for meeting periodicity, and maintains the same number of F&A and HR&G Committee meetings as were recommended in ERCOT's report for 2012.

Respectfully submitted,

By: \_\_\_\_\_

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**ERCOT'S RECOMMENDATIONS FOR PERIODICITY  
OF GOVERNING BOARD MEETINGS IN 2013**

**SUMMARY OF RECOMMENDATIONS FOR 2013 ERCOT BOARD AND COMMITTEE MEETINGS**

For 2013, the ERCOT Board of Directors (Board) approved a schedule that includes seven (7) regular meetings of the Board. In addition, the Board endorsed an ERCOT staff recommendation that the Finance and Audit (F&A) Committee and the Human Resources and Governance (HR&G) Committee of the Board hold six (6) regular meetings in 2013. The regular meetings of the Board and its standing committees are scheduled as follows for 2013:

<b>Month</b>	<b>Committee Meetings</b>	<b>Board Meeting</b>
<b>January</b>	<b>Jan. 14</b>	<b>Jan. 15</b>
<b>February</b>		
<b>March</b>	<b>March 18</b>	<b>March 19</b>
<b>April</b>		
<b>May</b>	<b>May 13</b>	<b>May 14</b>
<b>June</b>		
<b>July</b>	<b>July 15</b>	<b>July 16</b>
<b>August</b>		
<b>September</b>	<b>Sept. 16</b>	<b>Sept. 17</b>
<b>October</b>		
<b>November</b>	<b>Nov. 18</b>	<b>Nov. 19</b>
<b>December</b>		<b>Dec. 10*</b>

\* Section 4.6(a) of the ERCOT Bylaws requires that "The Board shall meet at least quarterly, with at least one meeting occurring in conjunction with the Annual Meeting of the Members." The December 10, 2013 Board meeting is scheduled to be held in conjunction with the 2013 Annual Meeting of Members.

**INDUSTRY PRACTICES**

The frequency of governing body meetings of U.S. ISOs and RTOs varies widely. Although the governing documents of most require only quarterly meetings (as is required by the ERCOT Bylaws), only Southwest Power Pool (SPP) maintained such a schedule. For 2012, the ISO/RTOs scheduled regular meetings as follows:

ISO / RTO	2012 Schedule	
	Board of Directors	Board Committees
<b>ERCOT</b>	9 times <sup>[1]</sup>	<ul style="list-style-type: none"> <li>• Finance and Audit – 6 times</li> <li>• Human Resources and Governance – 6 times</li> <li>• Nominating – As needed</li> </ul>
<b>NYISO</b>	10 times	<ul style="list-style-type: none"> <li>• Audit and Compliance – 5 times</li> <li>• Commerce and Compensation – 8 times</li> <li>• Governance – 4 times</li> <li>• Reliability and Markets – 9 times</li> </ul>
<b>ISO-NE</b>	7 times	<ul style="list-style-type: none"> <li>• Audit and Finance – 7 times</li> <li>• Compensation and Human Resources – 5 times</li> <li>• Markets – 14 times</li> <li>• Nominating and Governance<sup>[2]</sup> – 5 times</li> <li>• System Planning and Reliability – 10 times</li> </ul>
<b>MISO</b>	7 times	<ul style="list-style-type: none"> <li>• Audit and Finance – 4 times</li> <li>• Corporate Governance and Strategic Planning – 4 times</li> <li>• Human Resources – 6 times + 1 closed session</li> <li>• Information Technology – 4-6 times</li> <li>• Markets – 12 times</li> <li>• System Planning – 7 times</li> <li>• Nominating – As needed</li> </ul>
<b>PJM</b>	6 times	<ul style="list-style-type: none"> <li>• Audit – 5 times</li> <li>• Reliability – 5 times</li> <li>• Competitive Markets – 5 times</li> <li>• Governance – 5 times</li> <li>• Human Resources – 5 times</li> <li>• Regulatory – 5 times</li> </ul>
<b>CAISO</b>	7 times	<ul style="list-style-type: none"> <li>• Audit – 6 times</li> </ul>
<b>SPP</b>	4 times <sup>[3]</sup>	<ul style="list-style-type: none"> <li>• Members – 4 times</li> <li>• Markets and Operations Policy – 4 times</li> <li>• Strategic Planning – 3 times</li> <li>• Human Resources – 4 times</li> <li>• Oversight – 4 times</li> <li>• Finance – 5 times</li> <li>• Corporate Governance – 3 times</li> </ul>

<sup>1</sup> This does not include the Strategic Planning Session of the Board.

<sup>2</sup> This does not include the nomination process meetings with stakeholders.

<sup>3</sup> This does not include an educational meeting and an organizational effectiveness meeting.

## **COST OF MEETINGS**

ERCOT's recommended 2012 meeting schedule for the Board, HR&G Committee and F&A Committee results in a total estimated cost of \$\_\_\_\_\_. ERCOT notes that it recently implemented a system for providing Board materials electronically to its Board members, thus reducing the cost of reproducing and delivering paper Board materials. This cost was offset by the expenses associated with setting up the electronic distribution system, but ERCOT believes the electronic system will prove to be much more efficient than the previous practice.

Reducing the number of Board meetings to a quarterly schedule would result in additional potential savings, but at the risk of not providing a sufficient number of meetings for the Board to conduct its business effectively.

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