



To: Board of Directors
From: Bill Magness, ERCOT Vice President, General Counsel and Corporate Secretary
Date: March 12, 2013
Re: Item 14 – Update on February 19, 2013 Special Meeting of Corporate Members

On January 14, 2013, the Nominating Committee of the ERCOT Board of Directors (Board) unanimously selected Jorge Bermudez as an Unaffiliated Director to serve on the Board for his second three-year term beginning after election by ERCOT Corporate Members and upon approval by the Public Utility Commission of Texas (Commission), preferably by July 1, 2013.

On January 24, 2013, pursuant to the direction of the ERCOT Board, ERCOT issued its notice of Special Meeting of Corporate Members to be held on February 19, 2013 (Special Meeting) for the re-election of Mr. Bermudez. 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. Bermudez received the requisite number of Corporate Member votes by ballot upon the conclusion of voting on February 15, 2013 in lieu of the Special Meeting, to be re-elected as an Unaffiliated Director for a second three-year term.

On March 4, 2013, ERCOT filed its petition for Commission approval of Mr. Bermudez's re-election as an Unaffiliated Director (PUC Docket No. 41260). ERCOT Legal will update the Board on developments in the Commission proceeding as they occur.