



## Morgan Stanley Capital Group, Inc. Proposed Amendment

### *Original Proposal*

Amend ERCOT Bylaws, Article 5 (Technical Advisory Committee), Subsection 5.1(c).

(c) Fifty-one percent (51%) of the eligible, Seated Representatives of TAC shall constitute a quorum for the transaction of business; and abstentions do not affect calculation of a quorum. Affirmative votes of: (i) two-thirds of the Eligible Voting Representatives of TAC; and (ii) at least 50% of the total Seated Representatives shall be the act of TAC. For purposes of voting on TAC, TAC representatives who **are not present or** abstain from voting shall not have their votes included in the total number of votes from which the requisite percentage of affirmative votes is required for action.

*The amendment was proposed by Mr. Clayton Greer (Morgan Stanley), who provided the following explanation for the proposal:*

The reason for this change is that the current language effectively turns the vote of someone who is not present to a "No" vote when the calculation is made for passage. We could actually have a quorum present, but not have the ability to pass a single voting item due to the procedure. The change will revise these votes to the same effect as a vote of "abstain," which is done in other bodies.

### *Revised Proposal*

(c) Fifty-one percent (51%) of the eligible, Seated Representatives of TAC shall constitute a quorum for the transaction of business; and abstentions do not affect calculation of a quorum. Affirmative votes of: (i) two-thirds of the Eligible Voting Representatives of TAC; and (ii) at least 50% of the total Seated Representatives shall be the act of TAC. For purposes of voting on TAC, TAC representatives ~~who are not present or abstain from voting~~ shall not have their votes included in the total number of votes from which the requisite percentage of affirmative votes is required for action **if: (i) they are not present and have not designated a proxy, or (ii) they abstain from voting.**

### *Reason for Revision*

The language was revised in response to a concern raised at the June 2013 TAC meeting about the potential unintended consequence of the original proposed language on proxies. The revision makes clear that TAC representatives shall not have their votes included in the voting calculation if they are not present and have not designated a proxy or they abstain. Other language in the Bylaws states that members who have designated a proxy are not considered "not present" for voting purposes, but the clarification to this language makes that point explicit in the provision on voting calculations.



*ERCOT Staff Analysis*

- *Financial/Full-Time Equivalent Impact*
  - None expected
- *Changes to Existing ERCOT Processes*
  - Revisions to voting spreadsheets and documentation will be completed by ERCOT staff