



To: Human Resources and Governance (HR&G) Committee
From: Bill Magness, ERCOT Vice President, General Counsel and Corporate Secretary
Vickie Ledy, ERCOT Assistant General Counsel and Assistant Corporate Secretary
Date: July 8, 2013
Re: Item 4: Bylaws Amendments

At the May 2013 meeting of the HR&G Committee, members of the Committee directed ERCOT Legal to prepare proposed Bylaws amendments for votes by the Committee and the Board of Directors at the July 2013 meetings. The items included under Agenda Item 4 are responsive to the Committee's request.

As background, we note that Bylaws amendments are governed by Section 13 of the ERCOT Bylaws. Pursuant to Section 13, ERCOT Legal has presented to the HR&G Committee (which has been delegated by the Board of Directors the authority to review and recommend Bylaws changes), proposals for amendments submitted by ERCOT Corporate Members, as well as proposals offered by ERCOT Legal.

We expect the HR&G Committee will present its recommendations on proposed Bylaws amendments to the Board at the Board's July 16, 2013 meeting. Bylaws amendments approved by the Board must also be approved by a vote of ERCOT's Corporate Members, and by order of the Public Utility Commission of Texas.

The following items are included for the HR&G Committee's consideration of this matter:

- Agenda Item 4.1: Memorandum from the Chair of the Technical Advisory Committee (TAC) reporting on TAC's recommendations to the HR&G Committee on the proposed Bylaws amendments. TAC considered the amendments at its June and July 2013 meetings, and voted to offer its recommendations at its July 2, 2013 meeting. The TAC Chair will be available to discuss TAC's actions.
- Agenda Item 4.2: This item includes the decision template for Board approval of proposed Bylaws changes. The template includes background information on the Bylaws review process, as well as a draft Board resolution regarding Bylaws revisions.
- Agenda Item 4.2.1 – 4.2.5: The text of each of the proposed amendments, together with statements explaining the amendments prepared by their proponents. In addition, ERCOT staff has provided an analysis of expected impacts on ERCOT staffing or internal processes that would result from each proposed amendment. The proponents of each of the proposed amendments will be available to discuss their proposals.

As reflected in Item 4.2 and its sub-parts, ERCOT Legal recommends that the HR&G Committee vote on each proposal separately, and make recommendations on each proposal to the Board, for consideration at its July 16, 2013 meeting.