



Date: July 9, 2013
To: Board of Directors
From: Bill Magness, Vice President, General Counsel and Corporate Secretary
Subject: Call for Special Meeting of ERCOT Corporate Members for Approval of Bylaws Amendments

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: July 16, 2013

Item No.: 11

Issue:

Whether the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) should call a Special Meeting of ERCOT’s Corporate Members for a vote to approve amendments to the ERCOT Bylaws as soon as practicable after the recommendation of the Board for such approval.

Background/History:

Section 13.1(c) of ERCOT’s Amended and Restated Bylaws (Bylaws) provides that “[i]f the proposal is approved by an act of the Board as set forth in Section 4.7, the Board shall place the proposal on the agenda of the next Annual Meeting of the Corporate Members unless the Board in its discretion calls a Special Meeting of the Corporate Members to vote on the proposal....”

At its meeting on July 15, 2013, the Human Resources and Governance (HR&G) Committee is expected to consider proposed Bylaws amendments. The HR&G Committee may recommend that the Board approve some or all of the proposed Bylaws amendments. The Board may accept this recommendation and approve the Bylaws amendment proposals for recommendation and presentation to the ERCOT Corporate Members.

The next regularly scheduled meeting of the Corporate Members is not anticipated to be held until the Annual Meeting of Corporate Members on December 10, 2013. In order to have amendments to the ERCOT Bylaws effective as soon as practicable after the recommendation of the Board, a Special Meeting of Corporate Members would need to be called if these matters are to be addressed by the Corporate Members prior to the Annual Meeting on December 10, 2013. Section 3.7(b) the Bylaws provides that “[s]pecial meetings of the Corporate Members may be called by the Board”.

Key Factors Influencing Issue:

- Sections 3.7(b) and 13.1(c) of the Bylaws give the Board discretion to call Special Meetings of the Corporate Members.
- It is in the best interest of the Corporate Members, ERCOT, and the market for the Bylaws amendments to be considered by the Corporate Members as soon as practicable after approval by the Board.

Conclusion/Recommendation:

ERCOT staff respectfully recommends that the Board call a Special Meeting of ERCOT’s Corporate Members for a vote on the proposed Bylaws amendments as soon as practicable after approval for recommendation and presentation to the Corporate Members.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to call a Special Meeting of the ERCOT Corporate Members for a vote on Bylaws amendment proposals as soon as practicable after approval by the Board; and

THEREFORE, BE IT RESOLVED, that the Board hereby calls a Special Meeting of ERCOT's Corporate Members for a vote on the Bylaws amendment proposals as soon as practicable after approval by the Board.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its July 16, 2013 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of July, 2013.

Vickie G. Leady
Assistant Corporate Secretary