



**MINUTES OF THE BOARD OF DIRECTORS MEETING OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive, Room 206
Austin, Texas 78744
March 19, 2013 at 9:00 a.m.

Pursuant to notice duly given, the meeting of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT), convened on the above-referenced date.

Meeting Attendance:

Board Members:

Director	Affiliation	Segment
Bivens, Danny	Office of Public Utility Counsel	Consumer – Residential (<i>Alternate Representative for Public Counsel Sheri Givens</i>)
Bowling, Shannon	Cirro Group	Independent Retail Electric Provider (IREP)
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Dalton, Andrew	Valero Services, Inc.	Consumer – Industrial
Doggett, H.B. “Trip”	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal (<i>Proxy for Clifton Karnei for Agenda Items 17 and 18</i>)
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gent, Michehl	Unaffiliated	Unaffiliated Director (<i>Proxy for Jorge Bermudez</i>)
Gresham, Kevin	E.On Climate & Renewables NA LLC	Independent Generator (<i>Not Present for Agenda Items 10, 10.1, 10.2, 12.1, 12.2 and 12.3</i>)
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative (<i>Not Present for Agenda Items 17 and 18</i>)
Pfirmsmann, Karl	Unaffiliated	Unaffiliated Director
Porter, Jean Ryall	CCNG Power, LLC	Independent Power Marketer (<i>Not Present for Agenda Items 1 – 4, 7.1 and 7.1.1</i>)
Prochazka, Scott	CenterPoint Energy Inc.	Investor-Owned Utility
Walsh, Judy (Vice-Chair)	Unaffiliated	Unaffiliated Director



Guests:

Anderson, Troy	ERCOT Manager of Integrated Testing and Portfolio Management
Billo, Jeff	ERCOT Manager of Transmission Planning
Brown, Jeff	Shell Energy North America (US), LP (Independent Power Marketer Segment Alternate)
Carpenter, Mark	Oncor Electric Delivery Company (Investor-Owned Utility Segment Alternate)
Coleman, Chris	ERCOT Meteorologist
Day, Betty	ERCOT Vice President of Business Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Dumas, John	ERCOT Director of Wholesale Market Operations <i>(Not present for Agenda Items 1 - 4.1)</i>
Jones, Dan	Director of Potomac Economics, ERCOT Independent Market Monitor
Lasher, Warren	ERCOT Director of System Planning
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer
Matlock, Michael	ENCOA (IREP Segment Alternate)
Ögelman, Kenan	CPS Energy, Technical Advisory Committee (TAC) Chair
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Shellman, Carolyn	CPS Energy (Municipal Segment Alternate)
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning
Stephenson, Randa	Lone Star Transmission, TAC Vice-Chair

Call General Session to Order, Announce Proxies and Segment Alternates (Agenda Item 1)

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board meeting to order at approximately 9:01 a.m. Chairman Crowell noted the Antitrust and Security Admonitions. Chairman Crowell announced that Unaffiliated Director Michehl Gent held a proxy for Unaffiliated Director Jorge Bermudez and that Danny Bivens was attending as Alternate Representative for the Office of Public Utility Counsel in Public Counsel Sheri Givens' absence. He announced that the IREP Segment had conducted its elections to address its Director vacancy and congratulated Shannon Bowling of the Cirro Group (immediate past IREP Segment Alternate) and Michael Matlock of ENCOA as the new IREP Director and Segment Alternate, respectively. Chairman Crowell reported that the Independent Generator Segment Alternate position formerly held by Barbara Clemenhagen was currently vacant. Chairman Crowell provided his Chairman's opening statement and addressed the following Agenda Items in the order below.

Consent Agenda; Unopposed Nodal Protocol Revision Requests (NPRRs), Nodal Operating Guide Revision Requests (NOGRRs), System Change Request (SCR), Impact Assessment and Planning Guide Revision Requests (PGRRs) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1 and 2.1.1 through 2.1.22)

Chairman Crowell entertained a motion for the approval of the Consent Agenda as follows:



- NPRR474, Clarification of Price Correction Principles and Associated Timelines;
- NPRR487, QSGR Dispatch Adjustment – URGENT;
- NPRR489, Planning Reserve Margin;
- NPRR492, Addition of System Lambda Information;
- NPRR493, Half-Hour RUC Clawback;
- NPRR496, Revise West Hub Definition Due to Permanent Topology Change;
- NPRR498, Cleanup of ERCOT Finance and Audit Committee Responsibilities in Operational Audits;
- NPRR499, Revisions to Digital Certificate Holder Qualification Requirements;
- NPRR502, Addition of Year 6 to the SSWG Base Cases;
- NPRR504, Removal of Language Related to LPGRR049;
- NPRR509, Shortened RTM Settlement Timeline – URGENT;
- NPRR518, Removal of Notification Requirement for Disclosures of Protected Information Required by CFTC – URGENT;
- NPRR520, Real-Time Mitigation Rules and Creation of a Real-Time Constraint Competitiveness Test – URGENT;
- NPRR521, Transitional CRR Auction Capacity Value for Initial CRR Long-Term Auction Sequence – URGENT;
- SCR773, Addition of Regulation Feedback to Generation to be Dispatched Calculation – URGENT;
- Impact Assessment for Parking Deck SCR756, Enhancements to the MarkeTrak Application;
- NOGRR101, Market Notice for DC Tie Outage Information;
- NOGRR105, Generation Resource Frequency Response Test Procedure;
- PGRR022, Removal of Planning Reserve Margin Calculation Methodology;
- PGRR023, Contingency Filing Requirements;
- PGRR024, Clarify Planning Assumptions and Performance Criteria; and
- PGRR026, Addition of Year 6 to the SSWG Base Cases.

Clifton Karnei moved to approve the Consent Agenda as presented. Scott Prochazka seconded the motion. The motion passed by unanimous voice vote with no abstentions.

January 15, 2013 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the January 15, 2013 General Session Meeting Minutes (Minutes).

Michehl Gent moved to approve the Minutes as presented. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Chief Executive Officer (CEO) Presentations; Chief Executive Officer (CEO) Update (Agenda Items 4 and 4.1)

Trip Doggett presented the CEO Update. Mr. Doggett, Kent Saathoff, John Dumas and Warren Lasher responded to questions and comments from Board members.



Mr. Doggett recognized Joel Koepke, Marcus Schaffer, Chris Azerado and Luis Hinojosa, in relation to ERCOT's Engineering Development Program (EDP). He commended Woody Rickerson, ERCOT Director of Grid Coordination, for his contributions in creating the EDP.

Operations Reports (Agenda Item 4.3)

Mr. Doggett presented the Operations Reports. Mr. Doggett and Mr. Lasher responded to questions and comments from Board members.

Financial Summary (Agenda Item 4.2)

Mr. Doggett presented the Financial Summary Report. There were no questions and comments from Board members.

Spring and Summer Weather Outlook (Agenda Item 5)

Mr. Doggett introduced ERCOT's new meteorologist, Chris Coleman. Mr. Coleman presented the spring and summer weather outlook and responded to questions and comments from Board members.

Independent Market Monitor (IMM) Report (Agenda Item 6)

Dan Jones provided the IMM Report and responded to questions and comments from Board members.

TAC Report (Item 7)

Kenan Ögelman presented the TAC Report. Mr. Ögelman and Mark Ruane responded to questions and comments from Board members.

Non-Unanimous NPRRs Recommended by TAC for Approval; NPRR484, Revisions to Congestion Revenue Rights Credit Calculations and Payments (Agenda Items 7.1 and 7.1.1)

Mr. Ögelman presented NPRR484, Revisions to Congestion Revenue Rights Credit Calculations and Payments, which TAC recommended for Board approval. Mr. Ögelman, Mark Ruane and Troy Anderson responded to questions and comments from Board members.

Mark Dreyfus moved to approve NPRR484 as recommended by TAC. Kevin Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Ögelman concluded the TAC Report.

Pilot Project: Emergency Response Service for Weather-Sensitive Loads (Weather-Sensitive ERS) (Agenda Item 8)

John Dumas reviewed the Pilot Project: Weather-Sensitive ERS presentation. Mr. Dumas and Bill Magness responded to questions and comments from Board members.

Mr. Dreyfus moved to approve the Weather-Sensitive ERS Pilot as described in the governing document, as modified by TAC and by ERCOT comments presented to the Board, to be effective immediately. Clifton Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.



2013 Ancillary Services Methodology (Agenda Item 9)

Mr. Dumas provided the 2013 Ancillary Services Methodology presentation. There were no questions or comments from Board members.

Mr. Karnei moved to approve the 2013 Ancillary Services Methodology as presented to be effective on April 1, 2013. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with one abstention (Andrew Dalton).

Regional Planning Group (RPG) Projects; AEPSC Sinton-Beeville-Kenedy Area Improvements Project; and Kenedy Switch-Nixon-Seguin Line Upgrade (Agenda Items 10, 10.1 and 10.2)

Jeff Billo provided the AEPSC Sinton-Beeville-Kenedy Area Improvements Project and Kenedy Switch-Nixon-Seguin Line Upgrade presentations and responded to questions and comments from Board members.

Mr. Dalton moved to endorse the need for both the AEPSC Sinton-Beeville-Kenedy Area Improvements RPG Project and the Kenedy Switch-Nixon-Seguin Line Upgrade RPG Project to meet the reliability requirements for the ERCOT System as recommended in the respective ERCOT Independent Reviews for reliability reasons. Mr. Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ratification of Residential Consumer TAC Representative (Agenda Item 11)

Mr. Magness provided an update on the ratification of the Residential Consumer TAC Representative.

Mr. Dreyfus moved to ratify Brian Almon as the Residential Consumer TAC Representative as presented. Vice Chair Judy Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance & Audit (F&A) Committee Report (Agenda Item 12)

In F&A Committee Chairman Jorge Bermudez' absence, Mr. Karnei, F&A Committee Vice Chairman, reported that the F&A Committee met on the prior day and highlighted items discussed at the F&A meeting.

F&A Committee Charter (Agenda Item 12.1)

Mr. Karnei moved to approve revisions to the F&A Committee Charter as recommended by the F&A Committee. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Financial Corporate Standard (Agenda Item 12.2)

Mr. Karnei moved to approve revisions to the Financial Corporate Standard, identified as Option A, as recommended by the F&A Committee. Vice Chair Walsh seconded the motion. The motion passed by unanimous voice vote with one abstention (Nick Fehrenbach).

ERCOT Creditworthiness Standards (Agenda Item 12.3)

Mr. Karnei moved to approve the revisions to ERCOT Creditworthiness Standards as recommended by the F&A Committee. Mr. Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Human Resources & Governance (HR&G) Committee Report (Agenda Item 13)

Karl Pfirrmann, HR&G Committee Chairman, reported that the HR&G Committee met on the prior day and highlighted items discussed at the HR&G Committee meeting.

HR&G Committee Charter (Agenda Item 13.1)

Chairman Pfirrmann reported that the HR&G Committee deferred action on the HR&G Committee Charter and anticipated that this matter would be considered for vote at the May 2013 meetings.

Annual TAC Structure and Procedural Review (Agenda Item 13.2)

Chairman Crowell noted that the Annual TAC Structure and Procedural Review was presented by Mr. Ögelman earlier as part of the TAC Report (Agenda Item 7).

Update on Special Meeting of Corporate Members (Agenda Item 14)

Mr. Magness provided an update on the Special Meeting of Corporate Members with regard to Jorge Bermudez' re-election as an Unaffiliated Director of the Board for a second term.

2012 Internal Revenue Service Form 990 Questionnaire (Agenda Item 15)

Mr. Petterson provided an overview of ERCOT's 2012 Internal Revenue Service (IRS) Form 990 Questionnaire and schedule for filing ERCOT's 2012 IRS Form 990.

Other Business (Agenda Item 16)

Chairman Crowell reported that a photographer was onsite for Board photographs. No other business was discussed at this time.

Executive Session

Chairman Crowell recessed the General Session at approximately 11:47 a.m. and convened Executive Session at approximately 12:17 p.m. Chairman Crowell reconvened General Session at approximately 2:25 p.m.

Vote on Matters from Executive Session (Agenda Item 17)

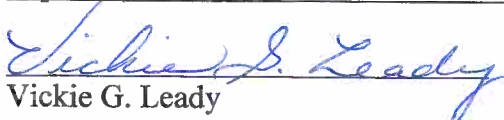
Chairman Crowell called for a motion to approve matters discussed during Executive Session.

Mr. Pfirrmann moved to ratify the officers as discussed as part of the Personnel agenda item during Executive Session. Jean Ryall-Porter seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 18)

Chairman Crowell adjourned the meeting at approximately 2:28 p.m.

Board materials and presentations from the meeting are available on ERCOT's website at <http://www.ercot.com/committees/board>.


Vickie G. Leady
Assistant Corporate Secretary