



**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
May 14, 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
Bermudez, Jorge	Unaffiliated	Unaffiliated Director (<i>Proxy for Michehl Gent for Agenda Items 13-14</i>)
Bowling, Shannon	Cirro Group	Independent Retail Electric Provider (IREP) (<i>Not Present for Agenda Items 11 and 11.1</i>)
Carpenter, Mark	Oncor Electric Delivery Company	Investor-Owned Utility Segment Alternate
Crowell, Craven (Chairman)	Unaffiliated	Unaffiliated Director
Dalton, Andrew	Valero Services, Inc.	Consumer- Industrial (<i>Not Present for Agenda Items 1 – 4.3 and 13-14</i>)
Doggett, H.B. "Trip"	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Fehrenbach, Nick	City of Dallas	Consumer - Commercial
Gent, Michehl	Unaffiliated	Unaffiliated Director
Givens, Sheri	Office of Public Utility Counsel	Consumer - Residential
Gresham, Kevin	E.On Climate & Renewables NA LLC	Independent Generator
Karnei, Clifton	Brazos Electric Power Cooperative	Cooperative
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman
Pfirmann, Karl	Unaffiliated	Unaffiliated Director (<i>Proxy for Andrew Dalton for Agenda Items 13-14</i>)



Porter, Jean Ryall	CCNG Power, LLC	Independent Power Marketer <i>(Not Present for Agenda Item 5)</i>
Walsh, Judy (Vice-Chair)	Unaffiliated	Unaffiliated Director

Guests:

Anderson, Kenneth	Public Utility Commission of Texas (PUCT) <i>(Not Present for Agenda Items 1 – 4.3)</i>
Ashley, Kristy	Exelon Corporation (Independent Generator Segment Alternate)
Boatright, Kimberly	ERCOT Network Model Coordinator
Brown, Jeff	Shell Energy North America (US), LP (Independent Power Marketer Segment Alternate)
Coleman, Chris	ERCOT Meteorologist
Coleman, Katie	Andrews & Kurth for Texas Industrial Electric Consumers (TIEC), TAC Advocate
Day, Betty	ERCOT Vice President of Business Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Gage, Theresa	ERCOT Director of External Affairs
Goff, Eric	Citigroup Energy
Guiyab, Rochie	ERCOT Sr. Network Model Engineer
Hartmann, Jimmy	ERCOT Control Room Operations Manager
Jenkins, Darrell	ERCOT Supervisor Outage Coordination
Johnson, McCall	Public Utility Commission
Jones, Brad	ERCOT Vice President of Commercial Operations
Jones, Dan	Director of Potomac Economics, ERCOT Independent Market Monitor
Lasher, Warren	ERCOT Director of System Planning
Latifzal, Emal	ERCOT Operations Engineer
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) <i>(Not Present for Agenda Items 1 – 3)</i>
McIntyre, Ken	ERCOT Vice President Grid Planning and Operations
Mercado, Ed	ERCOT Sr. Outage Coordinator
Nelson, Donna	Public Utility Commission of Texas (PUCT)
Nissankala, Greeshma	ERCOT Operations Engineer
Ögelman, Kenan	CPS Energy, Technical Advisory Committee (TAC) Chair
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Ragsdale, Kenneth	ERCOT Principal Market Design and Analysis
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Shellman, Carolyn	CPS Energy (Municipal Segment Alternate)
Stephenson, Randa	Lone Star Transmission, TAC Vice-Chair
Thompson, Chad	ERCOT Manager of Operations Support
Vinson, Jerry	ERCOT Sr. Outage Coordinator



Call Open Session to Order and Announce Proxies (Agenda Item 1)

Craven Crowell, Board Chairman, determined that a quorum was present and called the Board General Session meeting to order at approximately 9:01 a.m. Chairman Crowell noted the Antitrust and Security Admonitions. He introduced Kristy Ashley of Exelon, the new Independent Generator Segment Alternate, and announced that Mark Carpenter, Investor-Owned Utility Segment Alternate, was attending in Scott Prochazka's absence. Chairman Crowell addressed the following Agenda Items in the order below.

Consent Agenda: Unopposed Nodal Protocol Revision Requests (NPRRs), System Change Request(SCR) Recommended by Technical Advisory Committee (TAC) for Approval (Agenda Items 2, 2.1, 2.1.1, 2.1.2, 2.1.3, 2.1.4, , 2.1.5, 2.2)

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

- NPRR495, Changes to Ancillary Services Capacity Monitor;
- NPRR510, Discretion in Operating Days in OUT Calculation, Clarification of Source of ACP and Clarification of the Definition of Financial Statements;
- NPRR511, Correction to Emergency Energy Settlement Language – URGENT;
- NPRR530, Transfers of Specific NOIEs Within a NOIE Load Zone to a Competitive Load Zone – URGENT;
- SCR772, New Extract for Five Minute Interval Settlement Data; and
- Methodology for Setting the Shadow Price Caps and Power Balance Penalties in Security-Constrained Economic Dispatch.

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

March 19, 2013 General Session Meeting Minutes (Agenda Item 3)

Chairman Crowell entertained a motion to approve the March 19, 2013 General Session Meeting Minutes (Minutes).

Michehl Gent moved to approve the Minutes as presented. Judy Walsh seconded the motion. The motion passed by unanimous voice vote with two abstentions (Jorge Bermudez and Sheri Givens).

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

Trip Doggett presented the CEO Update. Mr. Doggett and Warren 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 or comments from Board members.

Operations Reports (Agenda Item 4.3)

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



Update on Transmission Planning for West Texas Congestion (Agenda Item 4.4)

Mr. Doggett invited Mr. Lasher to present the Update on Transmission Planning for West Texas Congestion.

Donna Nelson, Chairman of the Public Utility Commission of Texas (PUCT), called an Open Meeting of the Commission in order to consider matters which had been duly posted with the Texas Secretary of State for May 14, 2013.

Mark Carpenter expressed his gratitude to ERCOT staff for outstanding work on this matter and invited Jimmy Hartmann to introduce ERCOT staff who provided project assistance. Mr. Hartmann introduced Darrell Jenkins, Emal Latifzai, Chad Thompson, Rochie Guiyab, Kimberly Boatright, Jerry Vinson, Ed Mercado, Greeshma Nissankala, and Leo Villanueva who was not in attendance. Mr. Lasher and Mr. Carpenter responded to questions and comments from Board members.

Hurricane Weather Forecast (Agenda Item 5)

Chris Coleman presented the Hurricane Weather Forecast and responded to questions and comments from Board members.

Summer 2013 Communications Plan (Agenda Item 6)

Theresa Gage presented the summer 2013 Communications Plan and responded to questions and comments from Board members.

Independent Market Monitor (IMM) Report (Agenda Item 7)

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

TAC Report; Non-Unanimous NPRRs and PGRR Recommended by TAC for Approval (Agenda Items 8 and 8.1)

Kenan Ögelman disclosed that he had a company-specific interest in two of the items to be presented to the Board, that is, the appeal of NPRR444 and NPRR534, and noted that Randa Stephenson would handle those specific matters. Mr. Ögelman and Randa Stephenson presented the TAC Report and the non-unanimous NPRRs and PGRR which TAC recommended for Board approval in the following order.

NPRR500, Posting of Generation that is Off but Available (Agenda Item 8.1.1)

Mr. Ögelman presented NPRR500, Posting of Generation that is Off but Available, which TAC recommended for Board approval. Mr. Ögelman responded to questions and comments from Board members.

Jean Ryall Porter moved to approve NPRR500 as recommended by TAC. Andrew Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

NPRR 514, Seasonal Generation Resource – URGENT (Agenda Item 8.2)

Mr. Ögelman presented NPRR514, Seasonal Generation Resource – URGENT, which TAC recommended for Board approval.

Vice Chair Walsh moved to approve NPRR514 as recommended by TAC. Mr. Doggett seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Break

Chairman Crowell recessed General Session for a break at approximately 10:39 a.m. and reconvened General Session at approximately 10:57 a.m.

NPRR534, Clarification of QSE Responsibilities to Provide Service in NOIE Territory- URGENT (Agenda Item 8.1.2)

Ms. Stephenson presented NPRR534, Clarification of QSE Responsibilities to Provide Service in NOIE Territory, which TAC recommended for Board approval.

Mark Dreyfus moved to approve NPRR534 as recommended by TAC. Mr. Karnei seconded the motion. After some discussion, the motion passed by voice vote with one opposed (Shannon Bowling) and no abstentions.

PGRR025, Addition of Criteria for Autotransformer Unavailability (Agenda Item 8.1.3)

Mr. Ögelman presented PGRR025, Addition of Criteria for Autotransformer Unavailability, which TAC recommended for Board approval.

Mr. Carpenter moved to approve PGRR025 as recommended by TAC. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Ögelman reviewed the remainder of the TAC Report.

Appeal of TAC Action on NPRR444, Supplemental Reliability Deployments – URGENT; Background Information; TAC Advocate Presentation of TAC Action; Appeal and Position Statement of Citigroup Energy, Inc.; and Position Statements of Interested Parties (Agenda Items 8.3, 8.3.1, 8.3.2, 8.3.3 and 8.3.4)

At Chairman Crowell's request, Bill Magness provided a procedural overview of the Appeal of TAC Action on NPRR444, Supplemental Reliability Deployments – URGENT.

Ms. Stephenson provided the TAC background and overview of the Appeal of TAC Action on NPRR444.

As TAC Advocate, Katie Coleman presented the TAC Advocate presentation of the TAC Action.

Eric Goff provided the position statement of Appellant Citigroup Energy, Inc.

No parties provided any position statements.

Mr. Magness, Ms. Stephenson, Ms. Coleman and Mr. Goff responded to questions and comments from Board members.

Ms. Porter moved to approve the appeal of TAC Action on NPRR444 and allow an impact analysis to be performed. Chairman Crowell called for a second, but there was none. He announced that the motion died for lack of a second.



Vice Chair Walsh moved to deny the appeal by Citigroup Energy, Inc. of TAC's decision to reject Citigroup's appeal of the rejection of NPRR444 by the Protocol Revision Subcommittee and to direct TAC to report to the Board at the July 2013 Board meeting with options of resolution of the potential price reversal that occurs in scarcity conditions under current market rules. Ms. Porter seconded the motion. After discussion, the motion passed by unanimous voice vote with no abstentions.

Update on Pilot Project: Fast-Responding Regulation Service (FRRS) (Agenda Item 9)

Kenneth Ragsdale presented an update on Pilot Project: FRRS and responded to questions and comments from Board members.

Finance & Audit (F&A) Committee Report (Agenda Item 10)

Jorge Bermudez, F&A Committee Chairman, reported that the F&A Committee met during the prior day and highlighted items discussed at the F&A Committee meeting. Mr. Bermudez and Mr. Doggett supported the high ratings given by Basil Woller of the Institute of Internal Auditors with regard to Bill Wullenjohn, the Internal Audit Department staff and their exceptional work papers.

Acceptance of Financial Statement Audit Report (Agenda Item 10.1)

Mr. Bermudez moved to accept the Financial Statement Audit Report as recommended by the F&A Committee. Kevin Gresham seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources & Governance (HR&G) Committee Report (Agenda Item 11)

Karl Pfirrmann, HR&G Committee Chairman, reported that the HR&G Committee met during the prior day and highlighted items discussed at the HR&G Committee meeting. In addition to other matters, Mr. Pfirrmann reviewed the HR&G Committee's discussion regarding the proposed expedited schedule for Board approval of Bylaws amendments in July 2013 and requested that any other proposed Bylaws amendments be provided to Mr. Doggett no later than July 1, 2013.

HR&G Committee Charter (Agenda Item 11.1)

Mr. Pfirrmann moved to approve the HR&G Committee Charter as recommended by the HR&G Committee. Mr. Dalton seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Other Business (Agenda Item 12)

No other business was discussed at this time.

Executive Session

Chairman Crowell recessed the General Session at approximately 12:09 p.m. and convened Executive Session at approximately 12:40 p.m.

Chairman Crowell reconvened General Session at approximately 2:20 p.m. He announced that, during Executive Session, Mr. Dalton provided his proxy to Mr. Pfirrmann and Mr. Gent provided his proxy to Mr. Bermudez.



Vote on Matters from Executive Session (Agenda Item 13)

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

Mr. Bermudez moved to select Ernst & Young LLP as the Independent Financial Auditor as recommended by the F&A Committee as discussed as part of the Contract Matters agenda item during Executive Session. Mr. Pfirrmann seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Mr. Bermudez moved to select Maxwell, Locke & Ritter as the Independent 401(k) Savings Plan Auditor as recommended by the F&A Committee and as discussed as part of the Contract Matters agenda item during Executive Session. Ms. Walsh seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjourn (Agenda Item 14)

Chairman Crowell adjourned the meeting at approximately 2:21 p.m.

Board materials and presentations from the meeting are available on ERCOT's website at <http://www.ercot.com/calendar/2013/05/20130514-BOD>.

A handwritten signature in blue ink that reads "Vickie G. Leady". The signature is written in a cursive style with a horizontal line underneath the name.

Vickie G. Leady
Assistant Corporate Secretary