



## **Item 5: Recommendation regarding Periodicity of Meetings**

*Bill Magness*

Vice President, General Counsel and Corporate Secretary

Human Resources and Governance Committee Meeting

ERCOT Public

October 13, 2014

# Summary

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- **This is a discussion item only. Absent a modification request by the Committee, no recommendation to the Board of Directors is required as no modification to meeting periodicity has been recommended by ERCOT Legal.**
- **Public Utility Commission of Texas (PUCT) Rule Reporting Requirement on Periodicity of Meetings**
- **2015 Board Meeting Schedule**
- **2014 Independent System Operator (ISO)/Regional Transmission Organization (RTO) Meeting Frequency Comparison**

# PUCT Rule Reporting Requirement on Periodicity of Meetings

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- **PUCT Substantive Rule Section 25.362(i)(5), adopted in 2011, provides:**

**Meeting Periodicity Report.** Beginning with the effective date of this section, ERCOT shall recommend annually to the commission the periodicity of governing board meetings. ERCOT's recommendation shall be based on an examination of the frequency of meetings conducted by similar organizations and shall include an estimate of the costs associated with meeting more frequently than once per quarter.

- **ERCOT staff plans to file such report no later than year end. A copy of the proposed filing is provided with the meeting materials.**

# 2015 Board Meeting Schedule

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- **At the August 12, 2014 Board Meeting, the Board approved a total of six Board meetings in 2015 (that is, on the second Tuesday of even-numbered months).**
- **Committee meetings would be held the day prior to the Board meetings.**

# 2014 ISO/RTO Meeting Frequency Comparison

ISO / RTO	2014 Schedule	
	Board of Directors	Board Committees
ERCOT	6 times	<ul style="list-style-type: none"> <li>• Finance and Audit – 6 times</li> <li>• Human Resources and Governance – 6 times</li> <li>• Nominating – As Needed</li> </ul>
NYISO	10 times	<ul style="list-style-type: none"> <li>• Audit and Compliance – 7 times</li> <li>• Commerce and Compensation – 8 times</li> <li>• Governance – 6 times</li> <li>• Reliability and Markets – 9 times</li> </ul>
ISO-NE	7 times	<ul style="list-style-type: none"> <li>• Audit and Finance – 6 times</li> <li>• Compensation and Human Resources – 6 times</li> <li>• Markets – 13 times</li> <li>• Nominating and Governance – 7 times</li> <li>• System Planning and Reliability – 6 times</li> </ul>
MISO	6 times	<ul style="list-style-type: none"> <li>• Audit and Finance – 5 times</li> <li>• Corporate Governance and Strategic Planning – 6 times</li> <li>• Human Resources – 8 times</li> <li>• Technology – 5 times</li> <li>• Markets – 12 times</li> <li>• System Planning – 7 times</li> <li>• Nominating – As needed</li> </ul>
PJM	6 times	<ul style="list-style-type: none"> <li>• Audit – 5 times</li> <li>• Reliability – 5 times</li> <li>• Competitive Markets – 5 times</li> <li>• Governance – 4 times</li> <li>• Human Resources – 5 times</li> <li>• Regulatory – 5 times</li> </ul>
CAISO	7 times	<ul style="list-style-type: none"> <li>• Audit – 10 times</li> </ul>
SPP	4 times	<ul style="list-style-type: none"> <li>• Members – 4 times</li> <li>• Markets and Operations Policy – 4 times</li> <li>• Strategic Planning – 3 times</li> <li>• Human Resources – 4 times</li> <li>• Oversight – 4 times</li> <li>• Finance – 5 times</li> <li>• Corporate Governance – 3 times</li> </ul>

# 2014 ISO/RTO Meeting Frequency Comparison – *cont'd*

- A review of the 2014 ISO/RTO Board meeting frequency indicates:
  - There has been little change in ISO/RTO Board meeting frequency generally from 2013 to 2014.
    - ERCOT – decrease of one regularly-scheduled Board meeting
    - ISO-NE – decrease of one regularly-scheduled Board meeting
    - MISO – decrease of one regularly-scheduled Board meeting
    - CAISO – decrease of three regularly-scheduled Board meetings
  - There has been little to moderate change in ISO/RTO Committee meeting frequency generally from 2013 to 2014.
  - ERCOT Board meeting frequency falls within the mid-range of the ISOs/RTOs.

# Annual Review of Meeting Periodicity

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**The Board of Directors approved the 2015 Board meeting schedule in August 2015.**

**ERCOT Legal does not recommend any additional change to the 2015 ERCOT Board meeting periodicity.**

**The Human Resources and Governance (HR&G) Committee Charter requires that the Committee periodically review periodicity of meetings annually and requires Board approval only for modifications to meeting periodicity.**

**Absent any HR&G Committee request for meeting-periodicity modification, no action by the HR&G Committee or Board is required.**

PROJECT NO. 27706

REPORTS OF THE ELECTRIC § PUBLIC UTILITY COMMISSION  
RELIABILITY COUNCIL OF TEXAS § OF TEXAS

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.'S**  
**RECOMMENDATIONS FOR PERIODICITY**  
**OF GOVERNING BOARD MEETINGS IN 2015**

COMES NOW, Electric Reliability Council of Texas, Inc. (ERCOT), pursuant to PUC SUBST. R. §25.362(i)(5), and files its *Recommendations for Periodicity of Governing Board Meetings in 2015*.

The Commission's rules regarding ERCOT oversight include the following requirement at PUC SUBST. R. §25.362(i)(5):

**Meeting Periodicity Report.** Beginning with the effective date of this section, ERCOT shall recommend annually to the commission the periodicity of governing board meetings. ERCOT's recommendation shall be based on an examination of the frequency of meetings conducted by similar organizations and shall include an estimate of the costs associated with meeting more frequently than once per quarter.

Pursuant to pertinent part of Section 4.6(a) of the ERCOT Amended and Restated Bylaws (Bylaws), the ERCOT "Board shall meet at least quarterly, with at least one meeting occurring in conjunction with the Annual Meeting of the Members." The ERCOT Board must set the time and place of the ERCOT Board meetings.

The ERCOT Board of Directors approved its meeting schedule for 2015, and the approved schedule provides the basis for ERCOT's meeting periodicity recommendation for calendar year 2015. ERCOT's recommendation is attached hereto as Exhibit 1. In summary, ERCOT recommends: (a) that the ERCOT Board and its Finance and Audit (F&A) and Human Resources and Governance (HR&G) Committee each hold six (6) regular meetings in 2015; and (b) that the Board's standing Nominating Committee hold meetings only as needed.



The ERCOT Board also approved the date of the 2015 Annual Meeting of ERCOT Members, to be called on the same date as the December 2015 ERCOT Board meeting as required by Section 4.6(a) of the Bylaws.

Respectfully submitted,

By: \_\_\_\_\_

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ATTORNEYS FOR ELECTRIC  
RELIABILITY COUNCIL OF TEXAS, INC.

**EXHIBIT 1****ERCOT'S RECOMMENDATIONS FOR PERIODICITY  
OF GOVERNING BOARD MEETINGS IN 2015****SUMMARY OF RECOMMENDATIONS FOR 2015 ERCOT BOARD AND COMMITTEE MEETINGS**

A schedule for a total of six (6) meetings in even-numbered months as follows:

<b>Meeting Month</b>	<b>Proposed 2015 Committee/Board Meeting Schedule</b>	
	<b>Committee Meetings</b>	<b>Board Meetings</b>
<b>February</b>	Mon, February 9	Tues, February 10
<b>April</b>	Mon, April 13	Tues, April 14
<b>June</b>	Mon, June 8	Tues, June 9
<b>August</b>	Mon, August 10	Tues, August 11
<b>October</b>	Mon, October 12	Tues, October 13
<b>December</b>	Mon, December 7	Tues, December 8

**INDUSTRY PRACTICES**

The frequency of governing body meetings of U.S. Independent System Operators (ISOs) and Regional Transmission Organizations (RTOs) varies widely. Although the governing documents of most require a minimum of quarterly meetings (as is required by the ERCOT Bylaws), only Southwest Power Pool (SPP) maintained such a schedule. For 2014, the ISO/RTOs scheduled regular meetings as follows:

<b>ISO / RTO</b>	<b>2014 Schedule</b>	
	<b>Board of Directors</b>	<b>Board Committees</b>
<b>ERCOT</b>	6 times	<ul style="list-style-type: none"> <li>• Finance and Audit – 6 times</li> <li>• Human Resources and Governance – 6 times</li> <li>• Nominating – As Needed</li> </ul>
<b>NYISO</b>	10 times	<ul style="list-style-type: none"> <li>• Audit and Compliance – 7 times</li> <li>• Commerce and Compensation – 8 times</li> <li>• Governance – 6 times</li> <li>• Reliability and Markets – 9 times</li> </ul>
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## **COST OF MEETINGS**

The cost of preparing for and holding ERCOT Board meetings has not changed materially since ERCOT's most recent periodicity filing. ERCOT continues to use a system for providing Board materials electronically to its Board members, which has significantly reduced the cost of delivering the materials. ERCOT believes the electronic system has proved to be efficient.

The Board revisits its meeting schedule annually, and has determined that, for 2015, reducing the number of Board meetings to a quarterly schedule would unnecessarily impair the Board's ability to conduct its business effectively. While reducing the number of meetings could result in additional cost savings, the ERCOT Board has concluded it would not be worth the disruption in ERCOT's governance processes.