To:	ERCOT Human Resources and Governance (HR&G) Committee
From:	Bill Magness, General Counsel, Senior Vice President – Governance, Risk & Compliance and Corporate Secretary
Date:	October 5, 2015
Re:	Item 8 – Update on Electronic Voting

At the HR&G Committee's request, ERCOT Legal along with Troy Anderson and the Portfolio Management team researched the use of electronic voting for votes of the Corporate Membership (in particular, for their Special Meetings) as an alternative to the current voting process. At this time, ERCOT Legal recommends no changes to the current process since electronic voting is not feasible for various reasons.

ERCOT currently uses a manual voting process in instances where Corporate Membership voting is required. ERCOT staff sends email to Corporate Members with instructions on the voting process: they are asked to print the attached ballot, cast their vote, provide a signature, and return the scanned ballot to ERCOT by email or facsimile. Votes are tracked and ultimately tallied on a spreadsheet by ERCOT Legal.

ERCOT staff research identified several companies that offer electronic voting services, including Eballot.votenet.com, Electionbuddy.com, Electionsonline.com, eSign (EchoSign), and Survey Monkey. Each of these companies has its own unique advantages and challenges. Some of these challenges include inadequate security controls, inability to categorize votes into sub-groups (which would be needed for Segment elections), inability to add voters after the election process begins, and pricing. In addition, any third-party vendor would have another set of log-in protocols for their unique systems. This may deter participation, which is counterproductive to the goal of increasing participation and making the balloting process easier for the Designated Representatives of the Corporate Members. In light of these challenges, ERCOT Legal has concluded that a third-party electronic voting service is not a better alternative to the current voting process at this time.

ERCOT Legal and Portfolio Management also considered two in-house options: The ERCOT Market Information System (MIS) and Microsoft Outlook email. Use of the MIS would require digital certificates, which are currently maintained for each Corporate Member. However, with approximately two hundred and fifty (250) ERCOT Corporate Members, password and log-in credentials would be required for each. The likelihood for password and log-in issues is probable and not an efficient use of staff time. More importantly, MIS would add another layer of log-in protocols for the Designated Representative of the Corporate Members, who may be different from the employee of the Corporate Member who typically uses MIS. Furthermore, Outlook does not provide a feasible option as it is limited in providing voting options for ballots which have multiple voting items. In addition, all responses would still require separate manual voting tallies for each Segment. Accordingly, ERCOT Legal has concluded that the MIS and Outlook are not better alternatives to the current voting process at this time.

Based on the review of potential options, ERCOT Legal believes it would be more productive to leverage existing processes to improve the functionality of the current voting process, and recommends that ERCOT continue to use the current process.

I look forward to discussing this matter and answering any questions you may have at the upcoming HR&G Committee meeting.