

DOCKET NO. 45763

RECEIVED

PETITION OF ELECTRIC RELIABILITY §
COUNCIL OF TEXAS, INC., FOR §
APPROVAL OF RE-ELECTION OF §
UNAFFILIATED DIRECTOR §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
OF TEXAS
FILING CLERK

2016 MAR 25 AM 9:13

**PETITION OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
FOR APPROVAL OF RE-ELECTION OF UNAFFILIATED DIRECTOR**

COMES NOW, Electric Reliability Council of Texas, Inc. (ERCOT) and, pursuant to 16 Tex. Admin. Code § 25.362(g)(5) (TAC), respectfully requests Commission approval of the re-election of Mr. Jorge Bermudez to a third and final term as an Unaffiliated Director of the ERCOT Board of Directors (Board). Mr. Bermudez has been re-elected and approved as a director by the Corporate Members of ERCOT, and has met all requisite qualifications for service on the ERCOT Board. As discussed herein, ERCOT requests Commission approval of the re-election of Mr. Bermudez to service on the ERCOT Board for a third and final term, beginning July 1, 2016.

I. BACKGROUND

In order for ERCOT to maintain certification as an independent organization under PURA¹ § 39.151(g), the 16-member ERCOT Board must include “five members unaffiliated with any market segment and selected by the other members of the governing body to serve three-year terms.”² The five “Unaffiliated Directors” are selected through a process that includes the following steps:

- The Nominating Committee of the ERCOT Board nominates candidates. The Nominating Committee consists of all members of the Board other than the ERCOT Chief Executive Officer (CEO) and the Chairman of the Commission.³
- ERCOT provides notice to the Commission of the “candidates who have been identified and their qualifications, any recommendation that will be made to the [ERCOT Board], and any other information requested by a commissioner.”⁴

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (PURA).

² PURA § 39.151(g)(7).

³ See ERCOT Bylaws § 4.3(b)(1).

⁴ 16 TAC § 25.362(g)(5).

- After consultation with the Commission and selection by the Nominating Committee, the nominated candidates are submitted to the ERCOT Corporate Members for approval. Corporate Members receive notice of a special meeting of the corporation called for consideration of the election, or re-election, of Unaffiliated Directors. If the requisite number of ballots are received by ERCOT prior to the special meeting (as occurred in this case), the meeting is cancelled and the results of the election are announced to the membership.⁵
- Unaffiliated Director nominees approved by ERCOT's corporate membership are submitted to the Commission for final approval.⁶

II. STATEMENT OF JURISDICTION AND AUTHORITY

The Commission has jurisdiction over this matter pursuant to PURA § 39.151 and 16 TAC § 25.362.

III. IDENTIFICATION OF APPLICANT

The name and address of the Applicant is Electric Reliability Council of Texas, Inc., 7620 Metro Center Drive, Austin, Texas 78744.

The name, address, telephone, and facsimile numbers of Applicant's authorized representatives are as follows:

Chad V. Seely
 Vice President and General Counsel
 ERCOT
 7620 Metro Center Drive
 Austin, Texas 78744
 (512) 225-7035 (Phone)
 (512) 225-7079 (Fax)
chad.seely@ercot.com

Vickie G. Leady
 Assistant General Counsel
 ERCOT
 7620 Metro Center Drive
 Austin, Texas 78744
 (512) 275-7436 (Phone)
 (512) 225-7079 (Fax)
vickie.leady@ercot.com

⁵ ERCOT Bylaws §§ 3.7(g) & 4.3(b)(4).

⁶ ERCOT Bylaws § 4.3(b)(4).

IV. THE SELECTION PROCESS FOR MR. BERMUDEZ COMPLIED WITH COMMISSION AND ERCOT GOVERNING RULES

PURA requires that ERCOT's bylaws "prescribe professional qualifications for selection" as an Unaffiliated Director, and that "[t]he bylaws must require the use of a professional search firm to identify candidates for membership of unaffiliated members."⁷ In addition, PURA requires that the selection process for Unaffiliated Directors "must allow for commission input in identifying candidates."⁸ The selection process for Unaffiliated Directors is set forth in section 4.3(b) of the ERCOT Bylaws, and includes the requirements mandated by PURA. In addition, 16 TAC § 25.362(g)(5) includes standards that ERCOT must meet to ensure "commission input" in identifying Unaffiliated Director candidates.

Mr. Bermudez's second term as an Unaffiliated Director on the ERCOT Board expires on June 30, 2016. The re-election of Mr. Bermudez to a third and final term, beginning on July 1, 2016 (to avoid a break in service on the ERCOT Board), subject to approval by the Commission, complied with the criteria established in PURA, Commission rules, and the ERCOT Bylaws. The ERCOT Bylaws require that Unaffiliated Directors must have "[e]xperience in one or more of these fields: senior corporate leadership; professional disciplines of finance, accounting, engineering or law; regulation of utilities; risk management; and information technology."⁹ An Unaffiliated Director must also demonstrate "[i]ndependence of any Market Participant in the ERCOT Region," including compliance with specific standards enumerated in the ERCOT Bylaws.¹⁰ After determining that Mr. Bermudez met ERCOT's qualification and independence requirements, the Nominating Committee unanimously selected Mr. Bermudez for presentation to ERCOT's Corporate Members for re-election as an Unaffiliated Director. A summary of Mr. Bermudez's professional qualifications and credentials is attached hereto as *Attachment A*.

On February 17, 2016, pursuant to the direction of the ERCOT Board, ERCOT issued its notice of Special Meeting of Corporate Members to be held on March 23, 2016 (Special Meeting) for the re-election of Mr. Bermudez attached hereto as *Attachment B*. Corporate Membership voting for the Unaffiliated Director candidate was conducted pursuant to the ERCOT Bylaws procedures requiring approval by a majority of Member Segments (*i.e.*, at least four out of seven

⁷ PURA § 39.151(g).

⁸ *Id.*

⁹ ERCOT Bylaws § 4.3(b)(2)(i).

¹⁰ *Id.* § 4.3(b)(2)(ii).

Member Segments).¹¹ Mr. Bermudez received the requisite number of Corporate Member votes by ballot upon the conclusion of voting on March 16, 2016, in lieu of the Special Meeting, to be re-elected as an Unaffiliated Director for a final three-year term.

Having completed all other steps in the nomination and election process, ERCOT now requests Commission approval of Mr. Bermudez for re-election to a final three-year term, beginning on July 1, 2016, as an Unaffiliated Director.

V. NOTICE PROVIDED BY ERCOT

ERCOT will post its Petition for Approval of Re-election of an Unaffiliated Director to its website at http://www.ercot.com/about/governance/legal_notices; provide notice to Market Participants of ERCOT Petition filings with the PUC by issuing a Market Notice to the NOTICE_LEGAL_NOTIFICATIONS Listserv; and provide Notice of its Petition via electronic mail to ERCOT's email exploder lists of committees as follows:

- ERCOT Board of Directors and Others;
- Technical Advisory Committee and Others (TAC);
- Retail Market Subcommittee (RMS);
- Wholesale Market Subcommittee (WMS);
- Reliability and Operations Subcommittee (ROS);
- Commercial Operations Subcommittee (COPS); and
- Protocol Revisions Subcommittee (PRS).

ERCOT will file an affidavit attesting to the completion of its proposed notice.

VI. REQUEST FOR PROCEDURAL SCHEDULE

Since Mr. Bermudez's second term expires on June 30, 2016, ERCOT seeks Commission approval to seat Mr. Bermudez as a re-elected Unaffiliated Director by July 1, 2016, if possible, to avoid any disruption in Mr. Bermudez's service to the Board. In order to facilitate Commission approval of Mr. Bermudez by that time, ERCOT proposes the following procedural schedule,

¹¹ PURA § 4.3(b)(4).

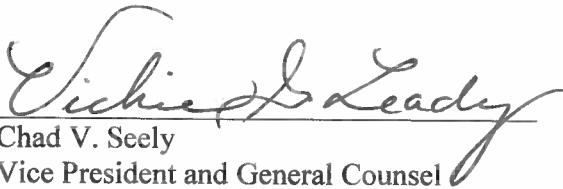
which aims toward approval of the re-election of an Unaffiliated Director at the Commission's June 9, 2016 Open Meeting:

ERCOT posts Petition to its website and provides notice (as described in Section V. herein)	March 25, 2016
<i>Texas Register</i> publication of the Commission's Notice of Petition for Approval of an Unaffiliated Director	April 15, 2016 (or as soon thereafter as possible)
Deadline to Intervene (within 45 days from the date the Petition is filed with the Commission)	May 9, 2016
Deadline for Intervenors to request a hearing; Deadline for Intervenor comments on the merits if no hearing requested	May 16, 2016
Deadline for Commission Staff to request a hearing; Deadline for Commission Staff's recommendation if no hearing requested	May 23, 2016
Deadline for ERCOT to request a hearing; Deadline for ERCOT's response to Intervenor comments and Commission Staff's recommendation if no hearing requested; Deadline for Parties' proposed order, if no disputed issues	May 25, 2016
Proposed Order filed by Presiding Officer for approval, pursuant to 16 TAC § 22.35(b)(2)	May 30, 2016
Consideration of Proposed Order at Commission Open Meeting	June 9, 2016

VII. CONCLUSION

ERCOT respectfully requests that the Commission approve the re-election of Mr. Bermudez to a third and final three-year term, beginning on July 1, 2016, as an Unaffiliated Director for the ERCOT Board, adopt the procedural schedule requested by ERCOT in this Petition, and grant ERCOT all other relief to which it is entitled.

Respectfully submitted,

By: 

Chad V. Seely
Vice President and General Counsel
Texas Bar No. 24037466
(512) 225-7035 (Phone)
(512) 225-7079 (Fax)
chad.seely@ercot.com

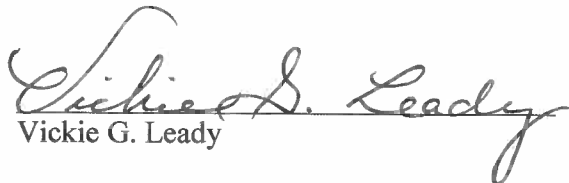
Vickie G. Leady
Assistant General Counsel
Texas Bar No. 08122090
(512) 275-7436 (Phone)
(512) 225-7079 (Fax)
vleady@ercot.com

ERCOT
7620 Metro Center Drive
Austin, Texas 78744

ATTORNEYS FOR ELECTRIC RELIABILITY
COUNCIL OF TEXAS, INC.

CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record in this proceeding on March 25, 2016 in the following manner: by facsimile, email, or first-class U.S. mail.


Vickie G. Leady

Attachment A

JORGE A. BERMUDEZ
College Station, Texas

EDUCATION

1974	MA	TEXAS A&M UNIVERSITY College Station, Texas Agricultural Economics
1973	BS	TEXAS A&M UNIVERSITY College Station, Texas Agricultural Economics

EXPERIENCE

2008 to present	BYEBROOK GROUP LLC College Station, Texas Research and advisory firm in the financial industry. <i>Chief Executive Officer</i>
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2012 to present	THE FEDERAL RESERVE BANK OF DALLAS Each Federal Reserve Bank has a board of directors, whose members work closely with their Reserve Bank president to provide grassroots economic information and input on management and monetary policy decisions. These boards are drawn from the general public and the banking community and oversee the activities of the organization. They also appoint the presidents of the Reserve Banks, subject to the approval of the Board of Governors. Reserve Bank boards consist of nine members: six serving as representatives of non-banking enterprises and the public (non-bankers) and three as representatives of banking. <i>Board Director - Chair of Audit Committee</i>
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1975 to 2008	CITIGROUP, INC. 2007 to 2008 <i>Chief Risk Officer</i> 2004 to 2007 <i>Chief Executive Officer and President, Citigroup Commercial Business Group – North America and Texas. Senior Advisor Int'l.</i>
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- 2002 to 2004 *Chief Executive Officer,
Citigroup Latin America*
- 2000 to 2002 *Chief Executive Officer of e-Business,
Citibank Corporate Banking Internet*
- 1998 to 2000 *Executive Vice President and Head of
Global Cash Management and Trade*
- 1993 to 1998 *Head of South America Division and President of Citibank
Argentina*
- 1991 to 1993 *Head of Global Asset Redeployment and
Equity Investments*
- 1988 to 1990 *Head of Credit Policy Latin America and Head of Risk
Citibank International Banking Operations*
- 1986 to 1988 *Head of Risk – Corporate Banking, NA
New York, New York*
- 1984 to 1986 *Corporate Bank Head – Venezuela*
- 1981 to 1984 *Unit Head – Institutional Recovery Management N.Y.*
- Responsible for a number of major corporate restructurings in the U.S., Europe and Latin America.
- 1975 to 1981 *Various Positions
Citibank National Banking Group
New York / Houston*

CURRENT BOARD POSITIONS

The Federal Reserve Bank of Dallas

Moody's Corporation, New York

Electric Reliability Council of Texas

The Community Foundation of the Brazos Valley, Texas

Texas A&M Foundation

Texas A&M Smart Grid Center

PREVIOUS BOARD POSITIONS

The Federal Reserve Bank Houston Branch 2009 – 2011

The Association of Former Students Texas A&M University 2006 - 2012

Citibank, NA; Citicorp USA 2005 - 2008

MasterCard International, LAC 2002 – 2004

Chairman of the New York Clearing House Steering Committee 2001 – 2002

Asociación De Bancos Argentinos (Argentina) 1994 – 1996

FEMSA Group (Mexico) 1988 – 1993

Siembra Group (Argentina) 1993 - 1997

Norfield Childrens Center (Conn.) 1989 – 1993

PROFESSIONAL AFFILIATIONS / AWARDS

Serves Texas A&M University on the International Board, College of Agriculture Development Council, Mays Business School Development Council.

Recipient of the College of Agriculture and Life Sciences Outstanding Alumnus Award and the Tyrus R.Timm Honor Registry.

Attachment B

February 17, 2016

ERCOT Corporate Member:

On February 8, 2016, the ERCOT Nominating Committee (Committee) of the ERCOT Board of Directors (Board) unanimously selected Jorge Bermudez for re-election as an Unaffiliated Director to serve on the Board for his third and final term, subject to re-election by the ERCOT Corporate Members (Members) and approval by the Public Utility Commission of Texas (PUCT). Information regarding Mr. Bermudez's professional experience is attached for your review and consideration.

According to Sections 3.7(b) and (g) of the Bylaws, the Board may call a Special Meeting of the Corporate Members (Special Meeting) to seek approval without an in-person meeting. As provided in Section 3.7(g): "Unless otherwise provided by law, any action required or permitted to be taken at any meeting of the Corporate Members may be taken without a meeting, if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Corporate Members as would be necessary to take that action at a meeting at which all of the Corporate Members were present and voted."

On February 9, 2016, the Board called a Special Meeting as soon as practicable to vote on the re-election of Mr. Bermudez as an Unaffiliated Director. Thus, on Wednesday, March 23, 2016, at 10:00 a.m. in Room 210A at 7620 Metro Center Drive, Austin, Texas 78744, a Special Meeting will be held for the purpose of voting on the above-mentioned re-election of the Unaffiliated Director.

We are seeking Corporate Membership approval to have the vote in writing, in lieu of a Special Meeting. Please review the enclosed Official Consent and Ballot form (Ballot). If you agree to take action on the re-election of the Unaffiliated Director without a Special Meeting, please indicate your voting preference, sign the Ballot and return it to ERCOT by 5:00 p.m. on Wednesday, March 16, 2016. After 5:00 p.m. on Wednesday, March 16, 2016, we will count the Ballots received to determine if we have sufficient number to allow a vote on the re-election of Mr. Bermudez as an Unaffiliated Director in lieu of the Special Meeting. We will post a notice of either a successful vote or of the need to have the March 23, 2016 Special Meeting on the ERCOT website at <http://www.ercot.com/calendar/2016/3/23/88264>, no later than Thursday, March 17, 2016 at 12:00 p.m.

Please note that the requested vote requires approval by the Members and the PUCT prior to becoming effective. So that the vote may be approved as soon as possible by the Members and the PUCT, please indicate your vote in favor or against the voting matter, sign the Ballot, and make every effort to return it to ERCOT as noted on the Ballot **no later than 5:00 p.m., Wednesday, March 16, 2016.**

Sincerely,

Tisa Wilkins

Tisa Wilkins
Regulatory Legal Specialist
ERCOT

JORGE A. BERMUDEZ
College Station, Texas

EDUCATION

- 1974 MA TEXAS A&M UNIVERSITY
College Station, Texas

Agricultural Economics
- 1973 BS TEXAS A&M UNIVERSITY
College Station, Texas

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EXPERIENCE

- 2008 to present BYEBROOK GROUP LLC
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Research and advisory firm in the financial industry.

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Each Federal Reserve Bank has a board of directors, whose members work closely with their Reserve Bank president to provide grassroots economic information and input on management and monetary policy decisions. These boards are drawn from the general public and the banking community and oversee the activities of the organization. They also appoint the presidents of the Reserve Banks, subject to the approval of the Board of Governors. Reserve Bank boards consist of nine members: six serving as representatives of non-banking enterprises and the public (non-bankers) and three as representatives of banking.

Board Director - Chair of Audit Committee

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- | | |
|--------------|---|
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| 1988 to 1990 | <i>Head of Credit Policy Latin America and Head of Risk
Citibank International Banking Operations</i> |
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New York, New York</i> |
| 1984 to 1986 | <i>Corporate Bank Head – Venezuela</i> |
| 1981 to 1984 | <i>Unit Head – Institutional Recovery Management N.Y.</i> |
| | <ul style="list-style-type: none"> • Responsible for a number of major corporate restructurings in the U.S., Europe and Latin America. |
| 1975 to 1981 | <i>Various Positions
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