



## **Item 6: Recommendation regarding Periodicity of Meetings**

*Vickie Leady*

Assistant General Counsel and Assistant Corporate  
Secretary

Human Resources and Governance Committee  
Meeting

ERCOT Public  
October 10, 2016

# Summary

- This is a discussion item with a possible vote. 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.
- 2017 Board Meeting Schedule.
- 2016 Independent System Operator (ISO)/Regional Transmission Organization (RTO) Meeting Frequency Comparison.

# PUCT Rule Reporting Requirement on Periodicity of Meetings

- **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.**

# 2016 Board Meeting Schedule

- At the August 9, 2016 Board Meeting, the Board approved a total of six Board meetings in 2017
  - On the second Tuesday of even-numbered months, except for the months of:
    - April – to be held on first Tuesday; and
    - October – to be held on third Tuesday.
- Committee meetings would be held the day prior to the Board meetings.

# 2016 ISO/RTO Meeting Frequency Comparison

ISO / RTO	2016 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	11 times	<ul style="list-style-type: none"> <li>• Audit and Compliance – 7 times</li> <li>• Commerce and Compensation – 9 times</li> <li>• Governance – 7 times</li> <li>• Reliability and Markets – 8 times</li> </ul>
ISO-NE	6 times	<ul style="list-style-type: none"> <li>• Audit and Finance – 8 times</li> <li>• Compensation and Human Resources – 6 times</li> <li>• Markets – 11 times</li> <li>• Nominating and Governance 5 times</li> <li>• System Planning and Reliability – 5 times</li> </ul>
MISO	4 times	<ul style="list-style-type: none"> <li>• Audit and Finance – 5 times</li> <li>• Corporate Governance and Strategic Planning – 4 times</li> <li>• Human Resources – 6 times</li> <li>• Technology – 5 times</li> <li>• Markets – 6 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> <li>• Finance – 4 times</li> <li>• Nominating – 2-5 times as needed</li> </ul>
CAISO	17 times	<ul style="list-style-type: none"> <li>• Audit – 10 times</li> <li>• Market Surveillance – 8 times</li> <li>• Energy Imbalance Market Governing Body – 5 times</li> </ul>
SPP	6 times	<ul style="list-style-type: none"> <li>• Membership – 1 time</li> <li>• Markets and Operations Policy – 4 times</li> <li>• Strategic Planning –4 times</li> <li>• Human Resources – 4 times</li> <li>• Oversight –6 times</li> <li>• Finance – 6 times</li> <li>• Corporate Governance – 3 times</li> </ul>

*Footnotes with additional detail provided in attached draft PUCT filing*



## 2016 ISO/RTO Meeting Frequency Comparison – cont'd

- **A review of the 2016 ISO/RTO Board meeting frequency indicates:**
  - Overall, there has been little to moderate change in ISO/RTO Board meeting frequency from 2015 to 2016.
    - ISO-NE – decrease of one regularly-scheduled Board meeting.
    - MISO – decrease of two regularly-scheduled Board meetings.
    - CAISO – increase of two regularly-scheduled Board meetings (six of the total were teleconference meetings).
    - SPP – increase of two regularly-scheduled Board meetings.
    - No changes for NYISO and PJM.
  - ERCOT Board meeting frequency falls within the mid-range of the other ISOs/RTOs.

## 2016 ISO/RTO Meeting Frequency Comparison – cont'd

- There has been little to moderate change in ISO/RTO Committee meeting frequency generally from 2015 to 2016.

ISO/RTO	COMMITTEE	INCREASE (+)/ DECREASE (-)
NYISO	Commerce and Compensation	+1
	Governance	-1
	Reliability and Markets	-2
ISO-NE	Audit and Finance	+1
	Compensation and Human Resources	-2
	Nominating and Governance	-1
	System Planning and Reliability	-1
MISO	Audit and Finance	-1
	Corporate Governance and Strategic Planning	-2
	Human Resources	-2
	Technology	-1
	Markets	-6
	Nominating	As needed
CAISO	Audit	-1
	Market Surveillance	+2
	Energy Imbalance Market	-5
SPP	Membership	-3
	Strategic Planning	+1
	Oversight	+2
	Finance	+1

## Annual Review of Meeting Periodicity

- The Board of Directors approved the 2017 Board meeting schedule in August 2016.
- ERCOT Legal does not recommend any additional change to the 2017 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 2017**

Electric Reliability Council of Texas, Inc. (ERCOT), pursuant to 16 Tex. Admin. Code § 25.362(i)(5) TAC, and files its *Recommendations for Periodicity of Governing Board Meetings in 2017*.

The Commission's rules regarding ERCOT oversight include the following requirement at 16 TAC § 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 2017, and the approved schedule provides the basis for ERCOT's meeting periodicity recommendation for calendar year 2017. ERCOT's recommendation is attached hereto as Exhibit 1. In summary, ERCOT recommends the same general meeting schedule as in 2016<sup>1</sup>: (a) that the ERCOT Board and its Finance and Audit (F&A) and Human Resources and Governance (HR&G) Committees each hold six (6) regular meetings in 2017; and (b) that the Board's standing Nominating Committee hold meetings only as needed.

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<sup>1</sup> The ERCOT Board approved its 2017 meeting schedule on August 9, 2016, which followed the same pattern and frequency as 2016, that is, the Board meets on the second Tuesday of every even-numbered month (with the exception of the April and October Board meetings presently scheduled on the first Tuesday and third Tuesday, respectively) and the Board's committees meet on the preceding Monday.

The ERCOT Board also approved the date of the 2017 Annual Meeting of ERCOT Members, to be called on the same date as the December 2017 ERCOT Board meeting as required by Section 4.6(a) of the Bylaws.

Respectfully submitted,

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**ERCOT’S RECOMMENDATIONS FOR PERIODICITY  
OF GOVERNING BOARD MEETINGS IN 2017**

**SUMMARY OF RECOMMENDATIONS FOR 2017 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 2017 Committee/Board Meeting Schedule</b>	
	<b>Committee Meetings</b>	<b>Board Meetings</b>
<b>February</b>	Mon, February 13	Tues, February 14
<b>April</b>	Mon, April 3	Tues, April 4
<b>June</b>	Mon, June 12	Tues, June 13
<b>August</b>	Mon, August 7	Tues, August 8
<b>October</b>	Mon, October 16	Tues, October 17
<b>December</b>	Mon, December 11	Tues, December 12 (Annual Meeting)

## 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 MISO maintained such a schedule. For 2016, the ISOs/RTOs scheduled regular meetings as follows:

ISO / RTO	2016 Schedule	
	Board of Directors	Board Committees
<b>ERCOT</b>	6 times <sup>[1]</sup>	<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>	11 times	<ul style="list-style-type: none"> <li>• Audit and Compliance – 7 times</li> <li>• Commerce and Compensation – 9 times</li> <li>• Governance – 7 times</li> <li>• Reliability and Markets – 8 times</li> </ul>
<b>ISO-NE</b>	6 times	<ul style="list-style-type: none"> <li>• Audit and Finance – 8 times</li> <li>• Compensation and Human Resources – 6 times</li> <li>• Markets – 11 times</li> <li>• Nominating and Governance<sup>[2]</sup> – 5 times</li> <li>• System Planning and Reliability – 5 times</li> </ul>
<b>MISO</b>	4 times <sup>[3]</sup>	<ul style="list-style-type: none"> <li>• Audit and Finance – 5 times</li> <li>• Corporate Governance and Strategic Planning – 4 times</li> <li>• Human Resources – 6 times</li> <li>• Technology – 5 times</li> <li>• Markets – 6 times</li> <li>• System Planning – 7 times</li> <li>• Nominating – As needed</li> </ul>
<b>PJM</b>	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> <li>• Finance – 4 times<sup>[4]</sup></li> <li>• Nominating – 2-5 times as needed<sup>[5]</sup></li> </ul>

<sup>[1]</sup> This does not include the Board's optional Strategic Planning Event.

<sup>[2]</sup> This does not include the nomination process meetings with stakeholders.

<sup>[3]</sup> This does not include two Strategic Planning Retreats.

<sup>[4]</sup> Finance Committee – Comprised of Board and stakeholder representatives.

<sup>[5]</sup> Nominating Committee – Comprised of Board and stakeholder representatives.

ISO / RTO	2016 Schedule	
	Board of Directors	Board Committees
CAISO	17 times <sup>[6]</sup>	<ul style="list-style-type: none"> <li>• Audit – 10 times<sup>[7]</sup></li> <li>• Market Surveillance – 8 times<sup>[8]</sup></li> <li>• Energy Imbalance Market Governing Body – 5 times<sup>[9]</sup></li> </ul>
SPP	6 times <sup>[10]</sup>	<ul style="list-style-type: none"> <li>• Membership – 1 time<sup>[11]</sup></li> <li>• Markets and Operations Policy – 4 times</li> <li>• Strategic Planning – 4 times</li> <li>• Human Resources – 4 times</li> <li>• Oversight – 6 times</li> <li>• Finance – 6 times</li> <li>• Corporate Governance – 3 times</li> </ul>

### 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 2017, 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.

<sup>[6]</sup> This includes six teleconference meetings.

<sup>[7]</sup> This includes four teleconference meetings.

<sup>[8]</sup> This includes three teleconference meetings.

<sup>[9]</sup> This includes one teleconference meeting. Energy Imbalance Market Governing Body was established mid-year with first meeting held in July. Meeting frequency will likely double in 2017.

<sup>[10]</sup> This includes the Education Session and Organizational Effectiveness meeting.

<sup>[11]</sup> Mandatory meeting once a year, but the Membership will meet as needed.