

NOTICE TO ERCOT MEMBERS REGARDING  
COMMISSION INPUT ON BYLAWS AMENDMENT  
NOVEMBER 17, 2022

On November 8, 2022, on behalf of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT), ERCOT submitted to the Public Utility Commission of Texas (Commission) a proposed amendment to the *Amended and Restated Bylaws of Electric Reliability Council of Texas, Inc.* (Bylaws) and requested the input of the Commission on the proposed amendment pursuant to Public Utility Regulatory Act (PURA) Section 39.151(g-1). In particular, Commission input was requested on the proposal to modify the amendment processes for the Bylaws and *Amended and Restated Certificate of Formation of Electric Reliability Council of Texas, Inc.* (Certificate) to eliminate the right of Corporate Members to vote on future amendments, which certain Corporate Members opposed in comments submitted to the Board on the proposed Bylaws amendment.

At its Open Meeting on November 10, 2022, in response to ERCOT's request, the Commission voted to adopt a Statement of Input regarding the proposed Bylaws amendment. A copy of the Commission's Statement of Input is attached hereto. The Statement of Input provides, in pertinent part, that:

- PURA requires that the Bylaws reflect the input of the Commission;
- As the governing body of the independent organization certified under Chapter 39 of PURA, the Board is empowered to amend the Bylaws without obtaining the affirmative vote of Corporate Members;
- It is necessary for ERCOT to amend the Bylaws such that the Board has the sole authority to change the Bylaws, subject only to the approval of the Commission; and
- It is necessary for ERCOT to preserve the role of Market Participant input in the development of the ERCOT market functions by amending the Bylaws such that the Board cannot eliminate the Technical Advisory Committee without specific direction from the Commission.

The Human Resources and Governance (HR&G) Committee and Board are expected to consider the proposed Bylaws amendment at their meetings on December 19 and 20, 2022. An agenda will be posted seven days prior to each meeting at the following locations:

- December 19, 2022 HR&G Committee: <https://www.ercot.com/calendar/event?id=1620840522923>.
- December 20, 2022 Board: <https://www.ercot.com/calendar/event?id=1646780846413>.

The Commission's Statement of Input and other documents related to the proposed Bylaws amendment can be found on the ERCOT website under Key Documents at: <https://www.ercot.com/committees/board/proposal?id=852701c3-9c04-75da-fbeb-a7be15b8115f>.

PROJECT NO. 52933

CY 2022 REPORTS OF THE ELECTRIC  
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### COMMISSION STATEMENT OF INPUT

This statement addresses the request filed by the Electric Reliability Council of Texas, Inc. (ERCOT) on November 8, 2022. ERCOT filed a proposed amendment to its amended and restated bylaws and requested the input of the Commission in accordance with PURA<sup>1</sup> § 39.151(g-1). ERCOT attached a redline draft of the revised bylaws amendment as attachment A to its request.

ERCOT is the independent organization certified to perform the functions prescribed by section 39, subchapter D in PURA.<sup>2</sup> Under PURA § 39.151(g-1), ERCOT's bylaws must reflect input by the Commission and be approved by the Commission. The Commission provides the following input regarding the proposed bylaws amendment filed by ERCOT on November 8, 2022.

PURA requires that the ERCOT bylaws reflect the input of the Commission. As the governing body of the independent organization certified under Chapter 39 of PURA, the ERCOT board is empowered to amend its bylaws without obtaining the affirmative vote of the corporate members. It is necessary for ERCOT to amend its bylaws such that the ERCOT board of directors has the sole authority to change the bylaws, subject only to the approval of the Commission. It is necessary for ERCOT to preserve the role of market participant input in the development of ERCOT market functions by amending the bylaws such that the ERCOT board cannot eliminate the Technical Advisory Committee without specific direction from the Commission.

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

<sup>2</sup> *Application of the ERCOT ISO for Certification as an Independent Organization to Perform Transmission and Distribution Access, Reliability, Information Exchange, and Settlement Functions*, Docket No. 22061 (Feb. 2, 2001)

Signed at Austin, Texas the 10<sup>th</sup> day of November 2021.

**PUBLIC UTILITY COMMISSION OF TEXAS**



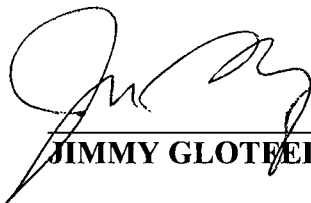
**PETER M. LAKE, CHAIRMAN**



**WILL MCADAMS, COMMISSIONER**



**LORI COBOS, COMMISSIONER**



**JIMMY GLOTFELTY, COMMISSIONER**



**KATHLEEN JACKSON, COMMISSIONER**