



Item 4: Update on Proposed ERCOT Bylaws Changes

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Human Resources and Governance Committee Meeting

ERCOT Public
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Overview

- **Purpose**

To give an update on Corporate Member and stakeholder discussions on proposed changes to the Bylaws

- **Voting Items / Requests**

No action is requested of the ERCOT Board of Directors (Board) or Committee; for discussion only

Key Takeaways

- ERCOT received three sets of [redlines](#) to the Bylaws.
- During the April 7-8, 2025, Board meeting, ERCOT staff [reported](#) responses to redlines for changes to the Segment Definitions in the Bylaws were requested by Apr. 18. No responses received.
- Other minor clean-up and clarification edits need to be made to the Bylaws.
- However, because the Bylaws dispute from 2022 is still pending in the 15th Court of Appeals, ERCOT staff recommends waiting to initiate any amendment changes until that litigation is resolved.

Stakeholder Proposals

Consumers and Generators

Entity	Effective Changes
<u>Texas Industrial Energy Consumers, ERCOT Steel Mills, and Texas Blockchain Council</u> ("Joint Industrial Consumers")	Revise "Industrial Consumers" definition to replace engaged in an "industrial process" with a "manufacturing or computing process" Increase Industrial TAC Representatives from 2 to up to 3 without increasing Segment votes
<u>Calpine Corporation, Constellation Energy Generation, LLC, and Vistra Operations Company LLC</u>	Establish formal subsegments of the Independent Generator Segment for Thermal and Inverter-Based Resources Clarify that the 10 MW threshold for inclusion in the Segment is for Generation Resources connected to the ERCOT Transmission System
<u>Lone Star Transmission, LLC and NextEra Energy, Inc.</u>	Exclude from "Transmission and Distribution Entity" definition entities that do not meet the Public Utility Commission definition of "retail electric utility"

Current Definitions in Article 2 of the [ERCOT Bylaws](#):

- **"Industrial Consumers.** An industrial consumer is a consumer with at least one meter with average monthly demand greater than 1 megawatt consumed within the ERCOT Region engaged in an industrial process."
- **"Large Commercial Consumer.** A commercial consumer having a peak demand of greater than 1,000 kilowatts."
- **Independent Generator.** An entity that is not a T&D Entity or Affiliate of a T&D Entity and that owns or controls at least 10 megawatts or is preparing to operate and control at least 10 megawatts.

Cleanup and Clarification Items

Align Bylaws with current rules

Authority	Clarification
PURA 39.151(g-1)(1)(B)	Adds second ex officio non-voting Commissioner in addition to the Commission Chair
Sections 45:2, 45:70 of Robert's Rules of Order Newly Revised (12th ed.) (RONR)	Like Selected Board members, remove provision permitting ex officio Board members to designate alternate representatives
Section 56:65 of RONR	Board Chair may appoint Committee members
12-20-25 Board Resolution (p. 5)	Correct scrivener's error in Section 4.6(c) from reference to 4.7(e) to 4.7(d)

Key Takeaway: ERCOT staff continue to analyze the Bylaws for language clean up and clarification to further align with current rules.



Bylaws Amendment Process

Step	Acting Entity	Authority
Propose amendment	ERCOT Secretary Board Member Corporate Member	Bylaws § 13.1
Initial HR&G Committee consideration	HR&G Committee	HR&G Charter § IV(B)(1)(a)
21-day notice and comment period for Corporate Members	Corporate Members	Bylaws § 13.1
PUCT Statement of Input	PUCT	PURA § 39.151(g-1)
HR&G Committee recommendation to Board	HR&G Committee	HR&G Charter § IV(B)(1)(a)
Board approval	Board	Bylaws § 13.1
Filing of ERCOT-approved bylaws amendment at the PUCT for approval	PUCT	PURA § 39.151(g-1)
Bylaws amendment effective upon PUCT approval by order		PURA § 39.151(g-1)