

To: Human Resources and Governance (HR&G) Committee

From: Chad V. Seely, Senior Vice President, Regulatory Policy, General Counsel, Chief Compliance Officer, and Corporate Secretary

Date: December 1, 2025

Re: Discussion Item 5 – Review of ERCOT Governing Documents

Sections IV(B)(1)(a)(i) and (ii) of the HR&G Committee Charter require regular reviews of the Company's governing documents, including an annual review of the Certificate of Formation and Bylaws. Section 12.1 of the Board Policies and Procedures requires an annual review and reaffirmation of the Board Policies and Procedures. The Committee last reviewed the Certificate of Formation and Bylaws on December 2, 2024, and reaffirmed the Board Policies and Procedures on April 7-8, 2025.

As in the December 2024 review, legal proceedings are still pending at the Fifteenth Court of Appeals and the Public Utility Commission of Texas (PUCT) regarding the Bylaws amendment approved by the Board of Directors (Board) and the PUCT in December 2022. Therefore, I recommend deferring further changes to the Bylaws or Certificate of Formation until these proceedings conclude. Meanwhile, the Corporate Governance team continues to assess and monitor potential future changes to the Bylaws, as shown in **Attachment A**.

It is expected that the Committee will review and reaffirm the Board Policies and Procedures at the meetings scheduled for April 20-21, 2026. The current governing documents are located in the Key Documents section of the [Governance page](#) on the ERCOT website.

Potential Future Revisions to the ERCOT Bylaws¹

No.	Article	Article title	Section	Section title	Potential revisions
1	2	Definitions	[Various]	[Various]	<p>Update the “Eligible Voting Director” definition to exclude the non-voting, ex officio second PUCT Commissioner, as per Section 39.151(g-1)(1)(B) of the Public Utility Regulatory Act (PURA).</p> <p>Address stakeholder requests to update the definitions of Segments to include data centers, virtual currency miners; distribution generation, inverter-based resources; and retail electric utilities.</p>
2	3	Members	3.2(b)	Membership Types and Voting Rights	Pending any clarification by the 15 th Court of Appeals and PUCT.
3	4	Board of Directors	4.2	The Board	Add the second PUCT Commissioner, as per Section 39.151(g-1)(1)(B) of PURA.
4	4	Board of Directors	4.3(d)	Selection, Tenure, and Requirements of Directors	Strike ex officio Director designation of alternates to more closely align with Selected Directors; <i>Robert’s Rules of Order Newly Revised (12th ed.)</i> , 45:2, 45:70; and federal information sharing requirements.

¹ The table of Potential Future Revisions to the ERCOT Bylaws is current as of 11/25/25 and may change.

No.	Article	Article title	Section	Section title	Potential revisions
5	4	Board of Directors	4.6(c)	Meetings	Correct scrivener's error reference from Section 4.7(e) to 4.7(d) to align urgent meeting rules, as per Section 39.1511(b) of PURA.
6	4	Board of Directors	4.6(e)	Meetings	Update "sensitive matters" and list of examples to "risk management or a matter that the independent organization would be authorized to consider in a closed meeting if the independent organization were governed under Chapter 551 , Government Code", to more closely align with revised Section 39.1511 of PURA.
7	4	Board of Directors	4.7(a)	Quorum; Action by Directors; Abstentions; and Meetings and Participation by Telephone	Strike ex officio Director designation of alternates to more closely align with Selected Directors and <i>Robert's Rules of Order Newly Revised (12th ed.)</i> , 45:2, 45:70.
8	4	Board of Directors	4.8	Subcommittees	Clarify the Board Chair may appoint Committee members, as per <i>Roberts Rules of Order (12th ed.)</i> , 56:65.
9	9	Transactions of Corporation	9.2(a)	Potential Conflicts of Interest	Update "actual" to "direct" to further reflect Section 39.1512(a) of PURA.

No.	Article	Article title	Section	Section title	Potential revisions
10	10	Expenses, Books and Records	10.1(c)	Member Representatives' Expenses and Compensation of Certain Directors and TAC Representatives	Add flexibility for which meetings attendance by the TAC Residential Consumer Representative can be compensated.
11	10	Expenses, Books and Records	10.3	Budget	Clarify that the budget is considered by the Board, including posting the Budget Summary and Sources and Uses table on the ERCOT website, at least 60 days before the request for PUCT approval, as has been the historical process as per 16 Tex. Admin. Code § 22.55.