

The Human Resources and Governance (HR&G) Committee is expected to consider HR&G Committee Agenda Item 7.2:

Recommendation regarding Annual Reaffirmation of the ERCOT Board Policies and Procedures

at its meeting on April 20, 2026.

The Board of Directors is expected to hear the HR&G Committee's recommendation on this matter as part of the HR&G Committee Report at the Board meeting on April 20-21, 2026.

Attached are the Board materials in relation to these agenda items.



Date: April 13, 2026
To: Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT)
From: Peggy Heeg, Human Resources and Governance (HR&G) Committee Chair
Subject: Reaffirmation of the Board Policies and Procedures

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: April 20-21, 2026

Item No.: 17.2.1

Issue:

Whether the Board should reaffirm the ERCOT [Board Policies and Procedures](#).

Background/History:

To balance its workload during meetings in December, the HR&G Committee recently updated its annual planner to review all governing documents during meetings in April. The Board last reaffirmed the *Board Policies and Procedures* during the Board meeting held on April 7-8, 2025, and most recently reviewed the *Certificate of Formation and Bylaws* during the meetings held December 8-9, 2025.

The *HR&G Committee Charter* requires annual review of the Company's *Certificate of Formation and Bylaws*, and annual review of the Board's policies and procedures for Board Director compensation and reimbursement of expenses, for which the Bylaws provide and which are dispersed according to the terms and schedule in the *Board Policies and Procedures* document. The *Bylaws* require the Board to fix on an annual basis compensation of the Technical Advisory Committee (TAC) Residential Consumer Representative, specifically for attendance at each meeting of the Board, TAC, or any standing or special committee. The *Board Policies and Procedures* document provides terms and a schedule for payments to the Representative and authorizes the Board to reimburse Representative business expenses.

The Committee's [review](#) of the governing documents on December 8, 2025, discussed potential future revisions to the *Bylaws*, including clarification to permit payment for TAC Residential Consumer Representative attendance at other ERCOT meetings as directed by the Office of the Public Utility Counsel. However, as during the Committee's reviews



of the Bylaws in December 2024 and December 2025, legal proceedings are still pending at the Fifteenth Court of Appeals and the PUCT regarding the *Bylaws* amendment approved by the Board and the PUCT in December 2022. Therefore, I recommend deferring further changes to the *Bylaws*, *Certificate of Formation*, or *Board Policies and Procedures* until these proceedings conclude.

The current governing documents are located in the Key Documents section of the [Governance page](#) on the ERCOT website.

Key Factors Influencing Issue:

- Section 12.1 of the *Board Policies and Procedures* permits the Board to amend the document at any time but requires at a minimum review and reaffirmation annually.
- Section 10.1(b) of the *Bylaws* provides for Board member compensation and reimbursement of expenses; compensation is dispersed according to Section 2.7 and the payment schedule in the *Board Policies and Procedures* document.
- Section 10.1(c) of the *Bylaws* requires the Board to fix on an annual basis compensation of the TAC Residential Consumer Representative; which is done according to the payment schedule in the *Board Policies and Procedures*.
- Sections IV(B)(1)(a)(i) and (ii) of the *HR&G Committee Charter* require annual review of the Company's *Certificate of Formation* and *Bylaws*.
- Section IV(B)(1)(a)(ii) of the *Charter* requires annual review of the Board's policies and procedures for Board member compensation and reimbursement of business expenses.

Conclusion/Recommendation:

I recommend that the Board reaffirm, without changes, the *Board Policies and Procedures*, to be effective upon approval by the Board.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) [Board Policies and Procedures](#) document permits amending the document at any time, but requires a minimum review and reaffirmation annually;

WHEREAS, at the Board and Committee meetings held on April 20-21, 2026, the Human Resources and Governance (HR&G) Committee reviewed and recommended the Board reaffirm without changing the Board Policies and Procedures; and

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to reaffirm the *Board Policies and Procedures* as recommended by the HR&G Committee:

THEREFORE, BE IT RESOLVED that the *Board Policies and Procedures* are hereby reaffirmed, to be effective immediately.

CORPORATE SECRETARY’S CERTIFICATE

I, Brandon Gleason, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its April 20-21, 2026, meeting, the Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2026.

Brandon Gleason
Assistant Corporate Secretary