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Addendum StartPage: 0

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REPORTS OF THE ELECTRIC
RELIABILITY COUNCIL OF TEXAS

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PUBLIC UTILITY COMMISSION
OF TEXAS

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.'S
RECOMMENDATIONS FOR PERIODICITY
OF GOVERNING BOARD MEETINGS IN 2018**

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 2018*.

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.

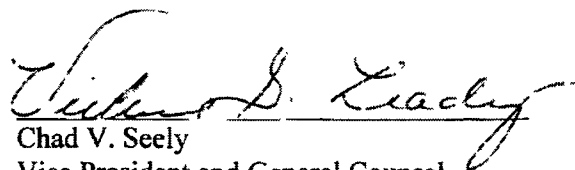
The ERCOT Board of Directors approved its meeting schedule for 2018, and the approved schedule provides the basis for ERCOT's meeting periodicity recommendation for calendar year 2018. ERCOT's recommendation is attached hereto as Exhibit 1. In summary, ERCOT recommends the same general meeting schedule as in 2017¹: (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 2018; and (b) that the Board's standing Nominating Committee hold meetings only as needed.

¹ The ERCOT Board approved its 2018 meeting schedule on August 8, 2017, which followed the same pattern and frequency as 2017, that is, the Board meets on the second Tuesday of every even-numbered month (with the exception of the February and August Board meetings presently scheduled on the third Tuesday and first Tuesday, respectively) and the Board's committees meet on the preceding Monday.

371

The ERCOT Board also approved the date of the 2018 Annual Meeting of ERCOT Members, to be called on the same date as the December 2018 ERCOT Board meeting as required by Section 4.6(a) of the Bylaws.

Respectfully submitted,



Chad V. Seely
Vice President and General Counsel
Texas Bar No. 24037466
(512) 225-7035 (Phone)
(512) 225-7079 (Fax)
chad.seely@ercot.com

Vickie G. Leady
Assistant General Counsel
Texas Bar No. 08122090
(512) 275-7436 (Phone)
(512) 225-7079 (Fax)
vickie.lead@ercot.com

ERCOT
7620 Metro Center Drive
Austin, Texas 78744

ATTORNEYS FOR ELECTRIC
RELIABILITY COUNCIL OF TEXAS, INC.

**ERCOT'S RECOMMENDATIONS FOR PERIODICITY
OF GOVERNING BOARD MEETINGS IN 2018**

SUMMARY OF RECOMMENDATIONS FOR 2018 ERCOT BOARD AND COMMITTEE MEETINGS

A schedule for a total of six (6) meetings in even-numbered months as follows:

Proposed 2018 Committee/Board Meeting Schedule		
Meeting Month	Committee Meetings	Board Meetings
February	Mon, February 19	Tues, February 20
April	Mon, April 9	Tues, April 10
June	Mon, June 11	Tues, June 12
August	Mon, August 6	Tues, August 7
October	Mon, October 8	Tues, October 9
December	Mon, December 10	Tues, December 11 (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 2017, the ISOs/RTOs scheduled regular meetings as follows:

ISO / RTO	2017 Schedule	
	Board of Directors	Board Committees
ERCOT	6 times ^[1]	<ul style="list-style-type: none"> • Finance and Audit – 6 times • Human Resources and Governance – 6 times • Nominating – As needed
NYISO	9 times	<ul style="list-style-type: none"> • Audit and Compliance – 7 times • Commerce and Compensation – 7 times • Governance – 7 times • Reliability and Markets – 7 times
ISO-NE	6 times	<ul style="list-style-type: none"> • Audit and Finance – 7 times • Compensation and Human Resources – 7 times • Markets – 11 times • Nominating and Governance – 5 times^[2] • System Planning and Reliability – 6 times
MISO	4 times ^[3]	<ul style="list-style-type: none"> • Audit and Finance – 5 times • Corporate Governance and Strategic Planning – 4 times • Human Resources – 6 times • Technology – 5 times • Markets – 6 times • System Planning – 7 times • Nominating – As needed
PJM	6 times	<ul style="list-style-type: none"> • Audit – 5 times • Reliability – 5 times • Competitive Markets – 5 times • Governance – 4 times • Human Resources – 5 times • Regulatory – 5 times • Finance – 4 times^[4]

^[1] This does not include the Board's optional Strategic Planning Event.

^[2] This does not include the nomination process meetings with stakeholders.

^[3] This does not include two Strategic Planning Retreats.

^[4] Finance Committee – Comprised of Board and stakeholder representatives.

ISO / RTO	2017 Schedule	
	Board of Directors	Board Committees
		<ul style="list-style-type: none"> • Nominating – 2-5 times as needed^[5]
CAISO	12 times ^[6]	<ul style="list-style-type: none"> • Audit – 12 times^[7] • Market Surveillance – 5 times^[8] • Energy Imbalance Market Governing Body – 11 times^[9] • Department of Market Monitoring Oversight Committee – 7 times^[10]
SPP	6 times ^[11]	<ul style="list-style-type: none"> • Membership – 1 time^[12] • Markets and Operations Policy – 4 times • Strategic Planning – 4 times • Human Resources – 4 times • Oversight – 6 times • Finance – 6 times • Corporate Governance – 3 times

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 2018, 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.

^[5] Nominating Committee – Comprised of Board and stakeholder representatives.

^[6] This includes three teleconference meetings.

^[7] This includes three teleconference meetings.

^[8] This includes one teleconference meeting.

^[9] This includes two teleconference meetings.

^[10] This includes two teleconference meetings.

^[11] This includes the Education Session and Organizational Effectiveness meeting.

^[12] Mandatory meeting once a year, but the Membership will meet as needed.