

TEXAS REGIONAL ENTITY CORPORATE POLICY

Document Name:	Antitrust Compliance Corporate Policy
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Owner:	Director, Legal Affairs
Governs:	Texas RE Personnel
Approved:	Larry Grimm, Chief Compliance Officer

I. Purpose

This corporate policy requires all Texas RE Personnel to comply with all antitrust laws and avoid all conduct that unreasonably restrains competition. Additionally, all Texas RE Personnel who lead or record meetings which include registered entities or market participants (collectively referred to as Participants) are responsible for reminding the meeting attendees of this antitrust compliance requirement and for attempting to stop and report to Director, Legal Affairs any conversation or activity that occurs in violation of this Corporate Policy.

II. Requirements

- A. Texas RE Personnel must obey the antitrust laws and avoid all conduct that might either unreasonably restrain competition or might appear to violate any antitrust law. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers, or any other activity that unreasonably restrains competition.
- B. Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of this standard is to alert Texas RE Personnel to potential antitrust problems and set forth procedures to be followed with respect to activities that may involve antitrust considerations, including conversations and activities by Participants. In some instances, this Policy may be more strict than the applicable antitrust laws. Any Texas RE Personnel who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether there is a violation of this Antitrust Compliance Policy in any situation should consult the Director, Legal Affairs. If Texas RE Personnel become aware of Participant conversations or other activities at Texas RE functions or facilities that violate this policy, they should inform such persons to stop such conversation or activity. Texas RE Personnel should refer the Participant with questions regarding antitrust compliance to the Director, Legal Affairs.
- C. Texas RE actions should be undertaken only for the purposes set forth in the Delegation Agreement, required by law, and for the purpose of promoting and maintaining the reliability of the bulk power system. No decisions should be made, nor any actions taken by Texas RE for the purpose of giving a Participant or group

of Participants a competitive advantage over other Participants. In particular, decisions with respect to developing, revising, assessing compliance with, and enforcing NERC Reliability Standards or ERCOT Protocols should not be influenced by anti-competitive motivations.

III. Examples of Prohibited and Permitted Activities

- A. Prohibited Activities. Texas RE Personnel should ensure that they and Participants, when acting in their capacity as Participants at Texas RE activities (e.g., at Texas RE Board, committee, subcommittee, Reliability Standards Committee, and other meetings, and during conference calls and in informal discussions involving Texas RE Personnel) refrain from the following activities:
1. Discussions involving Participant pricing information, including but not limited to margin (profit) and internal cost information and Participants' expectations as to current or future prices or internal costs.
 2. Discussions regarding a Participant's marketing strategies.
 3. Discussions regarding how competitors will divide customers or geographical areas.
 4. Discussions concerning excluding competitors from operating.
 5. Discussions concerning boycotting or group refusals to deal with competitors, vendors, or suppliers.
- B. Permitted Activities. Subject to the foregoing restrictions, Participants in Texas RE activities may discuss:
1. Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising Reliability or Regional Standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
 2. Matters relating to the impact of Reliability Standards on electricity markets and the impact of electricity market operations on the reliability of the bulk power system.
 3. Matters relating to Reliability Standards compliance.
 4. Matters relating to Protocol compliance or proposed Protocol revisions.
 5. Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
 6. Matters relating to the internal governance, management, and operation of Texas RE, such as nominations for vacant committee positions, budgeting, and employment matters; and procedural matters such as planning and scheduling meetings.