



Texas RE Board
Update to RSC
November 4, 2009
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Director, Legal Affairs

Texas RE Bylaws Update

- **Board of Directors approved Bylaws for a legally separate Texas RE at its October 19, 2009 meeting – to allow Texas RE to discuss with membership, NERC and FERC**
- **6 Membership Sectors**
 - System Coordination and Planning
 - Transmission
 - Cooperative or River Authority Utility
 - Municipal Utility
 - Generation
 - Load Serving and Marketing (and future Demand-Side function)

Governance Structure

- **Board of Directors**

- Hybrid Board – 9 Directors
 - 4 Independent Directors
 - Texas RE CEO
 - 2 Affiliated (membership) Directors
 - ◆ Chair of Member Representatives Committee
 - ◆ Vice Chair of Member Representatives Committee
 - PUCT Chair, *ex officio* non-voting
 - OPUC Public Counsel, *ex officio* non-voting

- **2 Committees**

- Reliability Standards Committee
- Member Representatives Committee

Reliability Standards Committee

- **Similar to current Reliability Standards Committee**
- **2 representatives from each of the 6 Standards Development Sectors will serve annually**
 - System Coordination and Planning
 - Transmission
 - Cooperative or River Authority Utility
 - Municipal Utility
 - Generation
 - Load Serving, Marketing, Demand Response, and any entity with a direct and material interest in the ERCOT region BPS that is not eligible for membership in any other Sector

Reliability Standards Committee – cont.

- **Purpose**

- Review, participate in, and manage the Regional Standards Development Process, including proposed new or revisions to Regional Standards and Regional Variances
- Coordinate the development of Regional Standards and variances with the development of national standards
- Monitor, review, and comment on:
 - NERC (national) standards under development
 - NERC standards interpretation requests

Member Representatives Committee

- **2 representatives each from the 6 Membership Sectors will serve annually and will annually select a chair and vice chair to serve as Board members**
- **Purpose**
 - Provide advice and recommendations to the Board, through its chair and vice chair (as directors) regarding:
 - Annual budgets and business plans
 - Funding mechanisms of Texas RE
 - Other matters relevant to reliability of the ERCOT BPS
 - Other matters pertinent to purpose and operations of Texas RE (except standards development)
 - May create subcommittees or working groups, if needed for specific topics

Bylaws and Delegation Agreement Timeline

- **Next Steps**

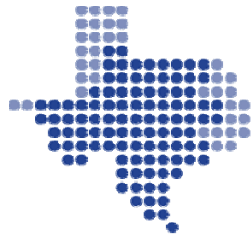
- November 24th 8:30 a.m. – Straw Membership Meeting to allow potential members to comment (by sector) on Bylaws, Delegation Agreement, and Business Plan and Budget
- ~ December 15th – Pre-filing discussion with FERC
- ~ January 15th – Any changes to proposed Delegation Agreement posted for comment (date subject to pre-filing meeting with FERC)
- ~ February 14th – NERC Board of Trustees consideration of Delegation Agreement
- Late February 2010 – Formally file Amended Delegation Agreement and Budget with FERC

Anticipated Formation Timeline

- **Early 2010 – locate Independent Directors**
- **Spring 2010:**
 - Texas RE Certificate of Formation and IRS non-profit exemption request filed
 - Begin membership activities in anticipation of FERC approval
 - Receive membership applications
 - Sectors may hold elections for RSC and MRC candidates
- **Upon FERC approval of Delegation Agreement:**
 - Set first formal membership meeting to formally approve Bylaws and Independent Directors

LSE Registration Update – CFR Approved!

- **Consensus reached on Load Serving Entity Coordinated Functional Registration (CFR)**
- **Proposed CFR Declaration and Matrix of responsibilities accepted by Texas RE and NERC**
- **Sent to LSE Working Group on October 27th**
- **Effective date for CFR is January 1, 2010**
- **Interested participants (transmission or distribution providers, QSEs representing LaaR or EILS) may sign up to join at any time**
- **Regular LSE registration begins January 2nd**



**TEXAS
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An Independent Division of ERCOT

Questions?
