

Texas Reliability Entity Members Representatives Committee Procedure

MRC Approved: August 24, 2010

These Members Representative Committee (MRC) Procedures are based upon incorporated provisions of the Texas Reliability Entity (Texas RE) Bylaws. Upon amendment of the Texas RE Bylaws, these Procedures should be reviewed to ensure consistency with any Bylaws revisions.

I. FUNCTIONS OF MRC

A. Duties

MRC shall provide advice and make recommendations to the Board as it deems appropriate or as required by the Board and perform any other duties as directed by the Board. MRC shall provide advice and make recommendations to the Board regarding annual budgets, business plans and funding mechanisms of Texas RE; other matters relevant to reliability of the ERCOT Bulk Power System; and other matters pertinent to the purpose and operations of Texas RE.

B. Authorization

MRC is authorized to provide advice and recommendations directly to the Board through its elected chair and vice chair, who also serve as affiliated directors of the Board.

C. Creation of Subcommittees, Task Forces, or Working Groups

MRC shall have the authority to create subcommittees, task forces and working groups, as it deems necessary and appropriate to conduct the business of MRC. MRC shall review and coordinate the activities and reports of its subcommittees. The MRC will approve the procedures, including the scope, representation and voting procedures, for any subcommittee of the MRC. The Chair may create a task force or working group but neither task force nor working group will have voting procedures.

D. Studies

The MRC shall itself, through its subcommittees, or through Texas RE staff, make and utilize such studies or plans as it deems appropriate to accomplish the purposes of Texas RE, the duties of its subcommittees and the policies of the Board. Results of such studies and plans shall be reported to the Board as required by the Board.

II. MEMBERSHIP

A. Qualifications and Appointment

MRC representatives shall be elected or appointed according to the provisions of the Texas RE Bylaws and procedures established by the Texas RE Board.

B. Term of Representatives

MRC representatives shall serve one year terms.

C. Membership

MRC shall consist of twelve voting representatives comprised of two representatives from each Sector as defined in the Texas RE Bylaws: System Coordination and Planning; Transmission and Distribution; Cooperative; Municipal Utility; Generation; and Load-Serving and Marketing.

D. Vacancies

Vacancies shall be filled in the manner prescribed by the Texas RE Bylaws.

III. CHAIR AND VICE-CHAIR

A. Qualifications and Appointment

As provided in the Texas RE Bylaws, the chair and vice chair shall be elected by MRC. The Board shall be notified of the selection of the chair and vice chair, but the selection will not be subject to approval of the Board. The chair and vice chair may not be representatives from the same Sector and may not concurrently serve on the Board of the ERCOT ISO.

B. Duties

The chair and vice chair shall serve during the upcoming year and be Affiliated Directors on the Board. The chair shall be responsible for setting the agenda and presiding over all MRC meetings. The chair and vice chair shall communicate the recommendations and advice of the MRC directly to the Board through their roles as Affiliated Directors. The vice chair shall act as chair at MRC meetings in absence of the chair.

C. Election Process

Texas RE staff will open the floor for nominations for the Chair. Once nominations have been closed, MRC representatives will cast votes on the nominations for Chair. If there is more than one nomination, secret ballots will be used for casting votes. Each MRC representative will be allowed one vote. The candidate receiving a simple majority (51%) of MRC representatives voting will be elected. If no simple majority is reached, Texas RE staff will identify the two candidates receiving the most votes and conduct another vote. Votes will be conducted until either a simple majority of the MRC is reached or an acclamation of MRC. Following election of the chair, the chair election process will be utilized for selecting the vice chair.

IV. MEETINGS

A. Quorum

As provided in the Texas RE Bylaws, the quorum necessary for the transaction of business at meetings of the MRC shall be the presence, in person or by proxy, of two-thirds of the voting representatives on the MRC entitled to attend.

B. Alternates and Proxies

If a member representative is unable to attend a meeting of the MRC, then the Sector Alternate will attend in his or her place. If neither the member representative nor the Sector Alternate can attend a meeting of the MRC, then the member representative may designate another member representative or an employee of the member representatives' organization as a proxy. A proxy may only be given to a person who is an officer, employee, or director of a Registered Member of the same Sector.

If the MRC Representative wishes to designate a proxy, a notification of the designation of such proxy must be sent to Texas RE and shall be valid for the time period designated by the MRC representative.

C. Action

As provided in the Texas RE Bylaws, actions by members of the MRC shall be approved upon receipt of the affirmative vote of a majority of the voting members of the MRC present and voting at any meeting at which a quorum is present.

D. Meeting Schedule

The MRC and its subcommittees shall meet as often as necessary to perform their duties and functions. The MRC will, at a minimum, hold quarterly regular meetings. Special meetings will be called as necessary.

Special meetings of the MRC may be called for any purpose or purposes by the chair of the MRC or by any three (3) Representatives of the MRC, which number shall include representatives from at least three Sectors, and require notice given to all Representatives of the MRC not less than seven (7) days prior to the date of the meeting. Such notice shall specify the time, date, place, and purpose or purposes of the meeting and may be given by telephone, facsimile, or other electronic media, or by express delivery.

E. Notification

All meetings of the MRC shall be noticed to all members of the MRC in writing (including e-mail or fax) to each member at least one week prior to the meeting.

All agenda items requiring a vote of MRC must be noticed for a vote with supporting documentation published at least one week prior to the meeting. Material that becomes available less than one week prior to the meeting may be considered if a majority of the MRC agrees to consider the additional material.

F. Conduct of Meetings

The Chair, or the Vice Chair in the Chair's absence, shall preside at all meetings and is responsible for preparation of agendas for such meetings. In the absence of the Chair and the Vice-Chair, another MRC Representative shall preside at the meeting. All MRC meetings shall be guided by Robert's Rules of Order. Texas RE staff shall be responsible for recording minutes of MRC meetings and distributing such minutes and other communications to all members of MRC and any other parties who express an interest in receiving such information. MRC meetings and MRC subcommittee meetings may be attended by any interested observers; provided, however, persons may be excluded from portions of MRC meetings and MRC subcommittee meetings where third party confidential information is presented or discussed (e.g., confidential vendor or bid information and generation unit information). Participants shall disclose the Entity or Entities they are representing at each MRC and/or MRC subcommittee meeting.

G. Voting in Regular Meetings

In matters determined by the Chair to require a vote of MRC, or when any MRC Representative requests a vote on an issue, each MRC Representative shall have one (1) vote. As provided in the Texas RE Bylaws, an act of MRC requires affirmative votes of at least 51% of the eligible, seated representatives of MRC. MRC representatives who abstain from voting shall not have their votes included in the total number of votes from which the requisite percentage of affirmative votes is required for action. In the event of such abstentions, however, for a vote to become an act of MRC, there must be an affirmative vote of (i) the requisite percentage of the remaining non-abstaining votes *and* (ii) at least 51% of the total members.

MRC representatives may participate in a regular meeting via telephone, but may not vote via telephone and participation via telephone shall not count towards a quorum.

H. Voting in Special Meetings

In any called special meeting, the normal quorum and voting requirements apply with the exception that a vote by electronic mail (e-mail vote) or by telephone may be utilized. Votes shall be submitted to TRE Staff for tallying. Votes are tallied in the same manner as a regular meeting. The final tally shall be distributed to the MRC distribution list and posted on the TRE website.

I. Voting on Urgent Matters

For voting items with less than 7 days notice, MRC can decide to vote on it at the meeting if at least 60% of the members vote to do so, or it could be handled via an email vote outside of the meeting.

An email vote is permitted provided a notification is distributed to the MRC distribution list that includes a detailed description of the issue or proposition and accompanied by supporting documentation. For e-mail votes, a quorum of MRC representatives must participate in the vote. Participation requires casting a vote or abstaining. Votes shall be submitted to TRE Staff for tallying by the close of two Business Days after notification of the vote. Votes are tallied in the same manner as regular meetings. The final tally shall be distributed to the MRC distribution list and posted on the TRE website.

V. **AMENDMENT**

These Procedures may be amended upon motion by any member of MRC and approval of that motion by vote of MRC, provided such amendment may not be in conflict with the Texas RE Bylaws, Board Procedures, or Board resolutions. The Texas RE Board may, upon its own motion, amend these Procedures upon reasonable notice to the MRC membership.