

Reliability Standards Committee Procedure

Effective November 3, 2010

Purpose

The Reliability Standards Committee (RSC) reports to the Texas Reliability Entity (Texas RE) Board of Directors (BOD) and is responsible for review of Regional Standards Authorization Requests (SAR) and subsequent recommendations for revision, deletion or development of a Regional Standard or Regional Variance to a NERC Reliability Standard. The RSC will also determine whether to authorize a proposed new or revised Regional Standard to be posted for comment or presented for a vote to the Texas RE Registered Ballot Body. The RSC will consider requests for Regional Standards or Regional Variances from any party that is directly and materially affected by the operation of the ERCOT Bulk Power System, regardless of Texas RE membership.

The RSC is the Regional oversight and process control authority for the Texas RE Regional Standards Development Process for the ERCOT region. This process governs the development of regional standards, regional variances to NERC reliability standards, and Regional Interpretations.

Note: If anything in this procedure is inconsistent with Texas RE governing documents, including the Delegation Agreement and all attachments (such as the Bylaws and the Standards Development Process), the governing documents shall take precedence.

Committee Structure

The RSC is a balanced committee comprised of one representative from the System Coordination and Planning Sector and two representatives from each of the five other Texas RE Standards Development Sectors (Transmission and Distribution; Generation; Cooperative; Municipal Utility; and Load-Serving and Marketing), to provide balanced decision-making and due process for proposals for new or modification of existing Regional Standards and Regional Variances.

RSC Nomination/Election Process:

RSC Standing Representatives and, if desired by the sector(s), Sector Alternates shall be appointed or elected annually by the members of their respective Texas RE Sectors in December of each year for service in the following calendar year. The term for all RSC Standing Representatives and Alternates shall be one year.¹ Any RSC Standing Representative or Alternate may be reappointed or reelected for consecutive terms, without limitation. No Entity shall have more than one individual serving as a Representative or Alternate on the Texas RE RSC. If requested by the Sector, the Reliability Standards Manager (RSM) shall facilitate the sector election(s) of RSC Standing Representatives and/or Alternates from each of the applicable Texas RE Sectors. Any midterm vacancies shall be filled by the impacted Sector as soon as practical, who will serve to complete the term of the previous RSC Standing Representative or Alternate of that Sector.

RSC Voting

¹ In connection with the commencement of operations of Texas Reliability Entity on July 1, 2010, the initial set of RSC members was elected in June 2010 and will serve until December 31, 2011.

A quorum shall be defined as the presence of at least one Representative or Alternate from two-thirds (2/3) of the Texas RE Sectors, or four (4) of the six (6) Sectors. Each RSC Representative and voting Alternate, who is physically present (or physically represented by a duly-appointed proxy) may participate in any vote taken by the RSC. The RSC must reach a quorum and achieve a 2/3 affirmative vote to take any action related to a proposed new or revised Regional Standard, variance or interpretation. Abstentions count toward quorum requirements but do not count in determining the affirmative vote fraction.

A Sector Alternate is eligible to vote if one or more of the corresponding Sector Representatives is absent from an RSC meeting. A proxy may be exercised only if the Sector is not fully represented by Representatives and Alternates in attendance at the meeting. A Sector Representative may appoint a proxy (using the TRE proxy appointment process then in effect) if the Sector Alternate Representative is not in attendance at the RSC meeting.

Telephone Meetings and E-Mail Voting:

In matters determined by the RSC Chair to require action prior to the next regular meeting, the Chair may call a meeting via Conference Call; however, no voting may take place via telephone. The Chair may elect to take a vote prior to the next regular meeting via electronic mail (e-mail vote) of the RSC Standing Representatives and/or Alternates. Such an e-mail vote is permitted, provided a notification is distributed to the RSC Representative and Alternate roster that includes a detailed description of the issue or proposition and accompanied by supporting documentation. For such urgent e-mail votes, a quorum of Standing Representatives (or Alternates) must participate in the vote.

Meetings

Meetings of the RSC shall be open. The RSC shall hold meetings as needed and may use conference calls for discussions. The agenda including the background materials will be posted on the Texas RE website at least 7 calendar days prior to the regularly scheduled meetings. This posting requirement may be waived by 2/3 vote of the RSC Representatives in attendance at the subject meeting.

Chair and Vice-chair

The RSC shall elect a Chair and Vice-chair from the RSC's duly-selected Representatives by majority vote of the Representatives present (or represented by proxy) for a term of one (1) year on a calendar year basis. The Chair and Vice-chair shall be confirmed by the Texas RE BOD. The Chair shall be responsible for setting the agenda and presiding over meetings. The Vice-chair shall act as Chair at the RSC meetings in the absence of the Chair.