



Global Business Services

External Review of Nodal Program Readiness

Executive Discussion

Electric Reliability Council of Texas,
Inc. (ERCOT)
Board of Directors Meeting
July 15, 2008

Overview

- Review completed of Market Participant and ERCOT Readiness Measures.
- Data review and limited interviews conducted.
- ERCOT and Market Participants are committed to be ready for the 168 Hour Test and the Go-Live Period.
- Certain activities should be undertaken enhance the measurements quality and readiness process.
- Recommended activities can reduce risk of delay and quality degradation.

Market Participant Readiness Measurements - Observations

- Overall – Measurements are indicative of Market Participant readiness; some improvements can be made.
- Measurements are currently under review for improvements (timing, content, participation and coverage) since measures were developed early on in the Nodal Program process.
- Training for key systems is still in development.
- NMMS training content may need improvement.
- Data cleansing for Network Model information is required.

	Engagement	Connectivity	Registration and Qualification	Telemetry	Training	Trials Participation	Overall
All Market Participants	▼	▼	▼	●	▼	▼	▼
OSE with Resources	●	▼	▼	●	●	■	■
OSE without Resources	■	○	▼	○	■	●	■
TDSP	●	○	○	●	●	●	●
LSE	■	○	○	○	○	○	■
CRR	○	○	○	○	○	○	○

ERCOT Readiness Measurements - Observations

- Overall – Measures are indicative of ERCOT organization readiness; some improvements can be made.
- ERCOT staffing is near the 95% requirement threshold; HR actively supports the process.
- Procedures are being developed company-wide (for ~ 50 departments) – some key departments are lagging, but increased focus is being provided.
- Training development lagging due to delays encountered system development efforts.
- Sustainable procedures traceability process is needed.

	Engagement	Training	Process	Staffing	Test	Overall
ERCOT	●	▼	●	▼	●	▼
Information Technology	●	▼	●	▼	●	▼
System Operations	●	●	●	▼	●	▼
Market Operations	●	●	●	▼	●	▼
System Planning	●	▼	●	▼	●	▼
Corporate	●	●	●	▼	●	▼

Summary of Key Observations and Recommendations

Issue	Impact	Recommendation
Measurements Update	<ul style="list-style-type: none"> ▪ Measurements may not be comprehensive ▪ Understandability is reduced 	<ul style="list-style-type: none"> ▪ Continue review process ▪ Use alternative tools and techniques to support review
MP Training Requirements	<ul style="list-style-type: none"> ▪ Readiness of users is lowered ▪ Specific reference to NMMS training 	<ul style="list-style-type: none"> ▪ Continue to evaluate needs with MPs and ERCOT ▪ Make modifications as necessary to NMMS training content and delivery
Network Model Data Quality	<ul style="list-style-type: none"> ▪ Impact under assessment ▪ Limited time to complete 	<ul style="list-style-type: none"> ▪ Complete evaluation of impact after CIM is completed ▪ Consider joint plan with ERCOT, Vendors and MPs to support refresh
ERCOT Sustainable Procedures Traceability Process	<ul style="list-style-type: none"> ▪ Contractors/consultants currently support ▪ ERCOT has not provided specific organization ownership 	<ul style="list-style-type: none"> ▪ Establish Business Process owner in a new or an existing department aligned with this responsibility ▪ Responsibility includes managing process and procedure updates when Nodal Protocol Revision Requests (NPRRs) are approved