



Item 10: Strategic Goal Update and Review of Q4 2020 Key Performance Indicators (KPIs)

Kristi Hobbs

Director, Enterprise Risk Management & Strategic Analysis

Urgent Human Resources and Governance Committee Meeting

ERCOT Public
February 8, 2021

2020 ERCOT Enterprise Objectives & Key Results (OKRs)

1

Establish rules for new resources and market modernization.

2

Improve data and information exchange services to ERCOT stakeholders.

3

Complete defined stages of core system and service improvements.

2020 ERCOT Enterprise OKRs

Objective 1: Establish rules for new resources and market modernization.

Key Results (as measured by)

a.	Real-Time Co-optimization (RTC) Protocols are approved by the December 2020 Board.	Completed 12/08/20	Ögelman
b.	Energy Storage Resource (ESR) Protocols are approved by the December 2020 Board to:		
i.	Sustain the combination modeling of Energy Storage Resources as Generation Resources and Controllable Load Resources.	Completed 12/08/20	Rickerson
ii.	Model Energy Storage Resources as single device to be delivered with EMS-upgrade and RTC.	Completed 12/08/20	Rickerson
c.	Distribution Generation Resource (DGR) Protocols are approved by the December 2020 Board.	Completed 08/11/20	Rickerson

2020 ERCOT Enterprise OKRs

Objective 2: Improve data and information exchange services to ERCOT stakeholders.

Key Results (as measured by)			
a.	Deliver the RIOO function that enables Market Participants to electronically submit, review and edit Resource Asset registration data.	Completed 11/13/20	Rickerson
b.	Transition MIS to a stable, supported platform while enhancing user experience & defining scope changes for ERCOT.com (ECMS Phase 2) .	Completed 11/11/20	Gage
c.	Deliver effective notification of grid status to all constituents (public, MP, PUC, etc.) via supported technical communications.		
i.	Deliver tactical scope that includes the ability to do emergency testing in production prior to summer 2020.	Completed 05/15/20	Parakkuth
ii.	Develop strategy for long-term enhancements to architecture as required to ensure systems are hardened.	Completed 09/30/20	Parakkuth

2020 ERCOT Enterprise OKRs

Objective 3: Complete defined stages of core system & service improvements.

Key Results (as measured by)

a.	Complete EMS Early Risk Mitigation (ERM) tasks in support of EMS upgrade.	Completed 11/20/20	Rickerson
b.	Solicit stakeholder feedback on revised Treasury Management processes and develop appropriate market rule changes.	Completed 11/20/20	Taylor
c.	Implement Fast Frequency Response changes (NPRR863).	Completed 03/01/20	Rickerson
d.	Upgrade retail market software to maintain support.		
i.	Complete Siebel upgrade project planning.	Completed 03/27/20	Ögelman
ii.	Deliver upgraded software via EDI Map & Translator Replacement and NAESB Application Tech Refresh projects.	Completed 11/01/20	Ögelman
e.	Establish methods to meet the compliance deadline for new CIP Standards governing remote access, configuration change and supply chain risk management.	Completed 07/01/20	Day

2021 ERCOT Enterprise OKRs

1

Deliver defined stages of the Passport Program

2

Complete market-facing initiatives advancing reliable operations, market systems and data transparency

3

Implement improvements in technological capabilities and financial processes

2021 ERCOT Enterprise OKRs

Objective 1: Deliver defined stages of the Passport Program

Key Results (as measured by)			
a.	Establish Passport Program framework and complete Business Requirements	Dec-21	Ögelman
b.	Design and deliver key components for the 2024 Energy Management System (EMS) upgrade	Dec-21	Rickerson
c.	Improve integration of Distribution Generation Resource (DGR) and Energy Storage Resource (ESR) into ERCOT systems	Dec-21	Rickerson
d.	Implement Fast Frequency Response (FFR) Advanced changes	Mar-22	Ögelman

2021 ERCOT Enterprise OKRs

Objective 2: Complete market-facing initiatives advancing reliable operations, market systems and data transparency

Key Results (as measured by)

a.	Complete cycle of improvements to Retail market software (Siebel upgrade)	May-21	Ögelman
b.	Complete ERCOT's requirements to facilitate integration of Lubbock load into the ERCOT system	June-21	Rickerson
c.	Broaden forecasting capabilities to meet the requirements of a changing grid	June-21	Rickerson
d.	Transition ERCOT.com to a stable, supported platform with enhanced user experience (ECMS Ph2)	Nov-21	Gage
e.	Complete RIOO system components to retire the RARF	Dec-21	Rickerson

2021 ERCOT Enterprise OKRs

Objective 3: Implement improvements in technological capabilities and financial processes

Key Results (as measured by)

a.	Establish DC5 Program framework to replace ERCOT's aging and end-of-life IT infrastructure	Dec-21	Parakkuth
b.	Complete planning to automate treasury processes to reduce financial and operational risk	Dec-21	Taylor

2020 Key Performance Indicator (KPI) Summary

We serve the public by ensuring a reliable grid, efficient electricity markets, open access and retail choice.

	YTD - 2020			Q4 - 2020			Q3 - 2020			Q2 - 2020			Q1 - 2020		
	Stretch	Target	Below	Stretch	Target	Below	Stretch	Target	Below	Stretch	Target	Below	Stretch	Target	Below
Reliable Grid															
Grid Security Management															
Outage Coordination / Planning															
Forecasting															
Compliance Monitoring & Reporting															
IT Application Services	67%		33%	67%		33%	67%		33%	67%		33%	67%		33%
Efficient Electricity Markets															
Bidding, Scheduling and Pricing	50%		50%				50%		50%	50%		50%			
Settlement & Billing															
Market Credit															
Market Information															
IT Application Services															
Open Access & Retail Choice															
Customer Switching / Registry															
Market Information															
IT Application Services															
Other Support and Management Functions															
Finance															
Security															
Total number of KPIs tracked:	29			29			29			29			29		
% meeting Stretch:	72%			79%			76%			73%			79%		
% meeting Target:	21%			17%			17%			17%			21%		
% below Target:	7%			4%			7%			10%			0%		

Appendix:

Q1- Q4 2020 KPI Detail – Reliable Grid

KPI ID	KPI Description	2020 Target Performance	2020 Stretch Performance	2020 YTD	Q4	Q3	Q2	Q1
Grid Security Management								
RG 1	Control Performance Standard 1 (CPS1) frequency control performance (rolling 12 month CPS1 score)	> 140	> 150	All scores greater than 150	Oct-170.56%, Nov-173.19%, Dec-170.47%	Jul-168.30%, Aug-170.50%, Sep-173.60%	April-168.90%, May-170.80%, June-170.70%	Jan-174.86%, Feb-174.80%, March-174.51%
RG 2	Interconnection Reliability Operating Limit (IROL) exceedance limitations	None longer than 20 minutes	None longer than 10 minutes	No IROL exceedances	No IROL exceedances	No IROL exceedances	No IROL exceedances	No IROL exceedances
Outage Coordination / Planning								
RG 3	Outage Coordination performance: requests approved or denied within timeline and with mitigation plans developed if required	97%	99%	99.73%	99.86%	99.92%	99.80%	99.34%
Forecasting								
RG 4	Operations Load Forecast performance - Mean Average Percent Error (MAPE): monthly average day ahead load forecasts used for DRUC MAPE	All less than 4.0%	All less than 3.5%	2.63%	2.61%	2.26%	3.22%	2.42%
RG 5	Wind forecast performance - MAPE based on installed wind capacity: monthly average day ahead wind forecasts used for DRUC MAPE	All less than 10%	All less than 8%	All less than 8%	Oct-4.9%, Nov-3.3%, Dec-3.8%	Jul-4.60%, Aug-4.40%, Sep-3.40%	April-4.50%, May-4.50%, June-4.80%	Jan-4.00%, Feb-4.10%, March-5.10%
RG 6	Solar forecast performance - MAPE based on installed solar capacity: monthly average day ahead solar forecasts used for DRUC MAPE.	All less than 15%	All less than 10%	All less than 10%	Oct-5.84%, Nov-4.48%, Dec-5.29%	Jul-5.40%, Aug-5.24%, Sep-6.76%	April-5.01%, May-6.79%, June-5.01%	Jan-5.82%, Feb-5.77%, March-7.37%
Compliance Monitoring & Reporting								
RG 8	Achieve compliance with SOC controls	No exceptions found in a SOC audit	N/A	No exceptions found in a SOC audit	No exceptions found in a SOC audit	No exceptions found in a SOC audit	No exceptions found in a SOC audit	No exceptions found in a SOC audit

RG7 is intentionally left blank.

Q1- Q4 2020 KPI Detail – Reliable Grid

KPI ID	KPI Description	2020 Target Performance	2020 Stretch Performance	2020 YTD	Q4	Q3	Q2	Q1
IT Application Services								
RG 9	Energy Management System Tier 1 Aggregate Availability	All Tier 1 systems meet or exceed defined SLAs (99.90%)	N/A	100%	100%	100%	100%	100%
RG 10	Energy Management System Tier 2 Aggregate Availability	Achieve 99.9% availability for 10 of 11 Tier 2 systems	Achieve 99.9% availability for all Tier 2 systems	100%	100%	100%	100%	100%
RG 11	Security Constrained Economic Dispatch (SCED) Availability	99.95%	100%	100%	100%	100%	100%	100%
RG 12	Security Constrained Economic Dispatch (SCED): number of unplanned outages greater than 30 consecutive minutes (per quarter)	Zero	N/A	Zero	Zero	Zero	Zero	Zero
RG 13	Outage Scheduler Availability	99%	99.5%	100%	100%	100%	100%	100%
RG 14	Network Model Management System (NMMS) Availability	99%	99.5%	100%	100%	100%	100%	100%

Q1- Q4 2020 KPI Detail – Efficient Electricity Markets

KPI ID	KPI Description	2020 Target Performance	2020 Stretch Performance	2020 YTD	Q4	Q3	Q2	Q1
Bidding, Scheduling and Pricing								
EM 1	DAM quality of solution as measured with price corrections: percent of hourly prices requiring DAM price correction	1-3 % of time	< 1 % of time	4.62%	0.00%	7.87%	10.45%	0.25%
EM 2	SCED solution is solved and posted: percent of 15-minute Settlement Interval prices where price corrections are performed. This measure includes corrections from routine work (e.g., database loads and site failover)	0.25% - 1%	<0.25%	0.03%	0.00%	0.09%	0.02%	0.00%
Settlement & Billing								
EM 3	Achieve timely settlements per Protocol defined timelines	99%	100%	100%	100%	100%	100%	100%
EM 4	Perform accurate settlements as measured by the percent of statements/invoices that do not require a correction as a result of an error in the settlement and billing systems or processes	98%	99.9%	99.96%	100%	99.94%	99.90%	100%
Market Credit								
EM 5	Credit reports are correct and posted in a timely manner	98%	100%	98.81%	100%	99.94%	95.30%	100%
Market Information								
EM 6	Wholesale extracts available per Protocol timelines	98%	99%	99.96%	99.96%	99.96%	99.96%	99.98%
IT Application Services								
EM 7	Congestion Revenue Rights (CRR) Availability	99%	99.5%	100%	100%	100%	100%	100%
EM 8	Market Management System Aggregate Availability	99%	99.5%	100%	100%	100%	100%	100%

Q1- Q4 2020 KPI Detail – Open Access & Retail Choice

KPI ID	KPI Description	2020 Target Performance	2020 Stretch Performance	2020 YTD	Q4	Q3	Q2	Q1
Customer Switching / Registry								
OARC 1	Conduct retail transaction processing per Protocol timelines	98%	99%	99.88%	99.94%	99.64%	99.99%	99.94%
OARC 2	End use customer switch notifications processed per PUCT rules	99%	100%	100%	100%	100%	100%	100%
Market Information								
OARC 3	Retail extracts available per Protocol timelines	98%	99%	100%	100%	100%	100%	100%
IT Application Services								
OARC 4	Retail Processing Availability - Business Hours	99.90%	99.95%	100%	100%	100%	100%	100%
OARC 5	Market Information System (MIS) Availability	99%	99.5%	99.90%	99.77%	99.99%	99.88%	99.97%

Q1- Q4 2020 KPI Detail – Other Support & Management Functions

KPI ID	KPI Description	2020 Target Performance	2020 Stretch Performance	2020 YTD	Q4	Q3	Q2	Q1
Finance								
OSM 1	Manage spending to be equal to or less than the board-approved expenditure budget	Between 0 - 5% favorable variance	N/A	-1.00%	-3.80%	6.30%	-9.10%	2.50%
Security								
OSM 2	Maintain ERCOT ISO's security posture against cyber security threats as defined in the Security Incident Response Plan	Zero externally reportable cyber security incidents	N/A	Zero externally reportable cyber security incidents	Zero externally reportable cyber security incidents	Zero externally reportable cyber security incidents	Zero externally reportable cyber security incidents	Zero externally reportable cyber security incidents
OSM 3	Maintain ERCOT ISO's security posture against physical security threats as defined in the Security Incident Response Plan	Zero externally reportable physical security incidents	N/A	Zero externally reportable physical security incidents	Zero externally reportable physical security incidents	Zero externally reportable physical security incidents	Zero externally reportable physical security incidents	Zero externally reportable physical security incidents