



NP60C03\_01

# Taylor Facilities Buildout for Nodal

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BOD Public Presentation

March 21, 2006

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Director, Corporate Security & Facilities

- Issue
- Background/History
- Taylor Facility Buildout for Texas Nodal
  - Taylor TCC2 Facility Buildout
  - Remodel Blue Building at Taylor
  - Remodel TCC1 Office Space
- Other Project Considerations
- Options/Alternatives Considered
- NPV Comparison
- Summary of Options
- Recommendation

- Work on the Texas Nodal project has started
  - Nodal team estimates need for ~100 spaces (FTE/Contractors)
  - May need ~150 spaces during peak testing periods—18 months
- ERCOT does not have sufficient space to “ramp-up” the Nodal project staff starting in the May timeframe.
  - NP60C03\_01 Taylor Facilities Buildout Project for Nodal
  - Complete Planning within two weeks and then move project directly into Execution to support Nodal space requirements.
- Estimated cost: Provided to BoD in Executive Session
  - Include a 10% incentive allowance to motivate the contractor to complete facility work early
- Immediate Board action needed to approve this project
  - Nodal staff have started arriving and we expect 60 more people in the April time frame

- No cube or office space available for Nodal
- Additional office/lab space also needed for
  - Organic ERCOT staff growth
  - Independent Market Monitoring (IMM)
  - ERO/Regional Entity.
- Limited PMO tabletop workspace open in Collaborative work center
  - Space shared between the SAO and Nodal team
- TCC space buildout is needed to house Nodal staff

- Last Fall, Projected ERCOT Growth over next five years was assumed to be flat.
- ERCOT now needs space to support extraordinary growth for Nodal, IMM, ERO/RE and Organic ERCOT Growth, etc.

**Current Permanent Capacity:**

MET Center: 88

TCC1: 215

TCC2: 273

TCC2 (Project Area): 40

Blue Building: 33

**Total: 649**

**2006 Seat Demand:**

- Approved FTE (Inc Nodal): 655

- Contractors (Inc Nodal): 125

- Market Monitor: 15

- ERO: 10

- **Shift Workers: - 67**

Assumed 1-year growth:

- Employees: 30

- Contractors: 10

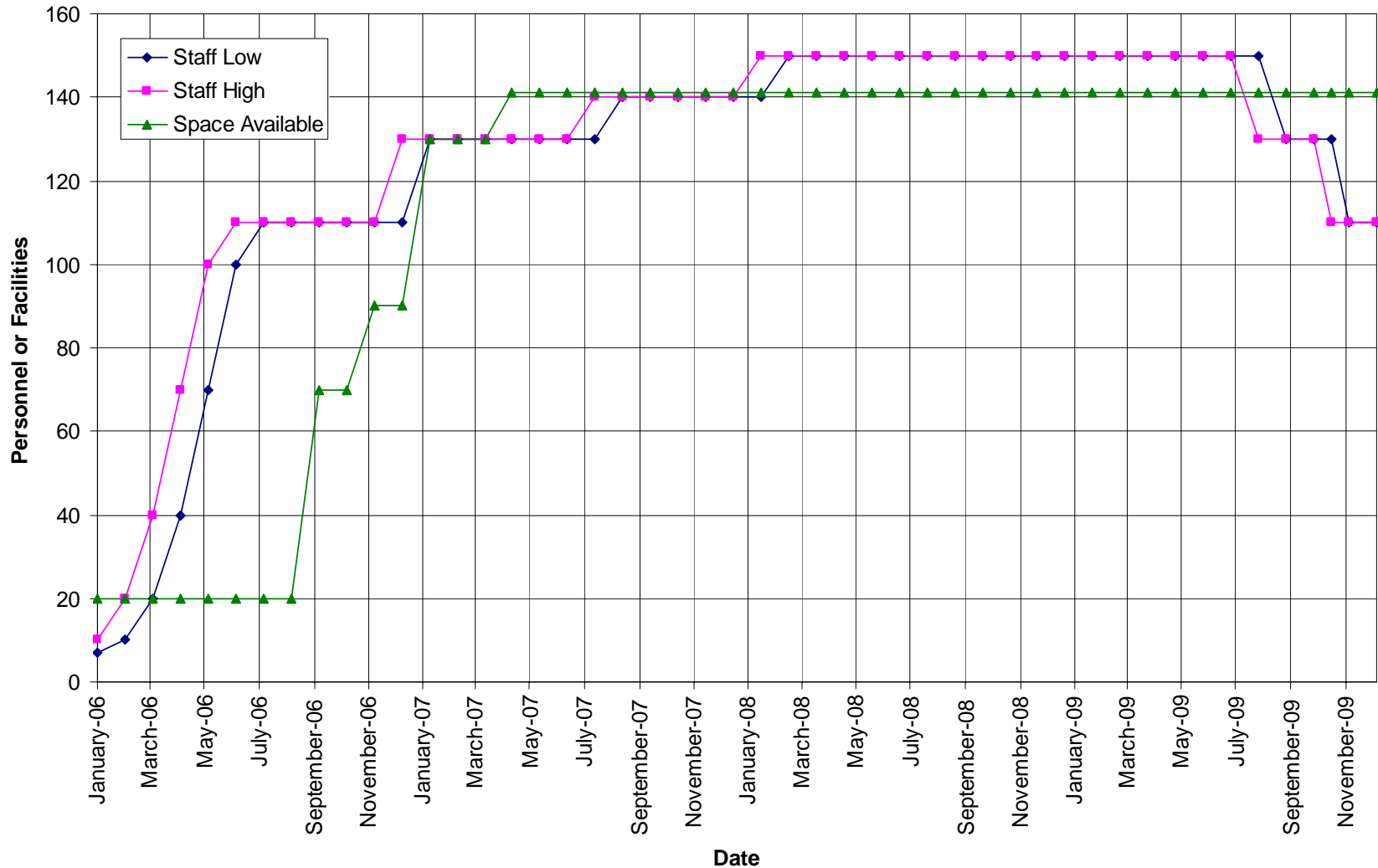
- MAC Space 80

**Total Office Seat Demand: 858**

**Delta: (858 – 649): 209 Seats short by the end of CY2006**

# Nodal Personnel Projected Ramp Up

Nodal Project Ramp up vs Taylor Space



- Recommend that this project be completed in three parts:
  - 1) Build out Unfinished Space in TCC2 at Taylor
  - 2) Remodel the Blue Building behind TCC1 in Taylor
  - 3) Remodel the COO office suite TCC1 in Taylor into open office spaces
- Some space could be available in 3-4 months, other may require 7+ months
- Include up to 10% in contractor incentives to exceed schedule goals

## Taylor Site Master Plan Redacted by Corp Security *Jim Brenton, Dir Corp Security*



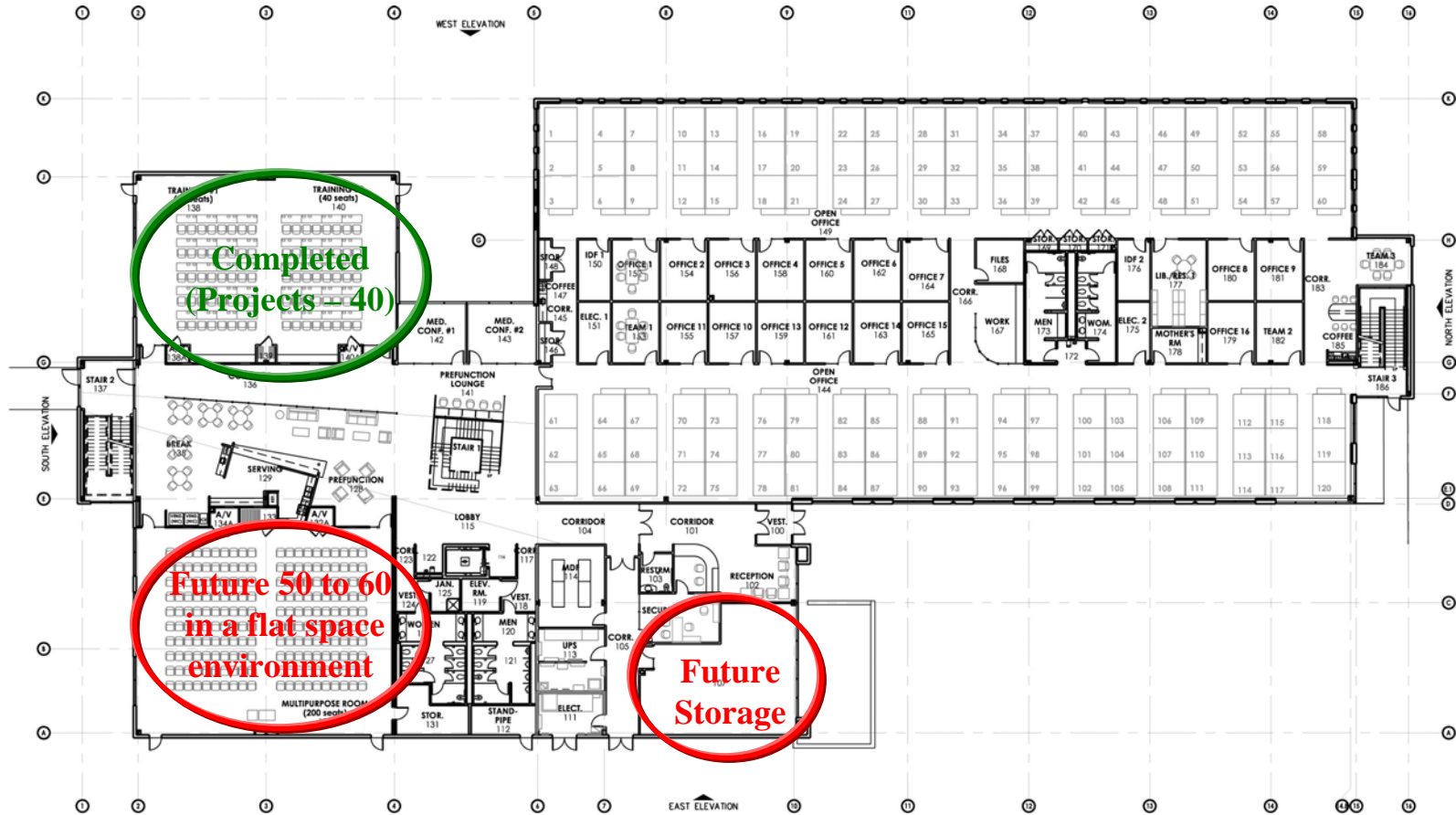
mm14

Your colors shifted on you and I put them back on the buildings they referenced.

mmccutchen, 3/9/2006

- Build out existing unfinished space in the Taylor TCC 2 facility—12,270 sq ft
  - Support 59 staff members in cubes and offices, plus needed conference rooms
  - Provide Collaborative Tabletop space to support 50 additional staff members
  - Ability to dynamically allocate space depending upon the task at hand.
- Estimated cost: Executive Session

# TCC2 -- 1st Floor



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**ARCHITECTURAL FIRST FLOOR PLAN**

# TCC2 – 2<sup>nd</sup> Floor

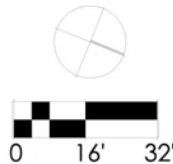


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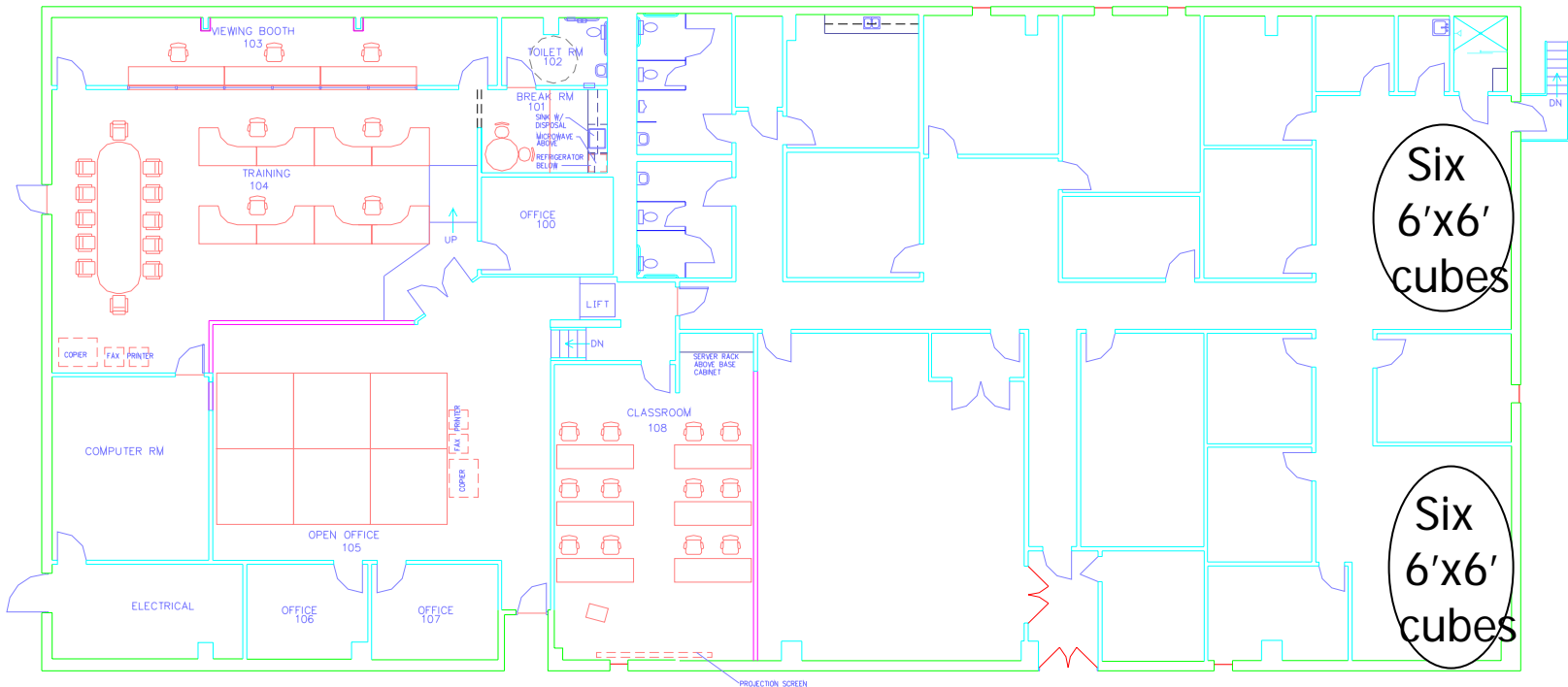


ARCHITECTURAL SECOND FLOOR PLAN

- Blue Building is located behind the TCC1 facility in Taylor
  - Substandard space—cubes and offices
  - Remodel to bring existing space up to standards in found in typical Austin technology facilities
  - Will provide 15 cube spaces, 5 small offices, and 2 meeting rooms
- Estimated cost: Executive Session

# Blue Building Present Configuration

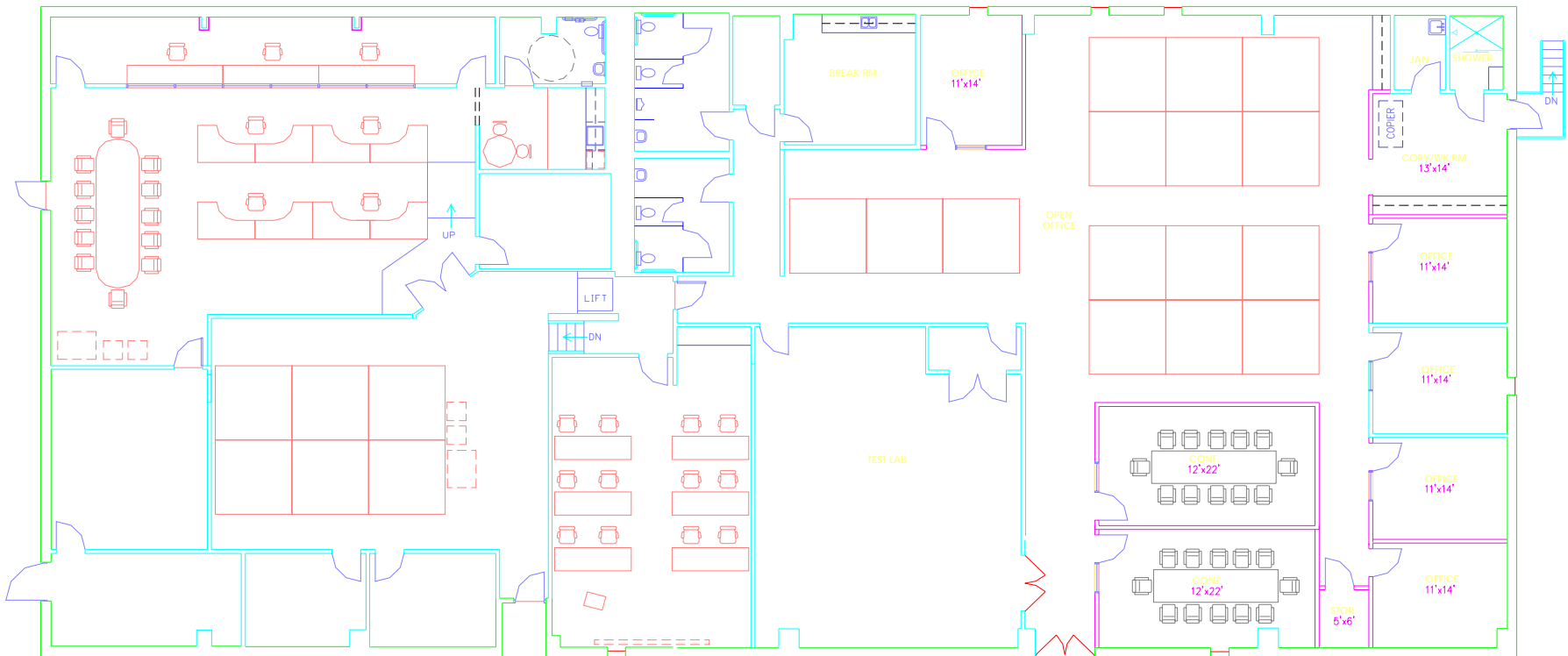
33 Total seats – Utilizing 16 spaces  
Plan as location for Independent Market Monitor?



# Blue Building Enhancement

Increases cube size to ERCOT Facility  
Standard and better organize space ...

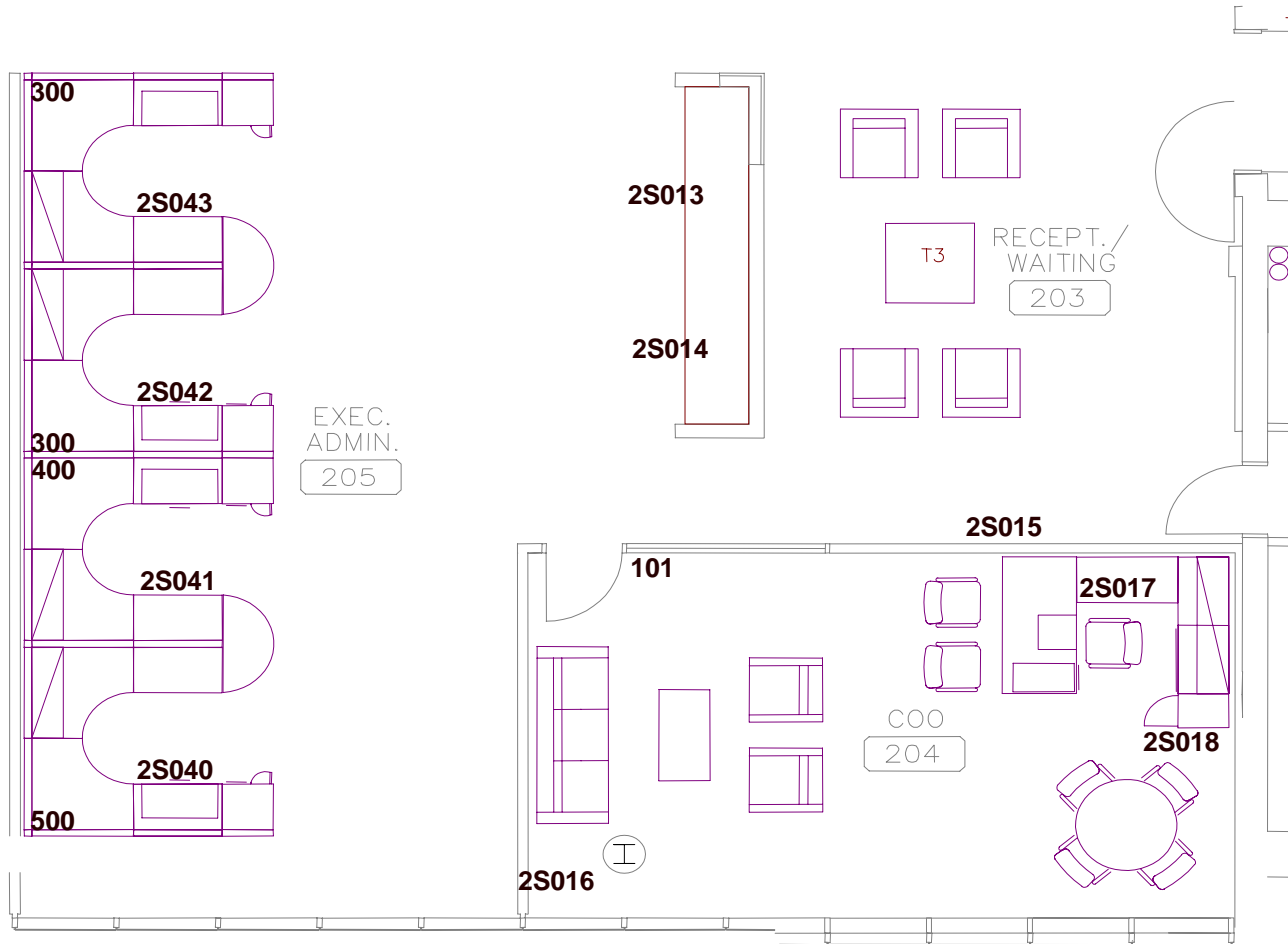
15 Cubes, 5 Offices & 2 Meeting Rooms



- Build out new office space in area where Chief Operating Officer's office suite now exists in TCC1
  - Provides 11 additional cube spaces
  - Additional cube space will allow a restack of IT staff in TCC1 needed to support the Nodal team
- Estimated cost: Executive Session

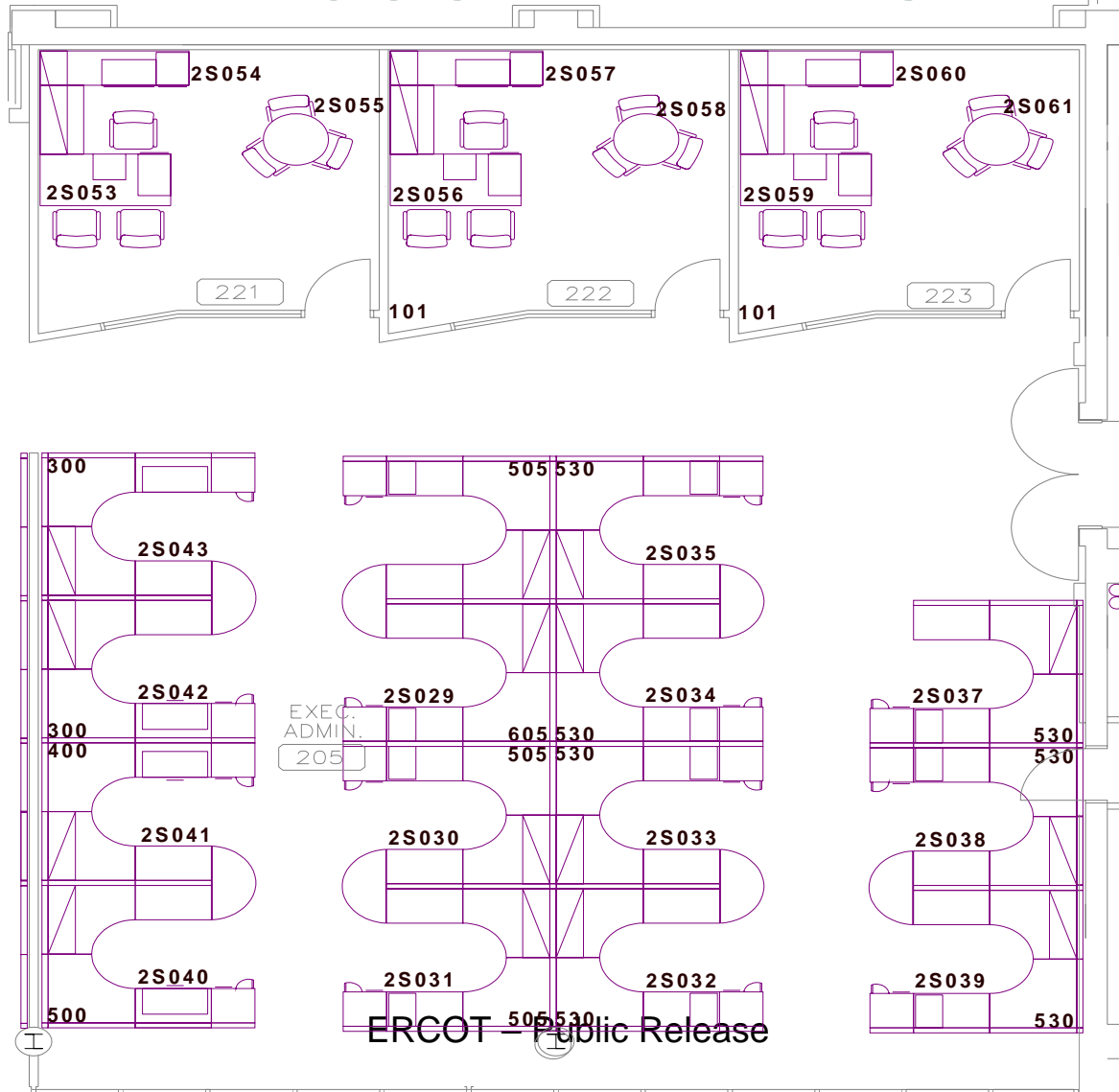


# TCC I, Create Cube Space in COO Area



# Creates 11 new cubes

## Relocate the COO to the HR Satellite Office



March 21, 2006

# Other Project Considerations

- The Nodal Cost Benefit Analysis estimates that every week of delay to implement Nodal will cost the Texas Electric Market \$1.4MM/week
  - Nodal Project burn rate also estimated at \$300K/week
- Space acquired for Nodal project should be later used to support other future Market Initiatives, Organic ERCOT Staff Growth and the needs of IMM and ERO/Regional Entity
- Current ERCOT space is now at full capacity
  - Temporarily using TCC common space to support Zonal projects and Organic Staff Growth
  - Consider future use of Modular Building Units dependent upon Organic Growth rate and need for test lab space

- Consider leased commercial office space in Taylor/RR area
  - Need leased space for 3 years
    - April 2006 through April 2009
  - Estimated cost: Executive Session
  - Available in 3-4 months
  - Operating expense—no residual value at the end of the project

# Summary of Options

- Recommend that ERCOT build out Taylor Facility to support Texas Nodal Project
  - 3-years NPV savings over leasing: Executive Session
  - ERCOT acquires long-term capital asset that will delay need to build out TCC3 Bldg
  - Provide with ERCOT critically needed office space
- Out of Scope for this Project
  - Lease of commercial office space
  - Leasing or acquiring modular buildings

# Recommendations

- ERCOT Staff seeks Board authorization to move forward with this capital project, NP-60C03\_01 Taylor Facilities Buildout for Nodal at a not to exceed cost: that will be Provided in Executive Session
- ERCOT Staff seeks Board authorization that ERCOT's Chief Executive Officer, or his designee be authorized to act on behalf of ERCOT and negotiate and execute such documents necessary to complete this project



# Questions and Discussion

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Contact Jim Brenton