



Texas Nodal Market Implementation
ERCOT Board of Directors Meeting
Program status briefing

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Progress this Month

- **Market Participant Engagement & Readiness Package**
 - Received TPTF approval of the last large NPRR aimed at addressing ERCOT's >700 protocol clarification questions and synchronizing Zonal PRRs passed since the TNT baseline
 - Secured TPTF approval of Course Curriculum Descriptions and a Training Audience Matrix which together propose targets for MP personnel readiness criteria and allow our training group to proceed with scheduling and budgeting of MP Training
 - Approved by TAC, Nodal Market Participant Accountable Executive role & Telemetry and State Estimator criteria
 - Delivered to TPTF, the 1st iteration of the Market Participant Nodal Activities document
- **Integrated Testing Package**
 - Established core team
 - Distributed Test lab RFP for bid
- **Commercial Systems Package**
 - Submitted Day Ahead Energy Requirements to TPTF for approval
 - Completed Level 4 Process diagrams
- **NMMS/Network Model Package**
 - Completed first set of Use Cases and Business Process Diagrams
 - Completed data mapping between EMS/NMMS
- **EMS/OS Package**
 - Completed substantial portion of EMS requirements and Use Cases; target is TPTF requirement approval in August
 - Moved ABB SOW for the Outage Scheduler into execution cycle
- **MMS/SCED Package**
 - Executed ABB SOW and PSA
 - Started technical document exchange between ABB and ERCOT
 - Completed first major technical review of in-process MMS requirements documentation
- **Program Control Package**
 - Approval received of the Nodal Control and Quality Assurance policy and procedures
 - Implemented control processes to track and report costs; these will be used in the September 1st program collection
- **CRR Package**
 - Executed Nexant SOW for system development
 - Received initial deposit of Nexant deliverables
- **IDA Package**
 - Completed RUP training for the Nodal team; completed 1st class for TPTF on Use Case development
 - Completed EDW Roadmap
- **Infrastructure Package**
 - Hired Senior Project Manager
 - First development environment installed
- **ERCOT Readiness & Transition Package**
 - ERCOT readiness team expanded to include all ERCOT directors
 - Secured third party readiness advisor to track and report ERCOT readiness activities similar to approach used by MISO

Overall Status

Overall program status is red, based on feasibility of 1/1/09 delivery
Program plan to be baselined 9/13/06

Business requirements are the short-term critical path challenge:

- Scale of effort required to achieve necessary quality and approval is not yet understood
- Mobilization and productivity levels behind expectations
 - Contracting took longer than planned
 - Vendors requiring more time to assemble their experts
- NPRRs will be impacted through the Nodal Change Control post 9/13/06 baseline

The combined NODAL team is driving to complete business requirements by October 30

The means to accelerate the production of a coherent Nodal work product is dependant upon Key MP protocol experts being dedicated to the Nodal Program

Staffing issues remain:

- Resources for business requirements are the priority; toughest challenge is securing/growing "Texas Nodal" experts
- Key leadership areas vacant – EDW, Integration, Infrastructure, MIS and MP Readiness

A comprehensive staffing model is now being deployed, utilizing ERCOT staff, short-term staff augmentation, contractors and consultants

The size, complexity and risk of the program is not yet contained:

- The common network model, CRR and DAM are subject to significant uncertainty
- Expectations for extensive fork-lifting must be tempered by the fact of unique Texas Nodal Protocols
- Budgetary implications are not firm

Resolution of issues top Nodal priority

Scenario analyses will form options for substantial de-risking of custom Texas Nodal software and integration

Spending year to date

❑ O&M (,000)

▪ Internal labor	\$ 2,051
▪ Equipment, tools, supplies	21
▪ Outside services	1,189
▪ Facilities and Utilities	131
▪ Employee expenses	21
▪ Interest and fees	37
▪ <u>Other</u>	<u>4</u>
▪ Total O&M:	\$3,454

❑ Capital

▪ <u>Total Capital</u>	<u>\$ 900</u>
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❑ Total spending through June	\$4,354
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Note: Total spending through May \$2,953K

Preliminary* Key Dates

- ~~6/7/06~~ Preferred vendors selected
- 7/5/06 Start joint requirements, use cases, test cases was 6/30/06
- ~~7/6/06~~ EDW Roadmap complete
- ~~7/10/06~~ Market Participant readiness activities list
- 7/30/06 MIS & Integration Roadmap complete
- 8/4/06 Integration vendor selected

» Scenario Development and Choices by 9/1

- 9/13/06 ERCOT Board of Directors meeting (commitment: date and dollars)
- 10/30/06 Requirements complete and approved * requires TPTF approval
- 3/31/07 Market Participant interface specs complete
- 4/1/07 EMS FAT begins
- 1/1/08 Market Participant SCED offers begin (EDS3)
- 7/1/08 Market systems, Market Participant offers (EDS4)

- * Preliminary dates; pre-baselined program plan