

## Texas Nodal Market Implementation ERCOT Board of Directors Meeting

Program status briefing September 19, 2006 Ron Hinsley, Chief Information Officer rhinsley@ERCOT.com



Detailed planning has demonstrated 1/1/09 is feasible

The key risk mitigation recommended by the Program is phasing of implementation

TPTF approved, in principle, a phased approach with Release 1 first, then Release 2, with Release 3 implementing 7 days after Release 2. If unable to implement Release 3, the market would revert to Zonal

The preferred dates for implementing the Releases, timed for seasonality, were:

- Release 1: Single Entry Model (with stable and capable State Estimator/SCADA) 3/31/08
- Release 2: Real Time Operations (LMPs) 12/1/08
- Release 3: Forward Markets (DAM & CRR) 12/8/08

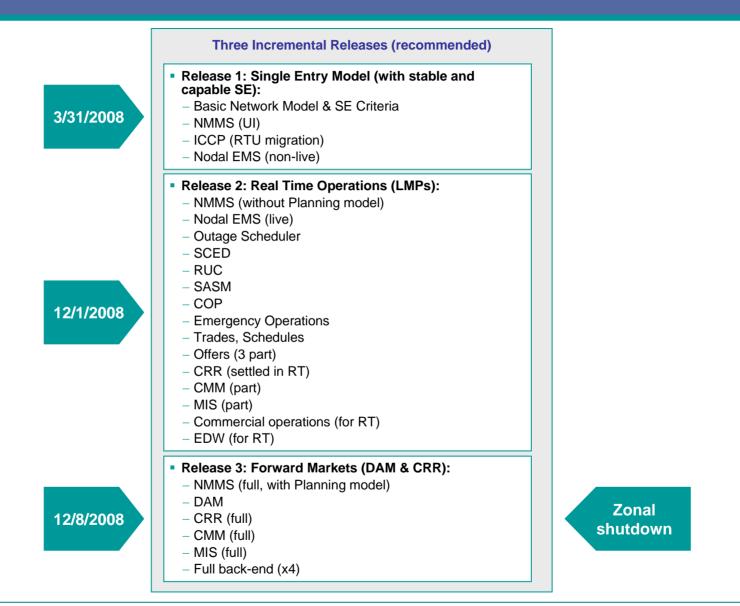
We seek concurrence for this recommendation through this briefing

Budget based on recommended scenario will be presented at 9/19/2006 Board meeting.

Endorsement of budget will be requested during October Board meeting.



### **Recommended implementation release definition**





## Recommended timeline – Nodal Market & Zonal Shutdown December 2008 Release 1 (3/31/08); Release 2 (12/1/08); Release 3 (12/8/08)

	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 200	B Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
	NMMS Conce Design		NMMS Bu	ild	FAT	ITE	ST	Commo	n model update pro	DCess			
NMMS	Naming Convention DB	Namina Car	vention information collection				7						
	Model Data Certification Model Data		a Remediation Reconciliation		Оре	erations UI Plai	ining UI						
EMS		uirements, ual Design	EMS	EMS FAT	ITEST	OTS OTS FAT ITEST							
Outage Scheduler	OS Requireme De	ents, Conceptual sign	OS Build	OS FAT	ITEST								
MMS	SCED Requirement Conceptual De	ts, SC	ED Build	SCED FAT	ITEST								
MMO	Conceptual Design MMS Requirements, MM Conceptual Design		IS Design, Build, Pre-FAT		MMS FAT		ITEST	r					
CRR	CRR Requirements, Conceptual Design		CRR Design, Build, Pr		re-FAT	CRR FAT	ITEST	г					
Integration		 Requirements, nceptual Design	Build	FAT	ITEST	FAT	ITEST	r					
			Statements Layout		Registration ready	Script	test						
Commercial Systems	CS Requirements, Conceptual Design		Commercial Systems Design,		Build, Pre-FAT	CS FAT	ITEST	г					
		MIS (SCED) De F	esign, Build, Pre- AT	MIS FAT	ITEST								
MIS			MIS (EMS/MM	S/CRR) Design	Build, Pre-FAT	MIS FAT	ITEST	г					
EDW	EDW Requi	irements, Conce	ptual Design	EDW Design,	Build, Pre-FAT	EDW FAT	ITEST		168 hour market trials				
EDCOT & MD	Business Requiremen	nts V	Preliminary MP Interface	Interface		MPSCED Offers	Registration complete	Begin Mi trial participati	V		of Trials		
ERCOT & MP Readiness	complete 10/30		Specs 12/31	Specs 3/31		MP Nodal	Registration		cial & Operational alification	Qualification Fr	eeze		
						Sin	3/31/08 gle Entry Model GO LIVE		6/30/08 LMP Market Readiness Criteria	R	12/01/08 eal Time Opera GO LIVE		
					EDS 1/2				MET		12/08/08 Forward Marke	l	
Trials & Implementation						EDS 3 Data Validation		EDS 3		EDS 4	GO LIVE Zonal Shutdow	n	
-									EDS 4	MP SAT	GO/NO G	<b>D</b>	



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# Overall program status is amber, based on achievability of 1/1/09 delivery

### 1/1/09 is feasible:

- TPTF recommendation 9/11
- BOD 9/19/06 schedule commitment concurrence of scenario recommendation and date

Individual Projects will incorporate the decision into detailed schedules and budgets to enable baselining

#### **Staffing** is improving:

- Vendor community rallying to solve EMS skill gap
- Integration Project Manager identified

Key project resources remain susceptible to production priorities

### Major vendor selections approaching completion:

- UISOL selected as Integration Designer/QA
- MIS Vendor selected; MSA/SOW in process
- Integration Builder TDB

Statements of Work (SOWs) for development are in preparation for the first vendors to emerge from Requirements



O&M (,000)	
<ul> <li>Internal labor</li> </ul>	\$ 1,992
<ul> <li>Equipment, tools, supplies</li> </ul>	34
<ul> <li>Outside services</li> </ul>	1,980
<ul> <li>Facilities and Utilities</li> </ul>	225
<ul> <li>Employee expenses</li> </ul>	26
<ul> <li>Interest and fees</li> </ul>	79
<ul> <li>Other</li> </ul>	13
<ul> <li>Total O&amp;M:</li> </ul>	\$4,349
Capital	
Total Capital	<u>\$3,993</u>
Total spending through August	\$8,342

Note: Total spending through July \$4,354K

