

Compliance Update

January 2007

Control Performance Highlights

□ NERC CPS1 Performance

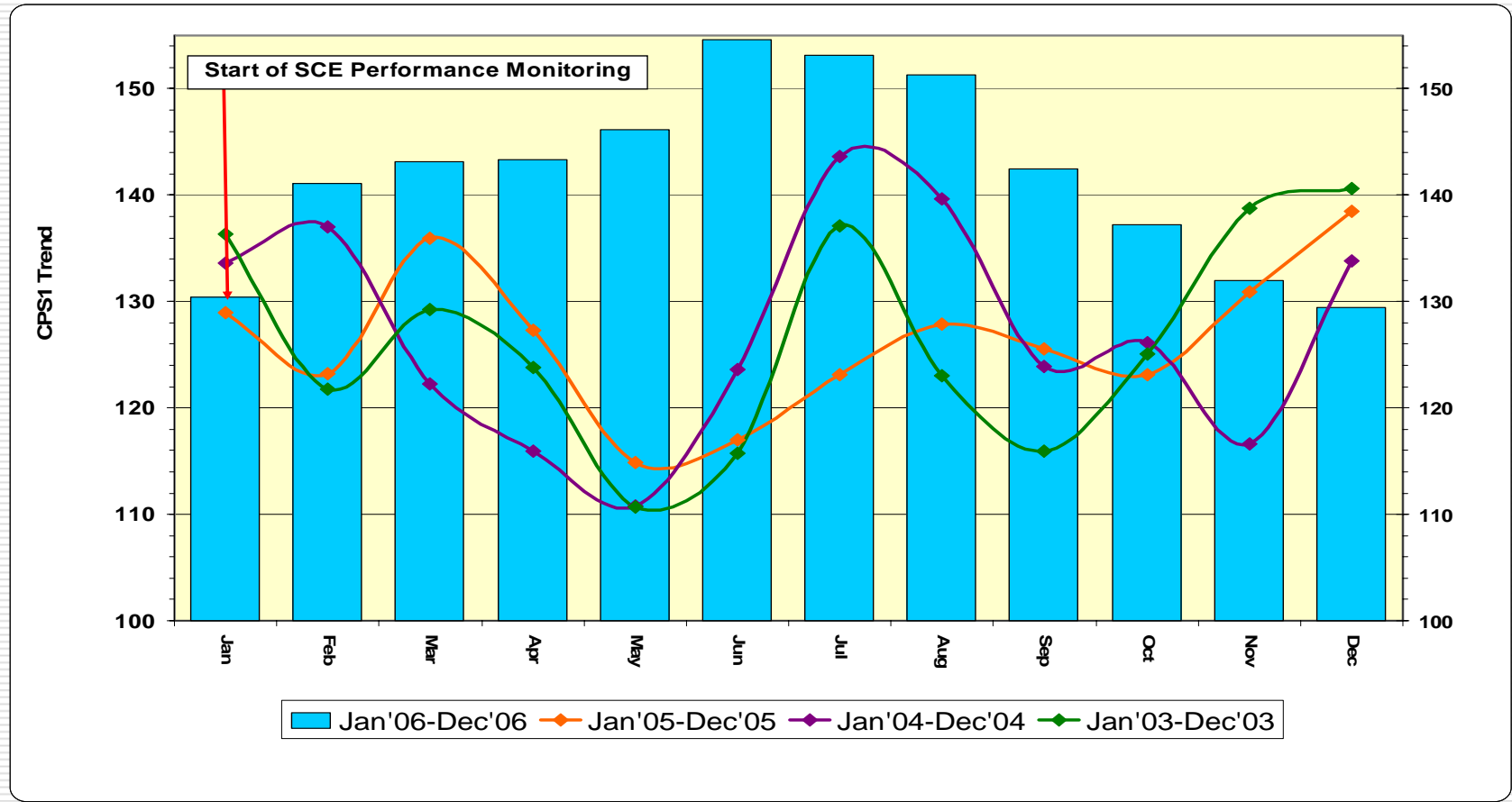
- December performance indicated a sixth straight month of declining scores since scores peaked in June

- June – 154.6
- July – 153.1
- August – 151.3
- September – 142.5
- October – 137.3
- November – 132.0
- December – 129.5

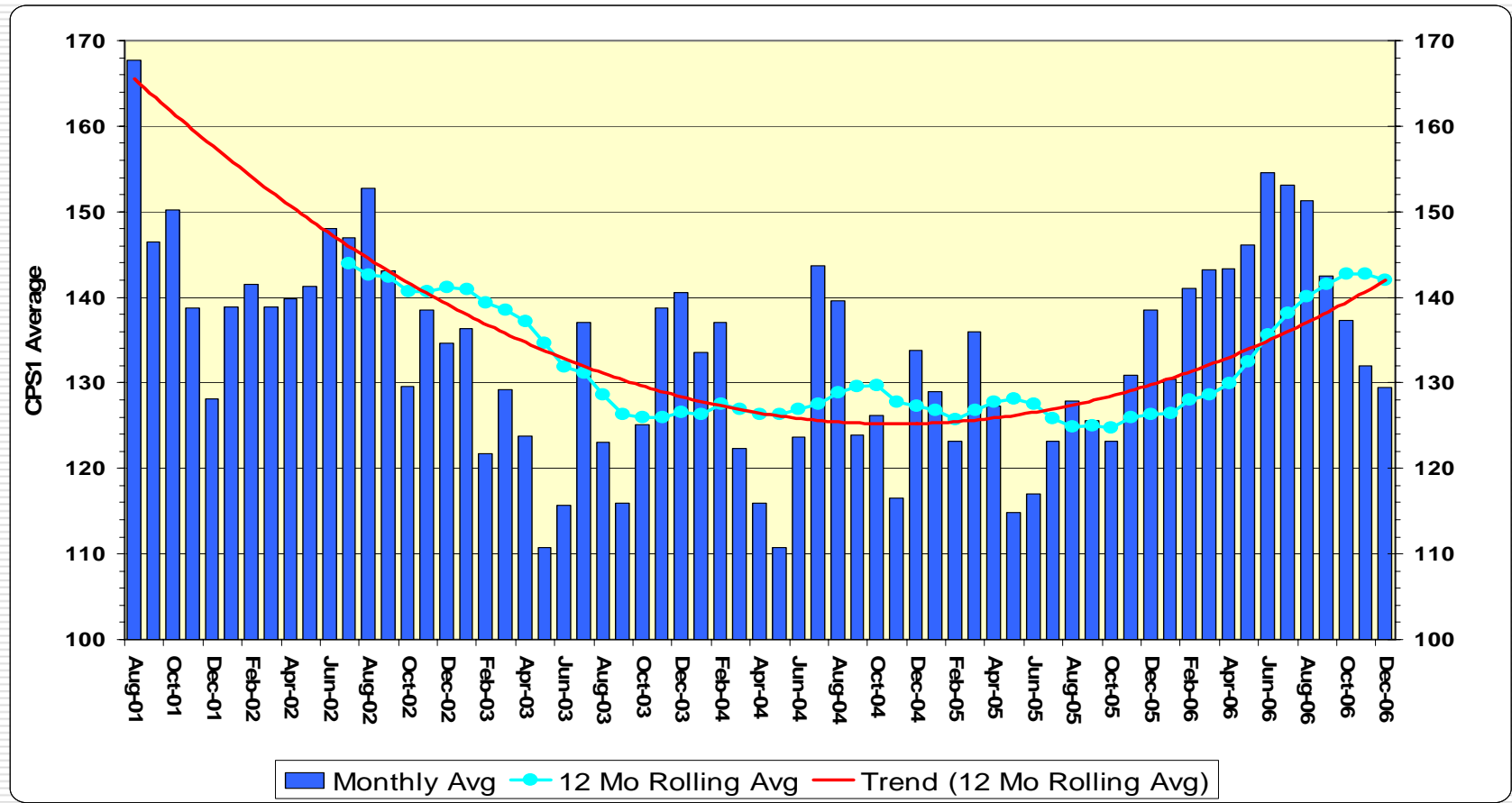
□ PRR 525 Performance

- Initial scores for December indicate 34 QSEs passed / 1 non-wind-only QSEs failed the measure
- Scores posted on the ERCOT Compliance Website

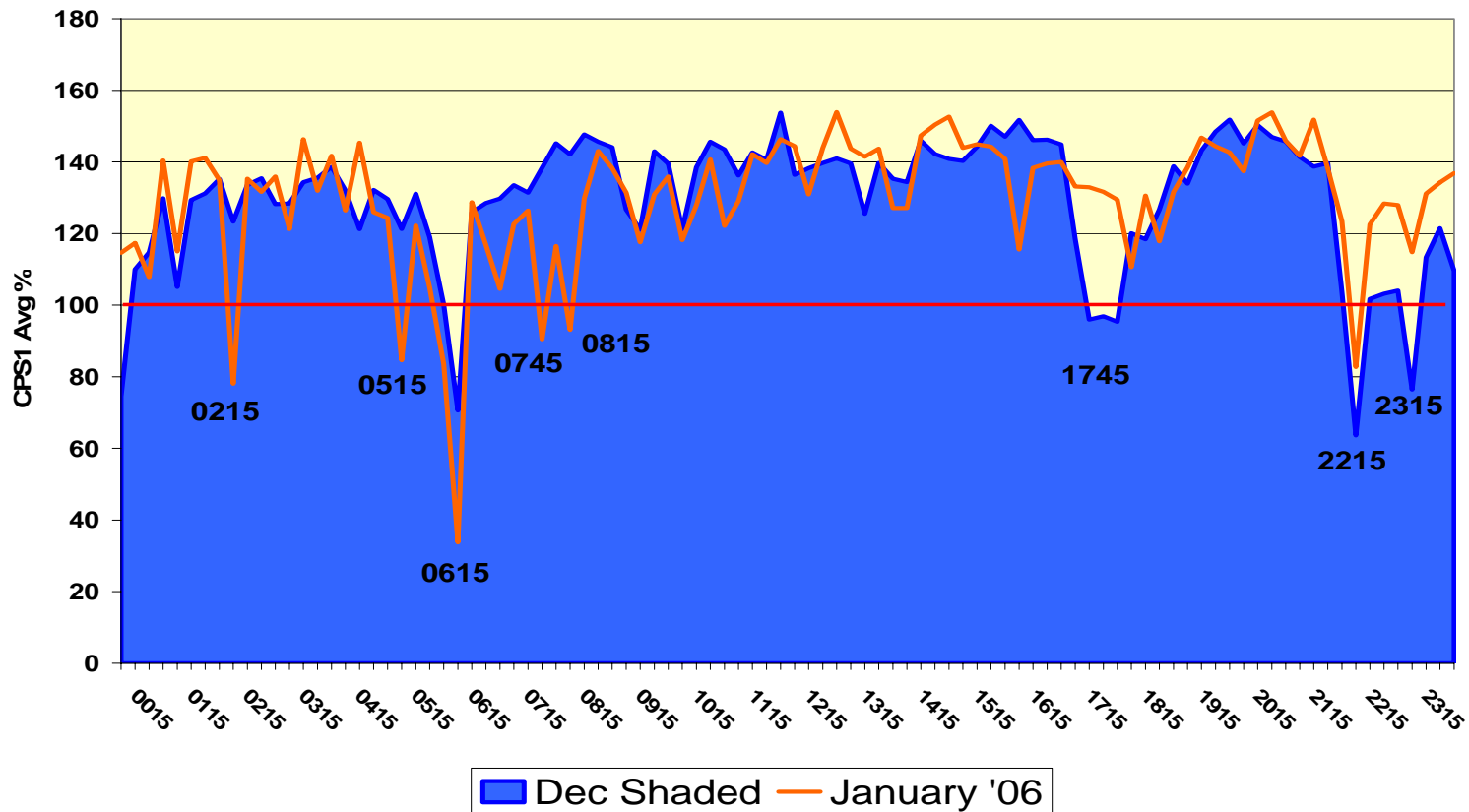
ERCOT CPS1 Performance Comparison



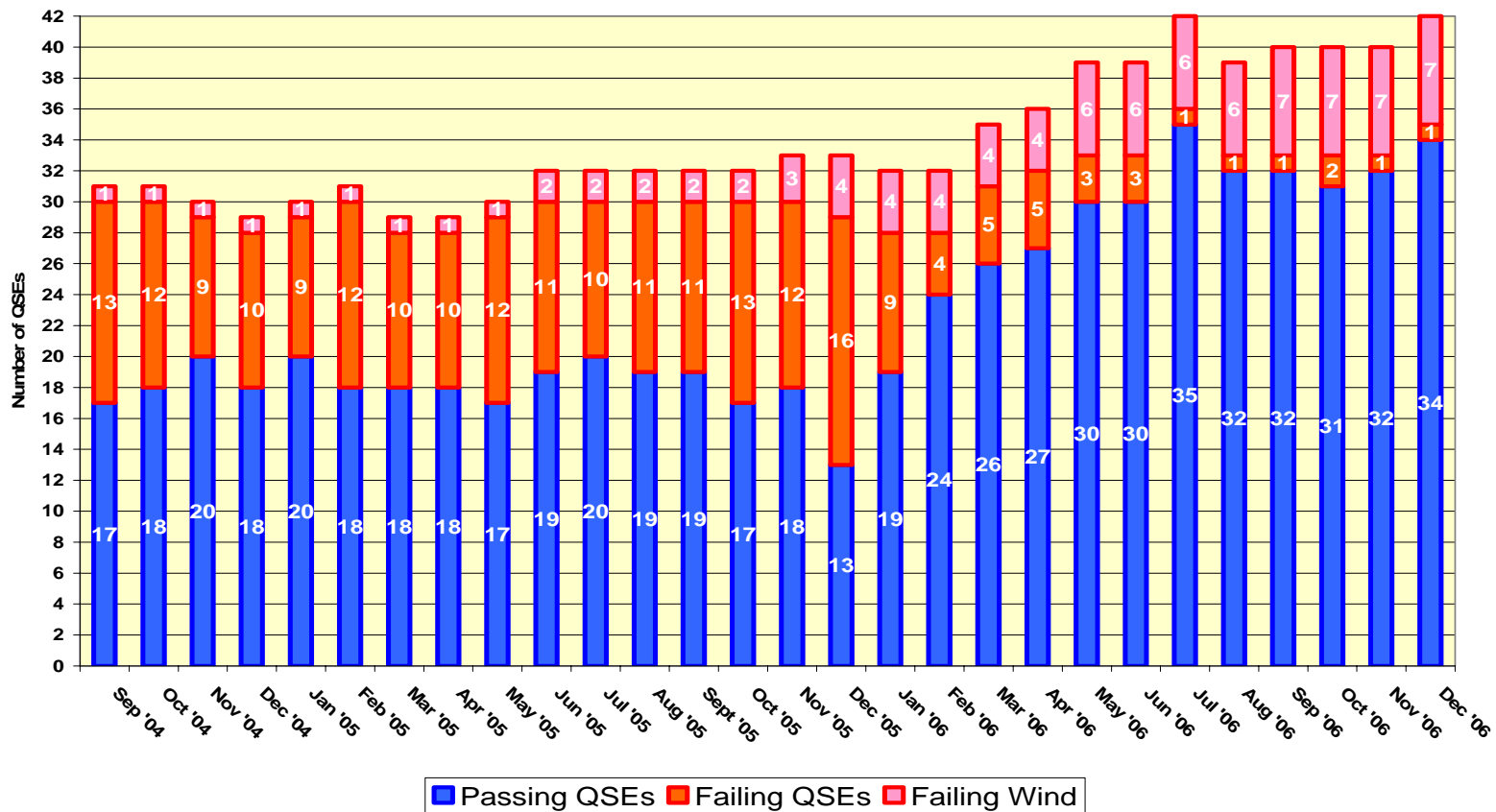
ERCOT's CPS1 Monthly Trend



ERCOT CPS1 by Interval



QSE PRR525 10-Minute Interval Scoring



December 2006 Resource Plan Performance Metrics

Resource Plan Performance Metric	ID																								
	FW	DK	BT	DE	IP	CU	AP	AO	HA	BY	BC	AY	AM	AR	BR	HJ	DF	BP	CI	AE	AD	BJ	BH	CJ	CF
Resource Status	-	100	-	100	100	-	99	100	98	100	100	95	97	100	100	-	100	100	100	-	100	77	-	100	100
LSL HSL Percent	-	94	-	95	100	-	100	100	100	96	100	99	100	98	80	-	99	99	98	-	100	100	-	100	99
Day Ahead Zonal Schedule	-	99	97	93	100	100	100	100	99	100	100	97	100	100	100	96	100	100	100	-	100	99	100	95	100
Adjustment Period Zonal Schedule	89	99	93	99	100	100	96	100	98	100	99	99	100	97	94	93	100	100	99	-	98	100	99	97	99
Down Bid & Obligation	-	90	93	99	100	100	95	99	98	99	99	99	96	99	99	83	89	99	93	-	99	96	98	96	98
Total Up AS Scheduled Obligation	-	-	-	98	-	-	95	99	95	100	97	99	97	100	99	-	99	-	-	100	-	-	-	99	100

Resource Plan Performance Metric	ID																							
	ET	DA	GR	BF	BE	DP	BG	CX	FK	HW	IN	IZ	BX	CC	CD	FS	AC	AB	IC	CQ	IV	IO	HY	FY
Resource Status	100	99	-	-	-	100	100	99	99	81	100	100	100	99	99	100	100	77	99	99	-	100	-	-
LSL HSL Percent	93	99	-	-	-	100	99	100	97	66	96	98	98	96	95	100	100	99	100	98	-	-	-	-
Day Ahead Zonal Schedule	100	100	100	100	100	99	100	100	98	92	98	96	99	90	99	100	91	100	100	93	-	100	0	-
Adjustment Period Zonal Schedule	97	99	97	100	93	99	100	89	98	97	99	92	99	98	99	100	100	100	100	99	99	-	0	-
Down Bid & Obligation	90	92	99	100	98	96	100	99	75	96	99	34	96	95	91	-	100	93	98	100	93	-	-	-
Total Up AS Scheduled Obligation	98	88	-	-	-	100	99	100	99	100	98	-	99	100	100	-	-	-	-	97	-	-	-	100

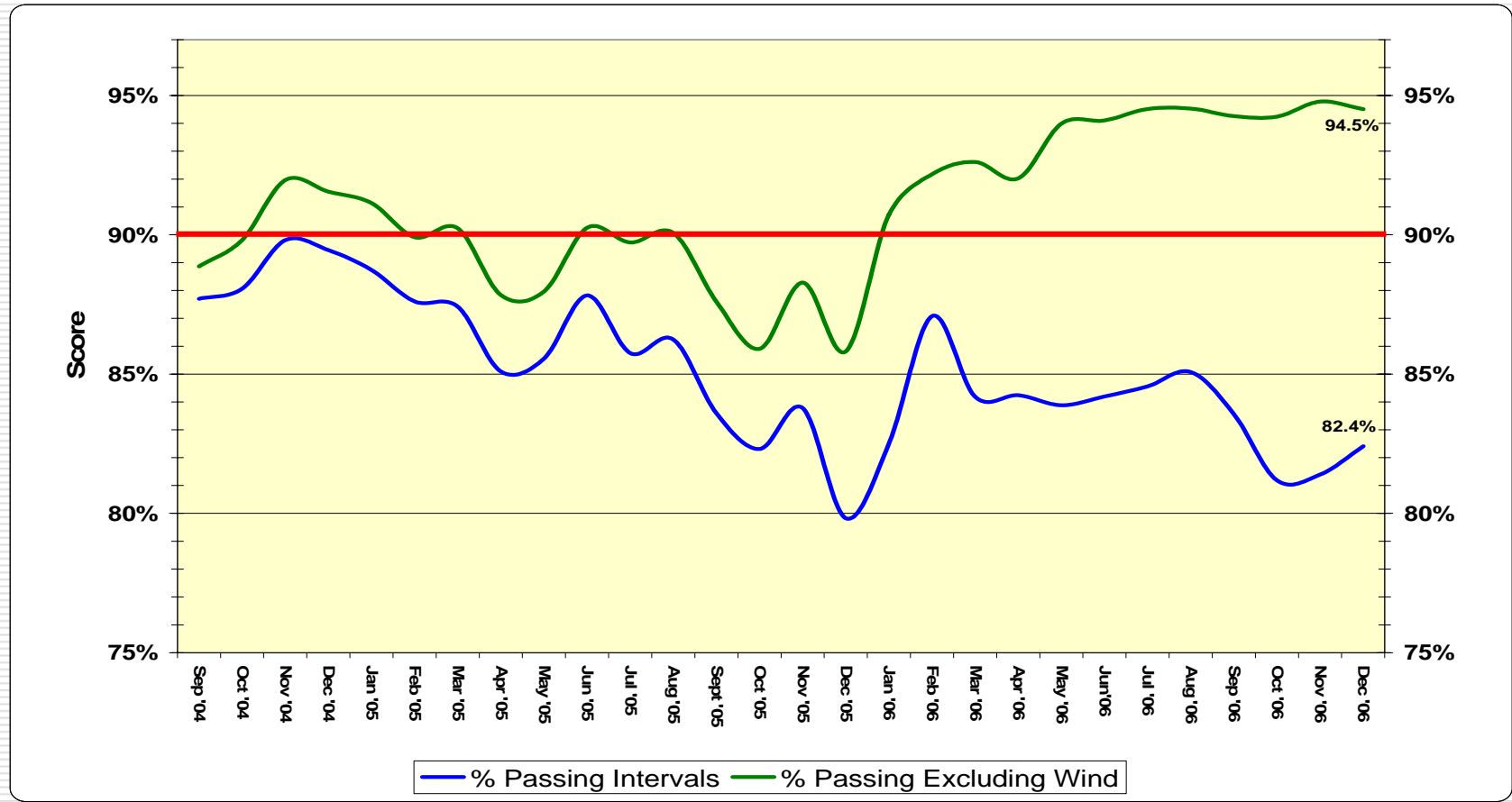
4 Consecutive Failing Scores 3 Consecutive Failing Scores

2 Consecutive Failing Scores 1 Failing Score

SCE Performance Monitoring

- SCE Performance Monitoring scores for all QSEs are published on the Compliance Website
 - [SCE Performance Scores](#)

525 Passing 10-Min Interval Percentage Trends



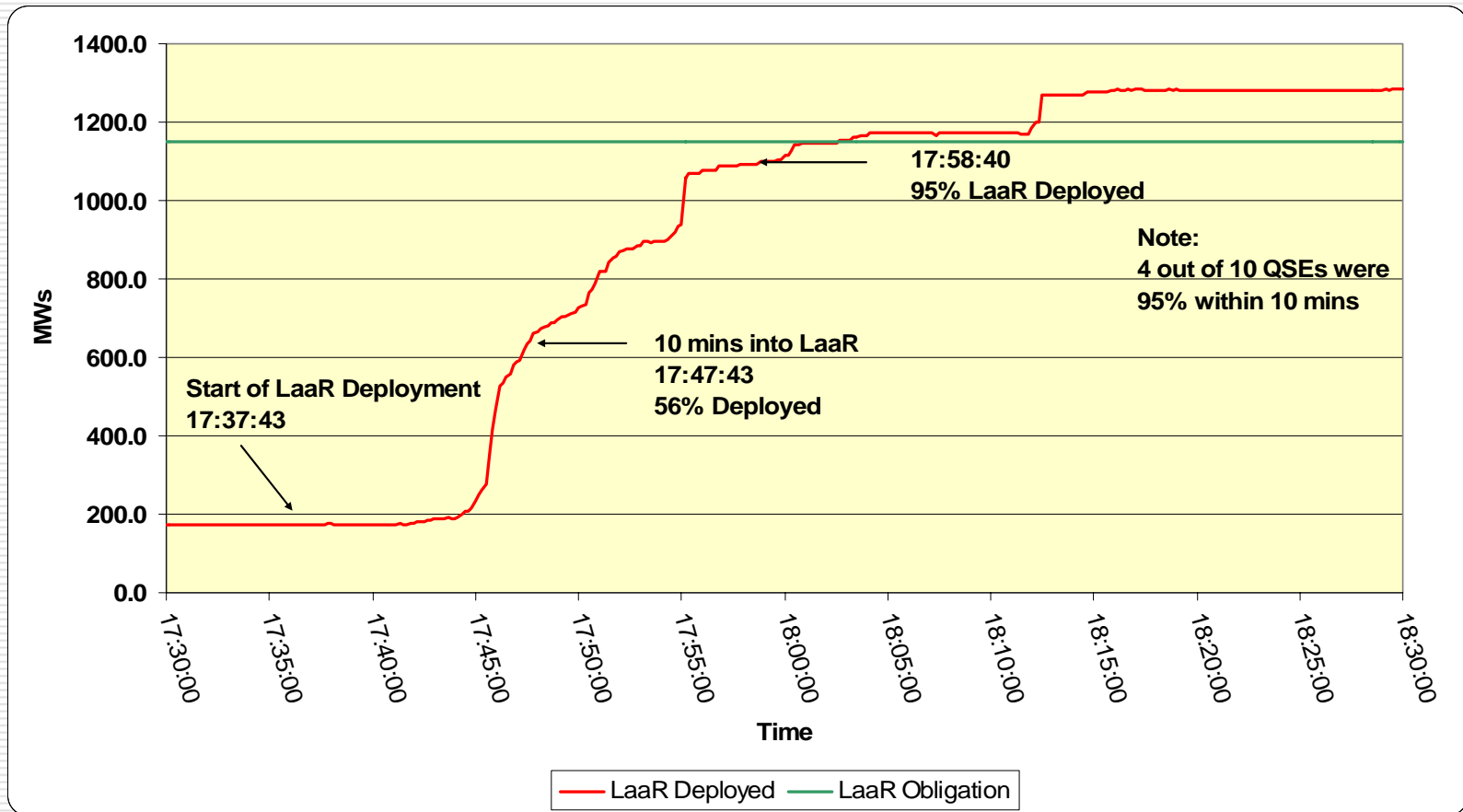
October 3, 2006 Event

- ❑ Initiated at Gibbons Creek Substation in Bryan/College Station Area
 - 138 kV coupling capacitor voltage transformer (CCVT) failed catastrophically
 - Current-sensing components of the backup protective relay failed due to high fault current
- ❑ 1,214 MW of generation lost – NERC Disturbance Control Standard (DCS) Event
 - Frequency recovered to pre-disturbance level in approximately 3 minutes – NERC criteria met; no NERC Reliability Standards violation

October 3, 2006 Event

- ❑ ERCOT deployed all RRS being provided by LaaRs in accordance with ERCOT DCS Event Operating Procedures
- ❑ Six of ten QSEs with LaaR RRS awards did not respond with 95% of their award within 10 minutes
 - 642 MW tripped – 1,150 MW obligation
 - Took over 20 minutes to achieve 95% of obligation
- ❑ Seven Protocol Violation Notices issued
 - Six notices related to Section 6.5.4(2) – tripping requirements for LaaR
 - One notice related to Section 6.5.1.1(4) – telemetry requirements
- ❑ 339 MW of firm load shed in area
- ❑ No NERC Interconnected Reliability Operating Limit (IROL) violations

LaaR Deployment 10/3/2006



October 3, 2006 Event

- ❑ Series connection of protective relays is contrary to current ERCOT Operating Guides for new equipment
 - Station equipment installed prior to current requirements
 - No issues identified with coordination studies or maintenance
- ❑ Equipment issues addressed
 - Failed CCVT replaced – CCVTs on other two phases also replaced
 - Failed relay replaced – current transformer (CT) ratio adjusted to reduce current sensed during faults
 - Additional CTs purchased to eliminate series current connections shared by primary and backup relaying

October 3, 2006 Event

- ❑ Continuing to investigate:
 - Events leading up to CCVT failure
 - Restoration activities
- ❑ To meet NERC Planning Criteria, three transmission projects had been previously identified to address known risks – work still in progress. One project complete; completion of remaining projects scheduled by Summer 2008