

Compliance Update

February 2007

Control Performance Highlights

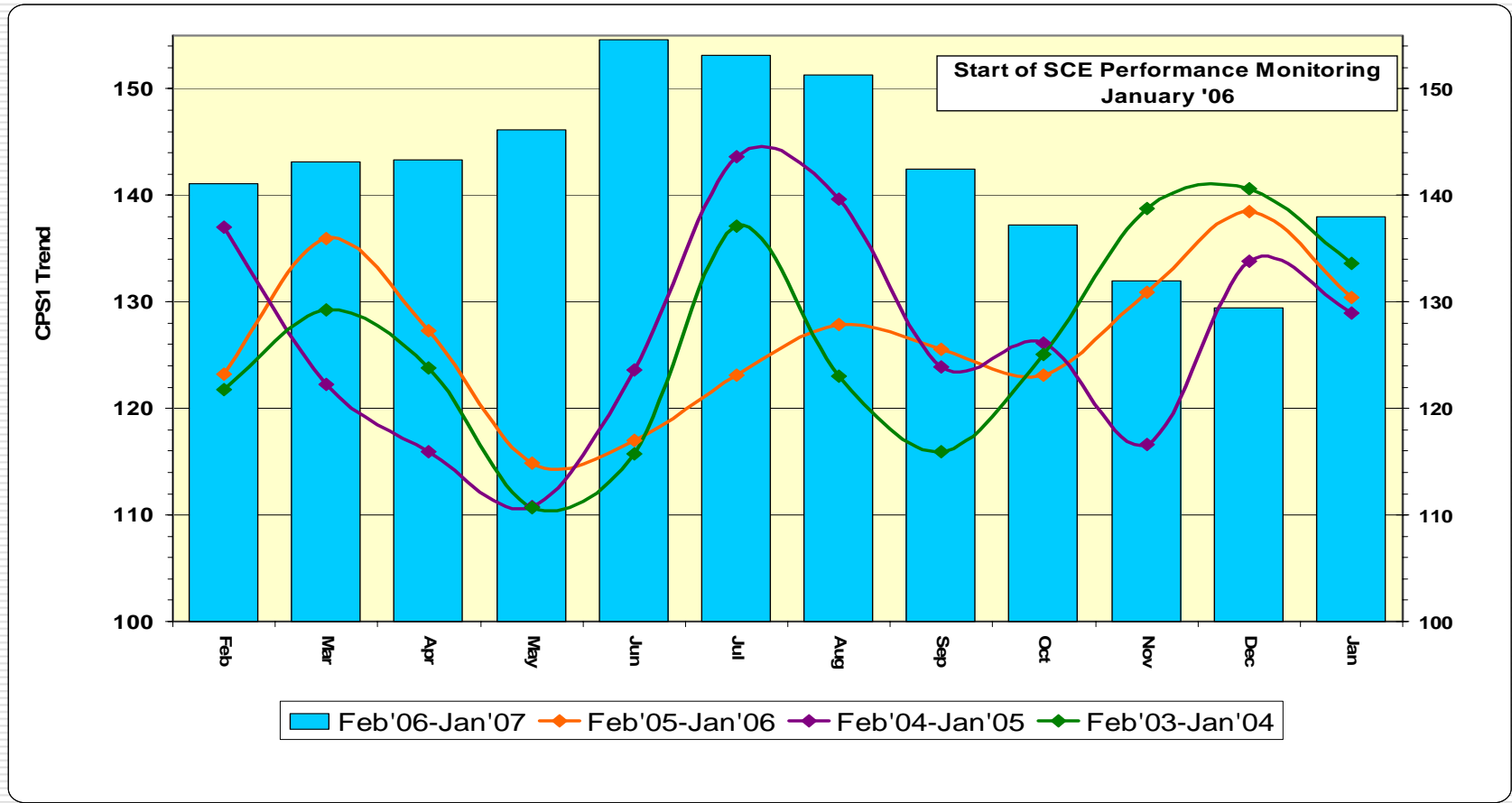
□ NERC CPS1 Performance

- January performance improved over recent months' performance
 - January performance comparison
 - January 2007: 137.95
 - January 2006: 130.39
 - 12 month rolling average comparison
 - February 2006→January 2007: 142.65
 - February 2005→January 2006: 126.48

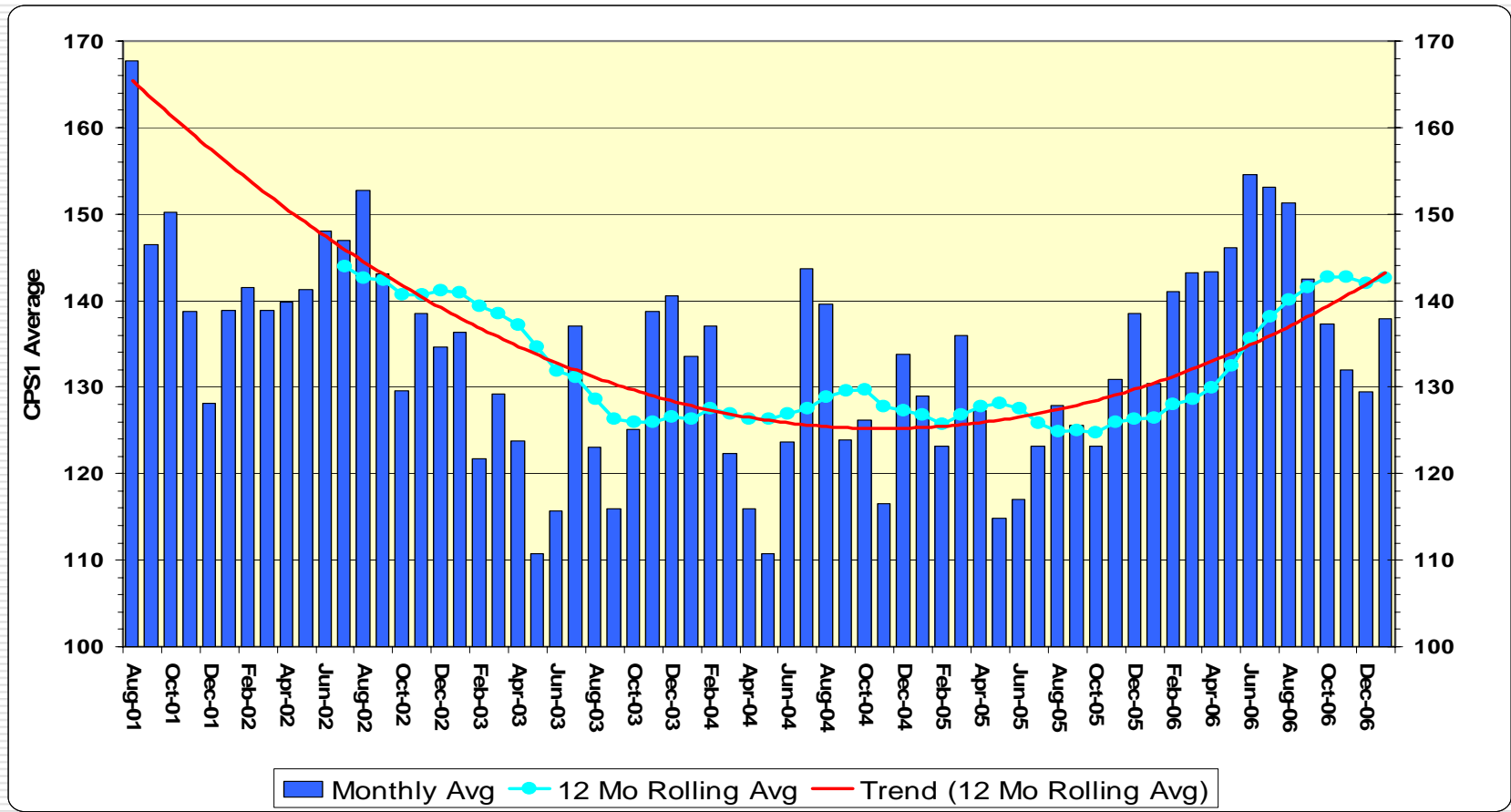
□ PRR 525 Performance

- Initial scores for January indicate 34 QSEs passed / 2 non-wind-only QSEs failed the measure
- Scores posted on the ERCOT Compliance Website

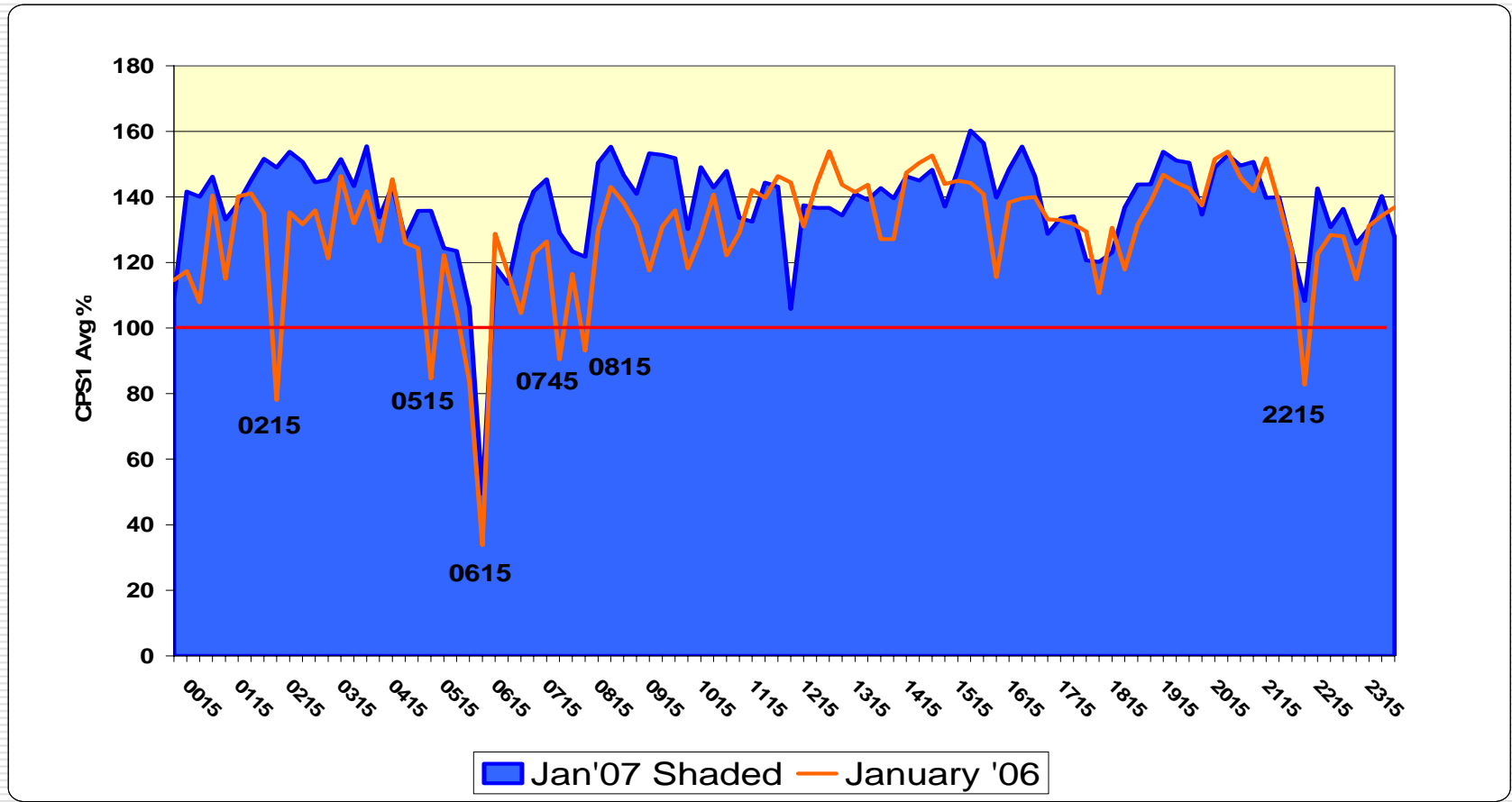
ERCOT CPS1 Performance Comparison



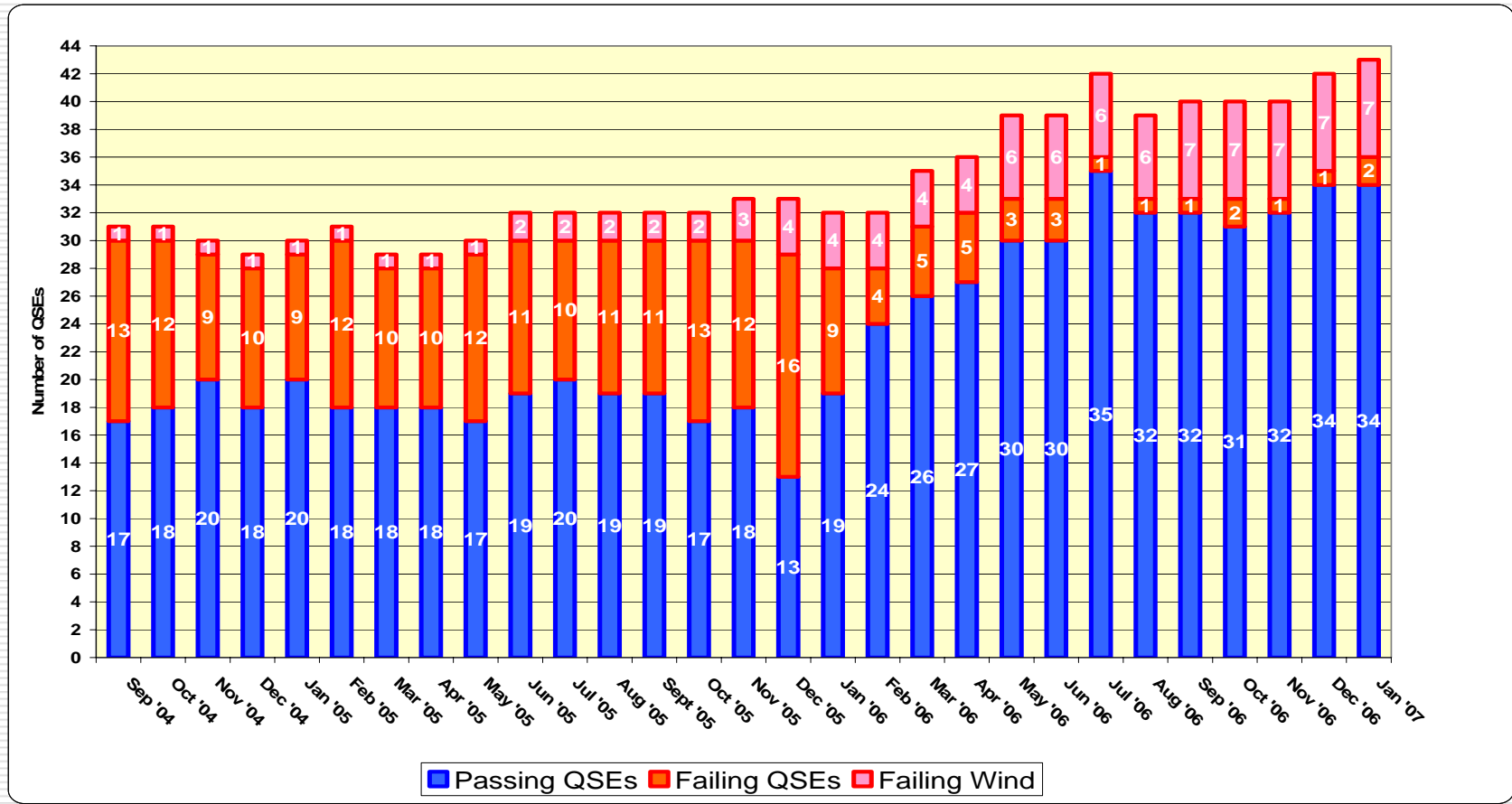
ERCOT's CPS1 Monthly Trend



ERCOT CPS1 by Interval



QSE PRR525 10-Minute Interval Scoring



January 2007 Resource Plan Performance Metrics

| Resource Plan Performance Metric | ID | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|----|----|-----|-----|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | DK | BT | DE | IP | CU | AP | AO | HA | BY | BC | JA | AY | AM | AR | BR | HJ | DF | BP | CI | AD | BJ | BH | CJ | CF |
| Resource Status | 99 | - | 100 | 100 | - | 100 | 100 | 99 | 100 | 100 | 95 | 96 | 98 | 100 | 99 | - | 100 | 99 | 100 | 100 | 95 | - | 100 | 100 |
| LSL HSL Percent | 95 | - | 100 | 100 | - | 100 | 100 | 99 | 100 | 91 | 100 | 99 | 99 | 97 | - | 92 | 99 | 100 | 100 | 99 | - | 99 | 100 | 100 |
| Day Ahead Zonal Schedule | 97 | 97 | 97 | 100 | 87 | 100 | 100 | 100 | 100 | 100 | 93 | 100 | 97 | 99 | 90 | 100 | 97 | 100 | 95 | 100 | 100 | 100 | 98 | 98 |
| Adjustment Period Zonal Schedule | 94 | 89 | 98 | 99 | 98 | 99 | 99 | 99 | 98 | 98 | 100 | 97 | 97 | 98 | 88 | 97 | 97 | 98 | 97 | 100 | 99 | 100 | 96 | 99 |
| Down Bid & Obligation | 89 | 94 | 88 | 100 | 99 | 100 | 99 | 95 | 99 | 100 | 90 | 99 | 98 | 99 | 100 | 97 | 98 | 93 | 95 | 98 | 99 | 100 | 97 | - |
| Total Up AS Scheduled Obligation | - | - | 100 | - | - | 100 | 95 | 88 | 100 | 99 | 100 | 99 | 100 | 100 | 98 | - | 96 | - | - | - | - | - | 100 | 100 |

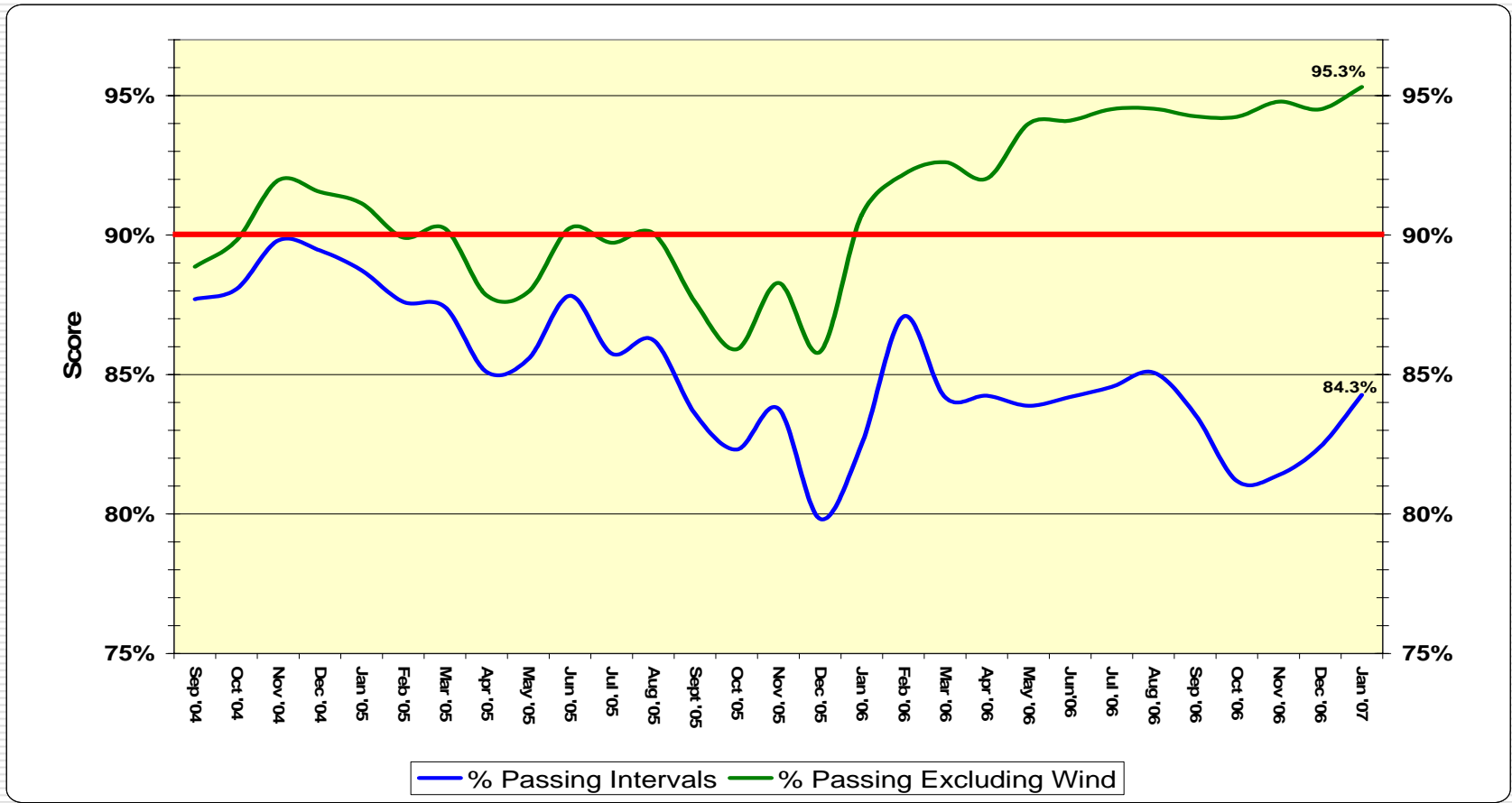
| Resource Plan Performance Metric | ID | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|----|-----|-----|-----|----|-----|-----|-----|-----|-----|-----|-----|----|-----|----|-----|-----|-----|-----|-----|----|-----|-----|----|
| | HH | ET | DA | GR | BF | BE | DP | BG | GH | CX | FK | HW | IN | IZ | BX | CC | CD | FS | AC | IC | CQ | IV | IO | AE |
| Resource Status | - | 100 | 100 | - | - | - | 100 | 100 | 100 | 100 | 99 | 100 | 97 | 100 | 99 | 100 | 99 | 100 | 100 | 100 | 99 | - | 100 | - |
| LSL HSL Percent | - | 94 | 100 | - | - | - | 100 | 99 | 100 | 100 | 100 | 71 | 93 | 91 | 99 | 100 | 96 | 100 | 100 | 100 | 92 | - | - | - |
| Day Ahead Zonal Schedule | 0 | 100 | 96 | 92 | 99 | 97 | - | 100 | 83 | 100 | 100 | 99 | 97 | 95 | 99 | 91 | 99 | 100 | 100 | 100 | 97 | 100 | - | - |
| Adjustment Period Zonal Schedule | 0 | 100 | 94 | 99 | 98 | 24 | 100 | 99 | 94 | 99 | 98 | 98 | 97 | 91 | 96 | 98 | 98 | 100 | 100 | 95 | 98 | 98 | - | - |
| Down Bid & Obligation | - | 90 | 96 | 100 | 99 | 100 | 100 | 100 | 79 | 96 | 100 | 99 | 94 | 91 | 97 | 95 | 95 | - | 100 | 99 | 99 | 95 | - | - |
| Total Up AS Scheduled Obligation | - | 91 | 89 | - | - | - | 94 | 100 | 62 | 100 | 98 | 97 | 97 | - | 99 | 100 | 100 | - | - | - | 99 | - | - | 90 |

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



Organization Registration

- ❑ Final draft Regional Registration List being developed for entities in ERCOT
- ❑ March – Regional Entities submit final draft Regional Registration Lists to NERC
 - NERC posts proposed registration lists
 - NERC discusses proposed registration lists with industry trade associations and stakeholders
- ❑ April – Registered Entities notified of proposed registration
 - Registered Entities have 21 days from notification to file written objection with NERC Director of Compliance
 - NERC Director of Compliance rules on objections; Registered Entity has 21 days to file appeal with NERC Compliance Committee
- ❑ May – NERC Compliance Committee decides appeals
- ❑ June – NERC to provide registration list to FERC

Organization Registration

- ❑ Mandatory compliance with NERC-approved reliability standards expected to begin in June/July 2007
- ❑ The current list of ERCOT Registered Entities posted at:

<http://www.ercot.com/mktrules/compliance/nerc/index.html>

- ❑ Current list is a work-in-progress and is not final
- ❑ Questions can be directed to ERCOT Compliance
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 - ❑ tshiekhi@ercot.com