



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Texas Regional Entity Report

Larry Grimm
March 18, 2008

Performance Highlights

- **ERCOT's Control Performance Standard (NERC CPS1) score for February– 112.43**
- **Initial scores for February indicate all 34 non-wind-only QSEs passed the PRR 525 measure**
- **Active wind-only QSEs or sub-QSEs have increased from 9 to 11**

Texas RE Monthly Summary

- **For February.....**
 - Protocol & Operating Guides violations
 - No new violations
 - NERC Standards violations
 - 11 alleged from a Self-Certification
 - Reportable events
 - 7 new events reported



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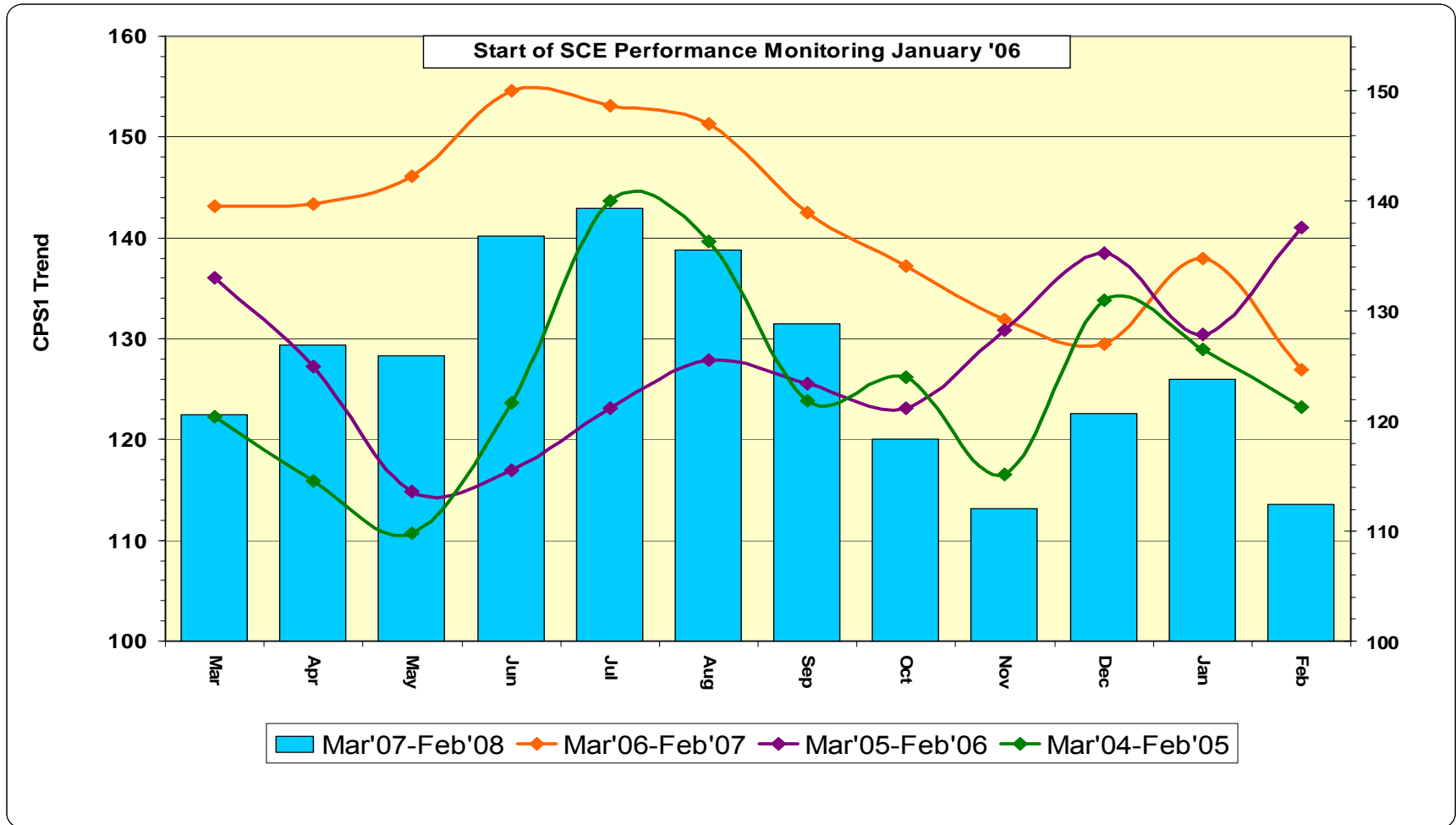
Texas Regional Entity

Report Details

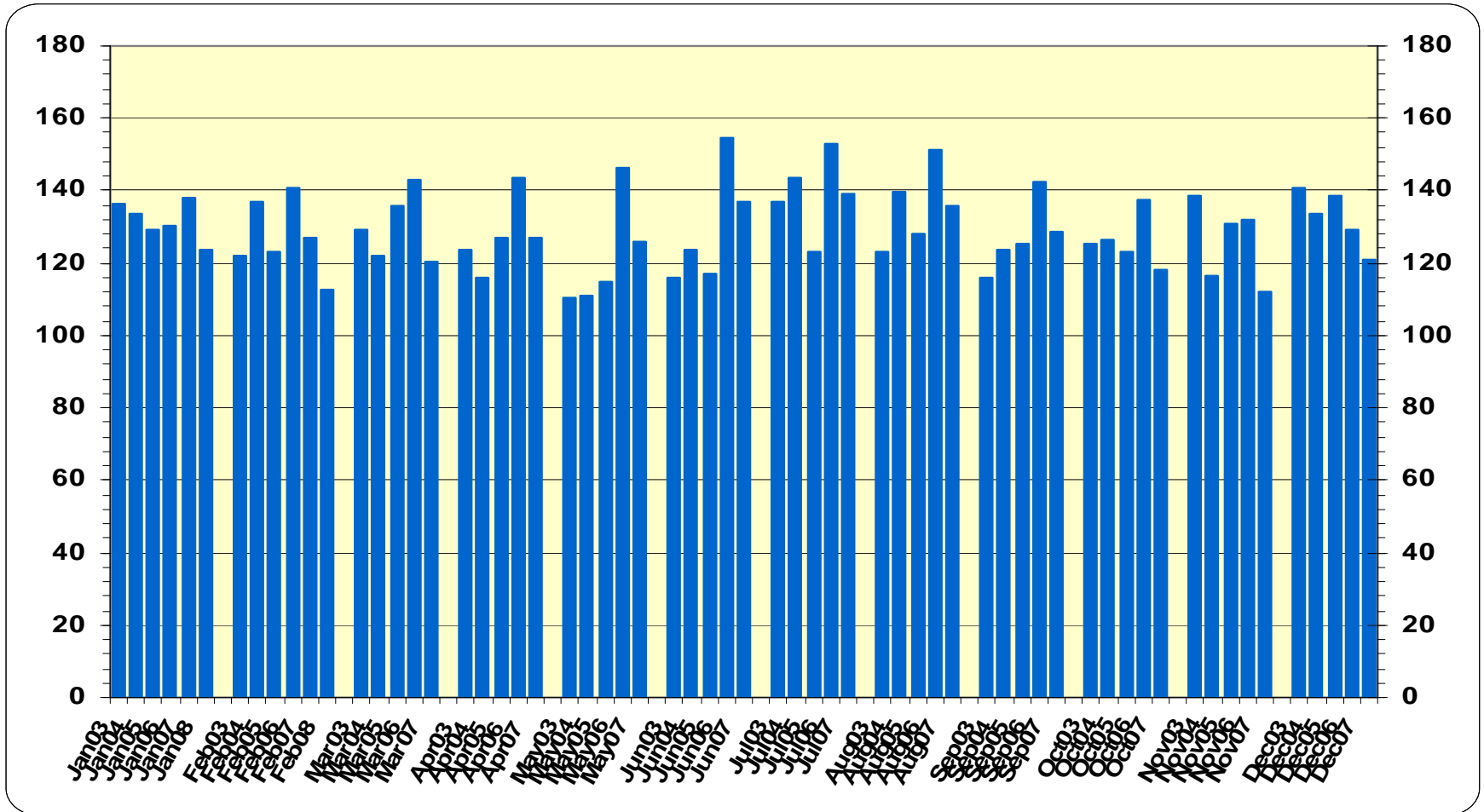
NERC CPS1 Performance

- ERCOT's CPS1 Performance
 - February Performance
 - Monthly comparison
 - ◆ 2008: 112.43
 - ◆ 2007: 126.91
 - 12 month rolling average comparison
 - ◆ March 2007→ February 2008: 125.13
 - ◆ March 2006→ February 2007: 141.47
- PRR 525 Performance
 - Scores for February indicate all 34 non-wind-only QSEs passed the measure
 - Scores posted on the ERCOT Compliance Website
 - [SCE Performance Scores](#)

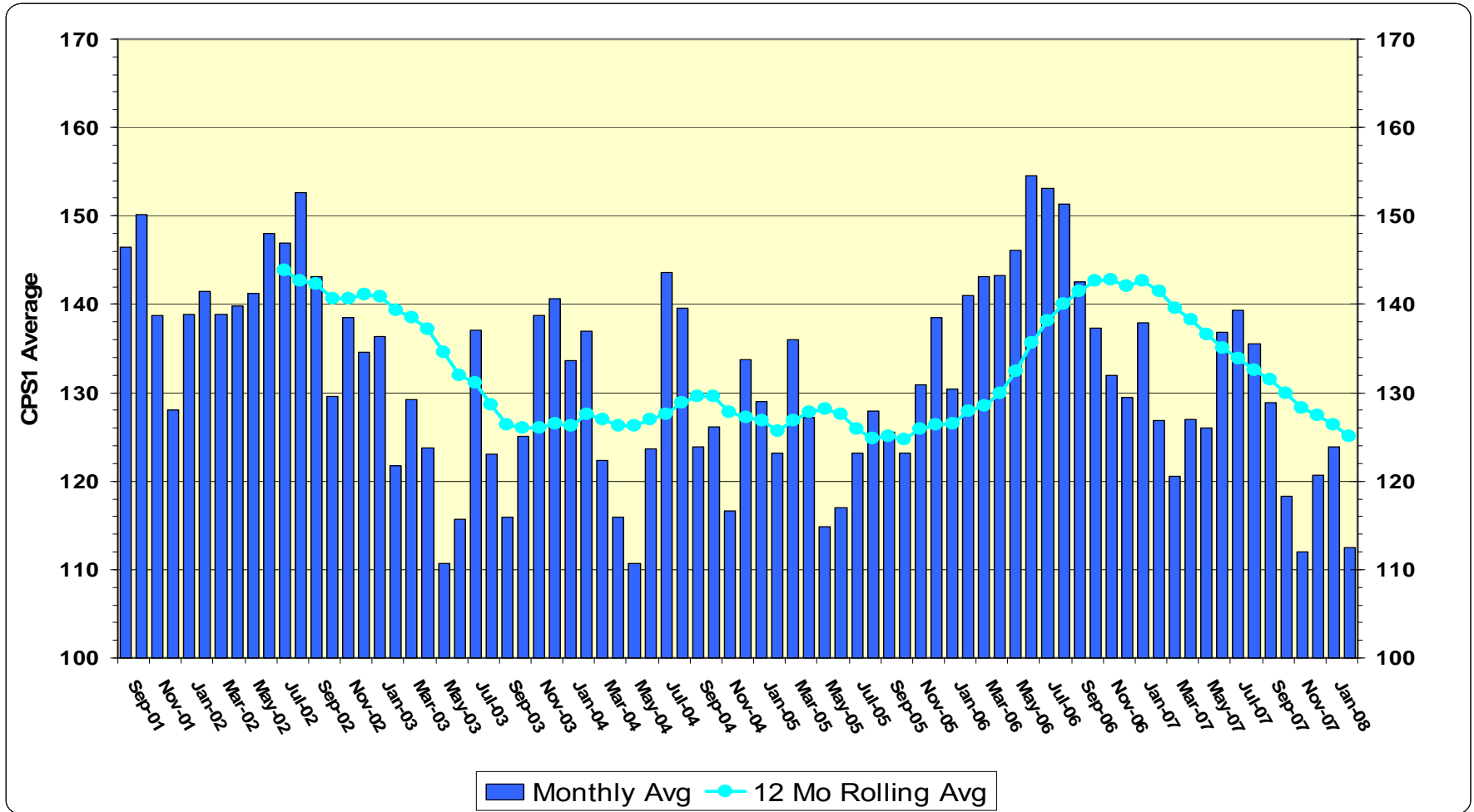
ERCOT CPS1 Performance Comparison



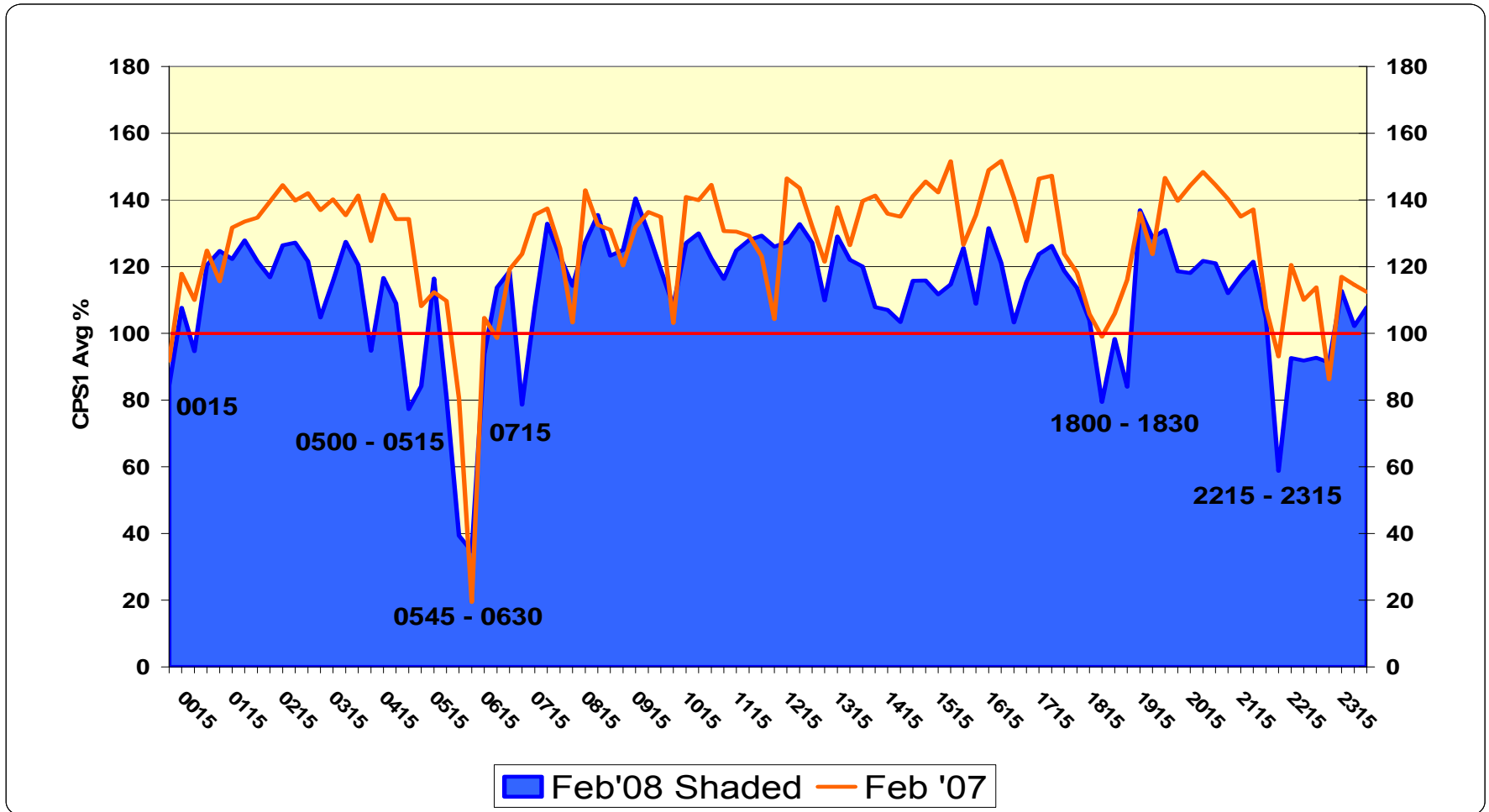
ERCOT CPS1 Year-to-Year Comparison



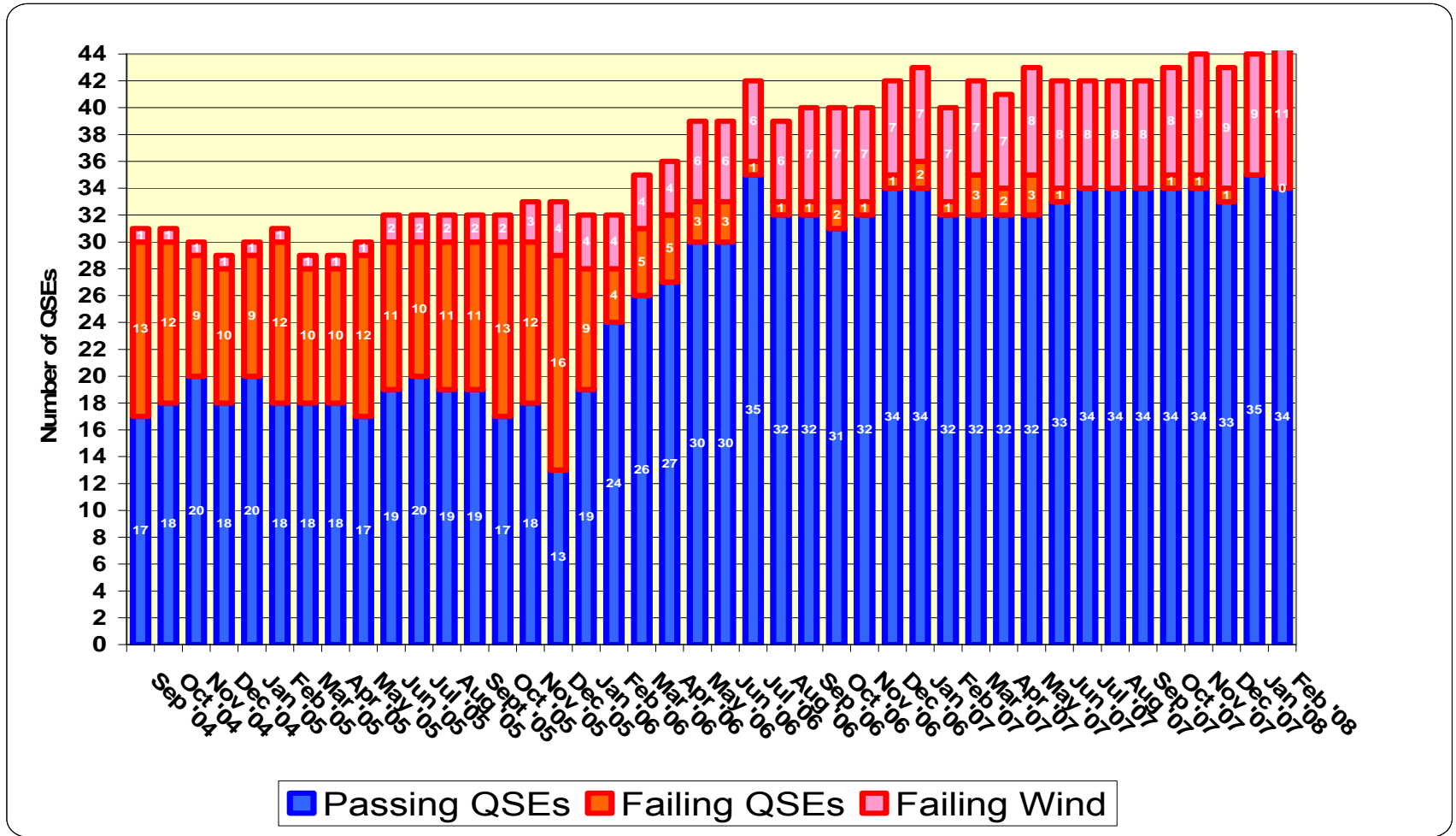
ERCOT's CPS1 Monthly Performance



ERCOT CPS1 by Interval



QSE PRR 525 10-Minute Interval Scoring



February 2008 Resource Plan Performance Metrics

PARTYNAME	ID																											
	JG	DK	BT	DE	IP	AP	AO	HA	BY	BC	JA	AY	AM	AR	BR	HJ	DF	BP	CI	AE	AD	BJ	BH	JD	CF	ET	DA	GR
Resource Status	-	100	-	100	100	100	98	100	99	100	100	99	99	100	99	-	100	100	100	-	99	100	-	100	100	100	100	-
LSL as % of HSL	-	93	-	85	98	100	95	95	99	100	100	100	100	100	99	-	100	100	98	-	97	98	-	100	100	100	100	-
DA Zonal Schedule	-	100	99	100	100	100	100	99	100	100	100	95	100	100	100	100	100	95	-	98	100	100	100	100	100	100	98	98
AP Zonal Schedule	99	93	95	96	100	99	99	99	100	100	100	99	100	100	97	96	100	95	97	-	100	99	99	99	99	100	98	100
Down Bid & Obligation	91	84	96	94	100	97	98	61	98	100	100	99	98	100	50	99	100	95	96	-	98	97	98	98	94	100	93	100
Total Up AS	-	-	-	100	-	99	99	99	100	99	-	98	99	99	96	-	97	-	-	100	-	-	-	98	100	100	94	-

PARTYNAME	ID																										
	GS	BF	BE	DP	EU	FX	JH	JI	JJ	JC	BG	CX	FK	HW	EL	IN	IZ	BX	CC	JE	CD	FS	AC	CQ	IV	IO	FY
Resource Status	-	-	-	100	100	-	-	-	-	-	99	100	100	100	-	99	100	100	100	-	100	100	100	99	-	100	-
LSL as % of HSL	-	-	-	100	-	-	-	-	-	-	99	100	98	100	-	96	96	100	99	-	99	100	100	86	-	-	-
DA Zonal Schedule	97	100	100	-	-	-	-	-	-	100	98	100	99	96	100	98	100	100	91	100	100	100	-	99	100	-	-
AP Zonal Schedule	93	100	100	100	-	100	100	100	100	100	99	99	100	95	-	99	99	100	98	100	100	100	91	100	100	-	-
Down Bid & Obligation	100	100	97	100	-	100	100	99	100	100	100	94	100	92	-	99	99	94	98	100	95	-	100	99	99	-	-
Total Up AS	-	-	-	99	-	-	-	-	-	-	99	96	99	92	-	87	100	99	100	-	100	-	-	99	-	-	98

4 Consecutive Failing Scores 3 Consecutive Failing Scores

2 Consecutive Failing Scores 1 Failing Score

Registration Activities

- Entity Registration issues continue to be addressed
- Load-Serving Entity (LSE) registration is to be addressed – on hold until FERC Order Directives related to LSE registration issues are fully addressed by NERC
 - NERC made a LSE compliance Filing on March 4th
 - NERC has proposed a two-step process to address (short-term & longer-term steps)
- Joint registration of some entities remains likely

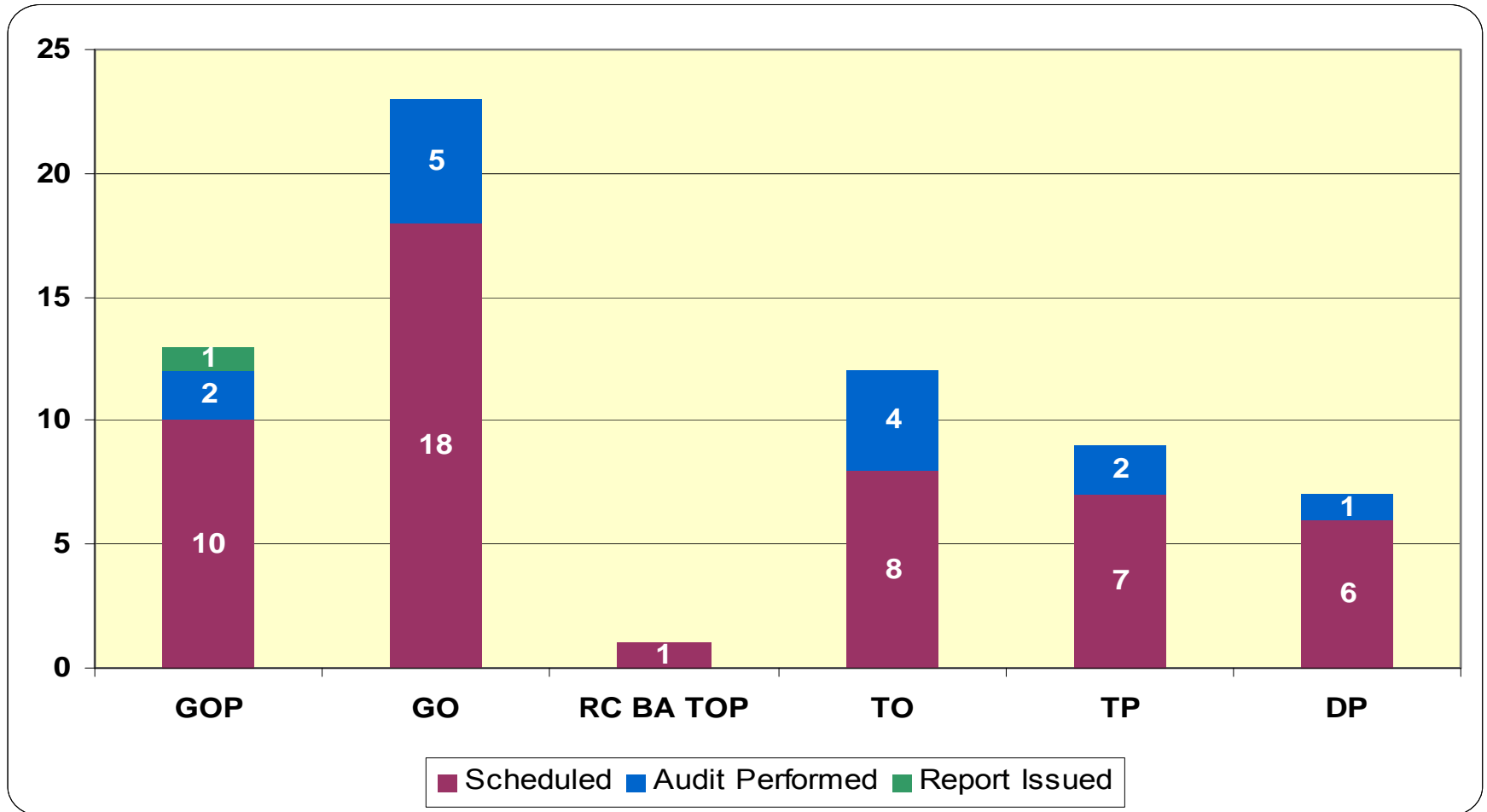
NERC Functional Entity Types

- DP – Distribution Provider
- GO – Generator Owner
- GOP – Generator Operator
- TO – Transmission Owner
- TP – Transmission Planner
- PSE – Purchasing-Selling Entity
- RC – Reliability Coordinator
- BA – Balancing Authority
- TOP – Transmission Operator
- PA – Planning Authority
- TSP – Transmission Service Provider
- RP – Resource Planner

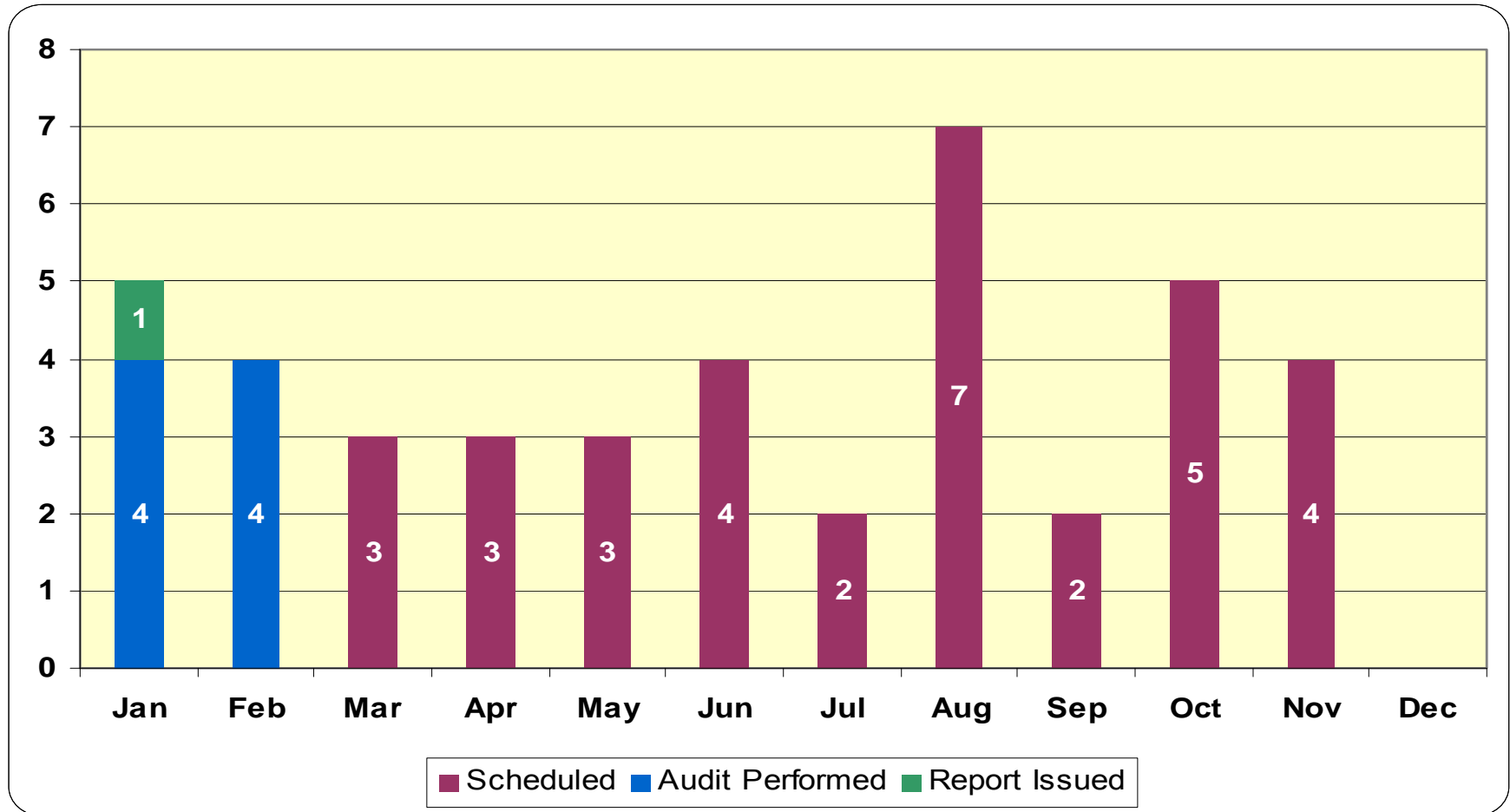
Compliance Process Flowcharts

- NERC Compliance Monitoring and Enforcement Program – Reliability Standards
 - [Link to NERC Reliability Flowcharts](#)
- ERCOT Compliance Process – ERCOT Protocols and Operating Guides
 - [Link to Protocols & Guides Flowcharts](#)

2008 Audits by Registered Function



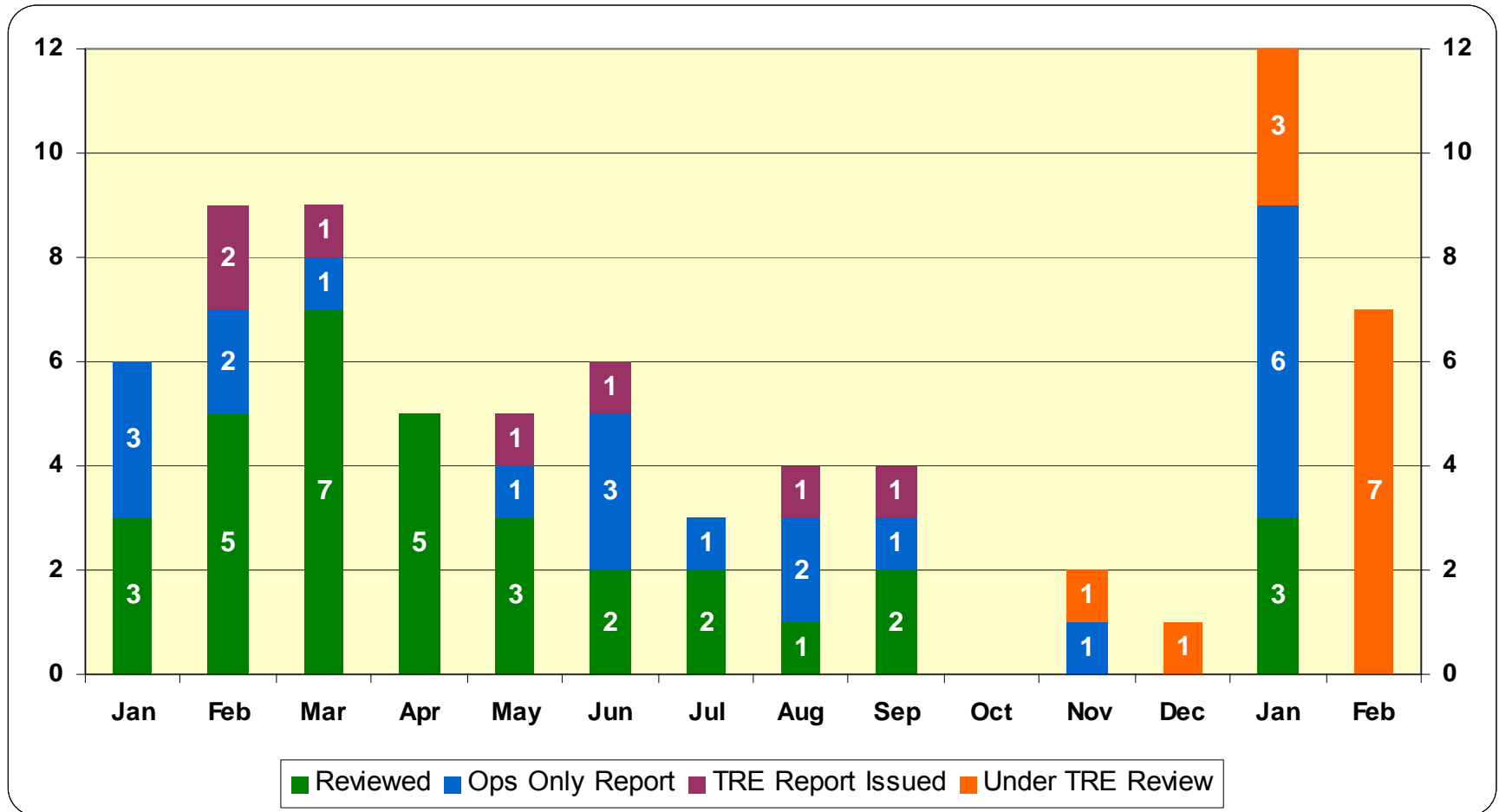
2008 Compliance Audits Scheduled by Entity



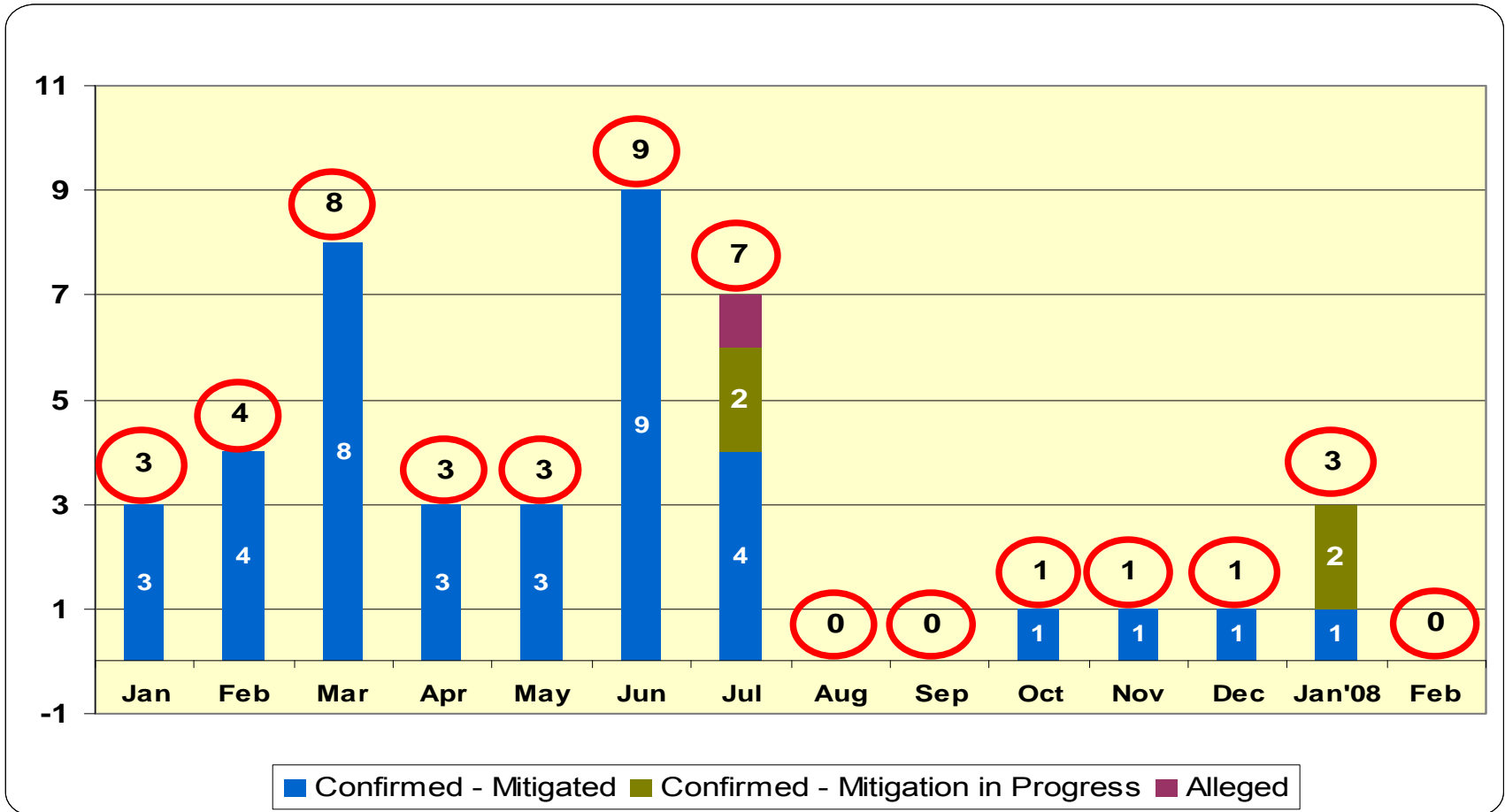
2008 Audit Schedule

- The 2008 Texas RE Audit Schedule is available [here](#).

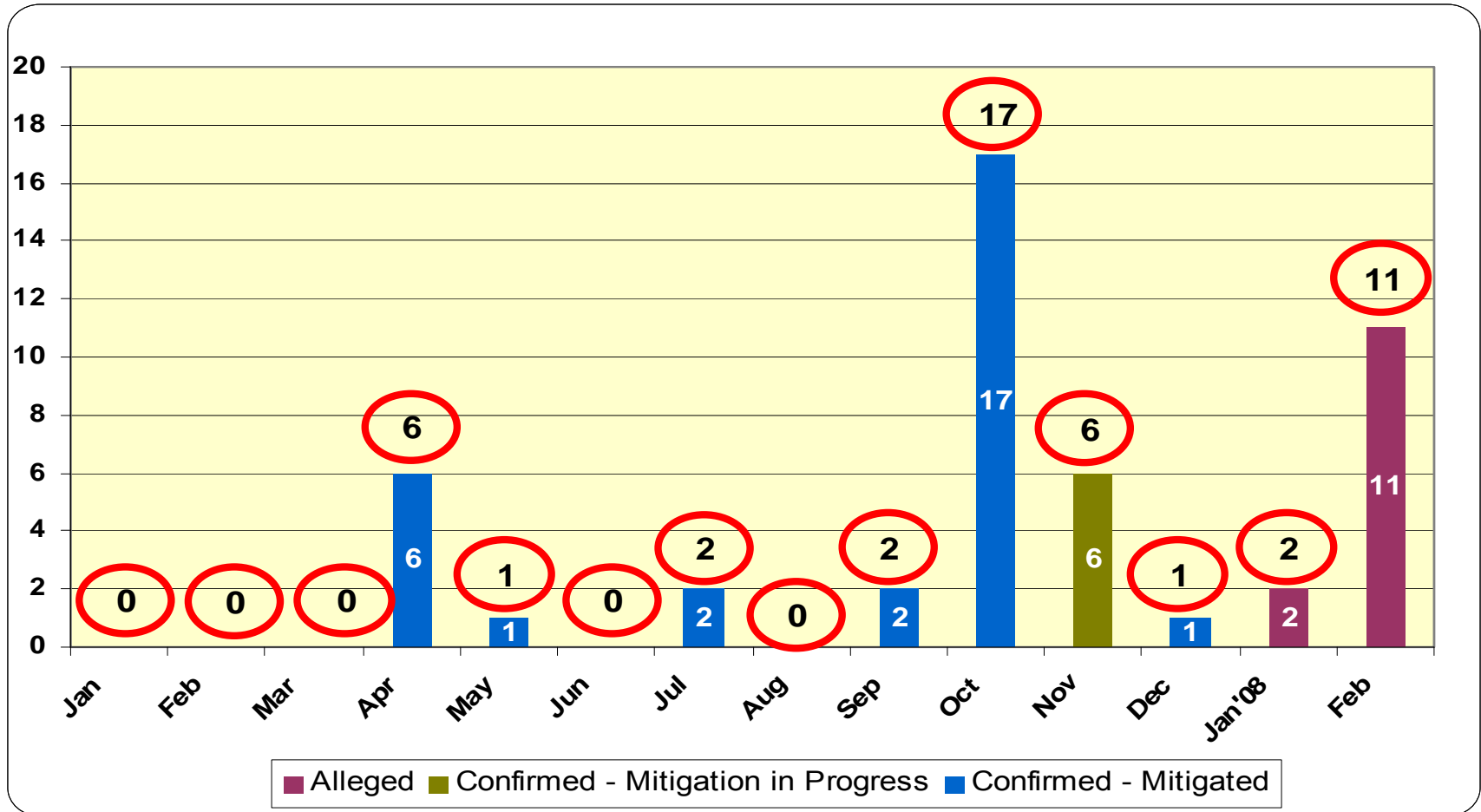
Compliance Reviews of Events by Month



Violations of ERCOT Protocols



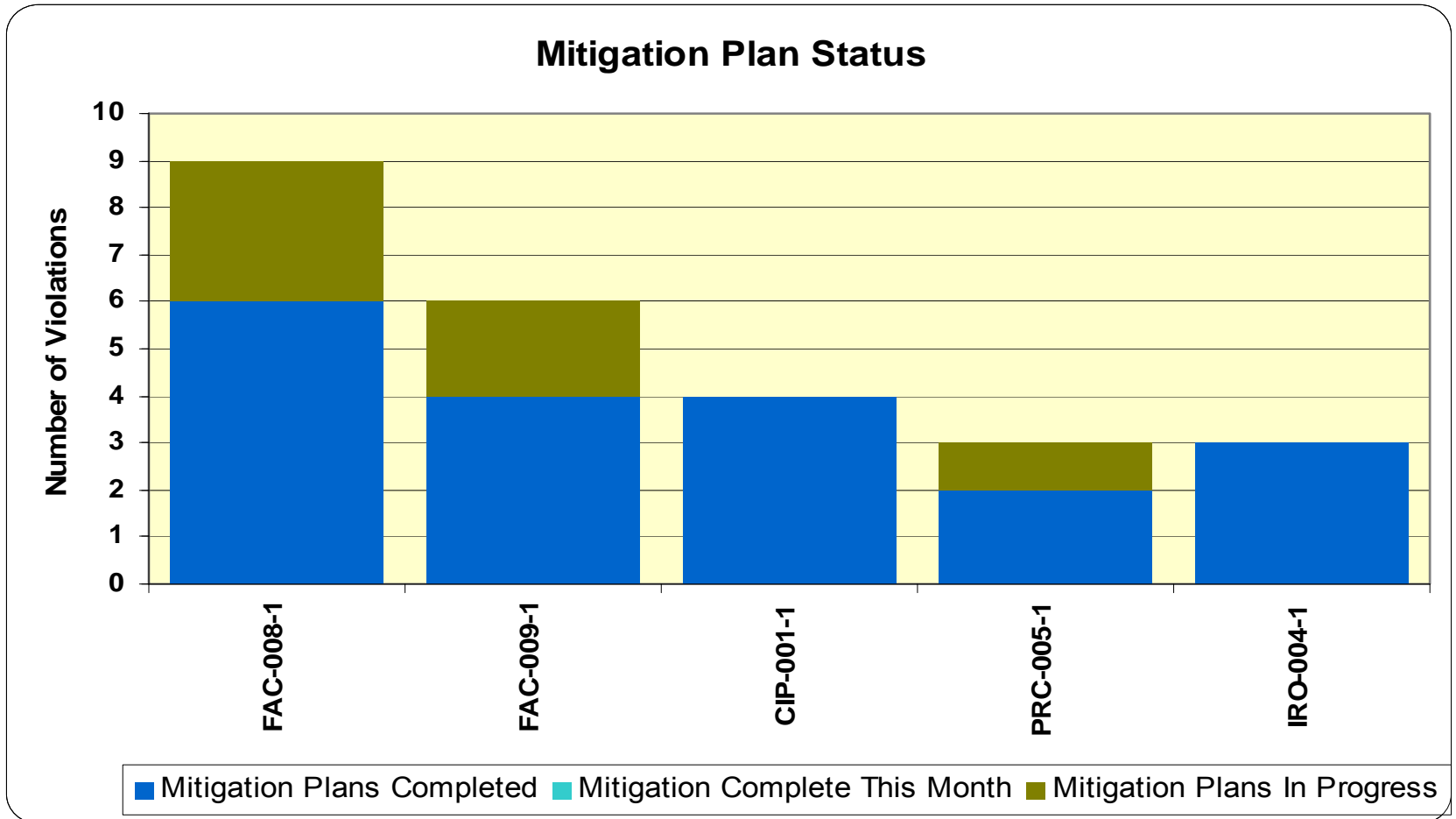
Violations of NERC Standards Reported by Month



NERC Standards Self-Certification

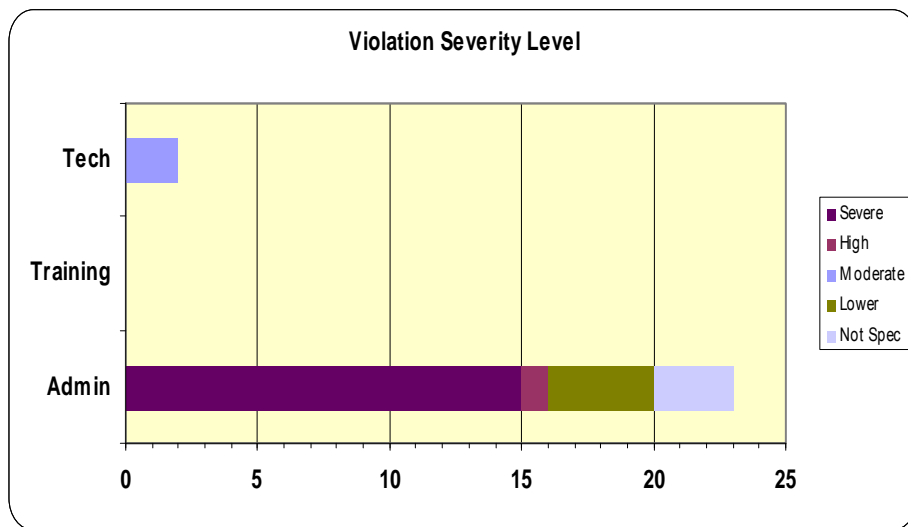
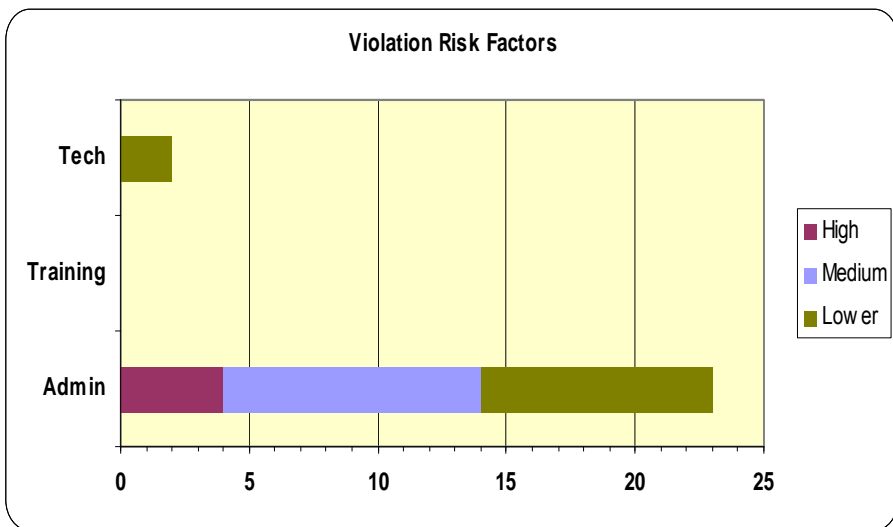
- NERC Registered Entities not audited in 2007 required to self-certify to the actively monitored Reliability Standards applicable to their Registration(s)
 - 279 Total Registered Functions
 - 25 violations identified
 - 9 FAC-008 – lack documented process (3 GOs)
 - 6 FAC-009 – lack documented process (3 GOs)
 - 4 CIP-001 – lack documented process (1 GOP)
 - 3 IRO-004 – lack documented process (2 GOs; 1 GOP)
 - 3 PRC-005 – relay maintenance delinquent (1 TO; 2 GOs)

NERC Standards Self-Certification Violation Status



NERC Standards Self-Certification Violation Details

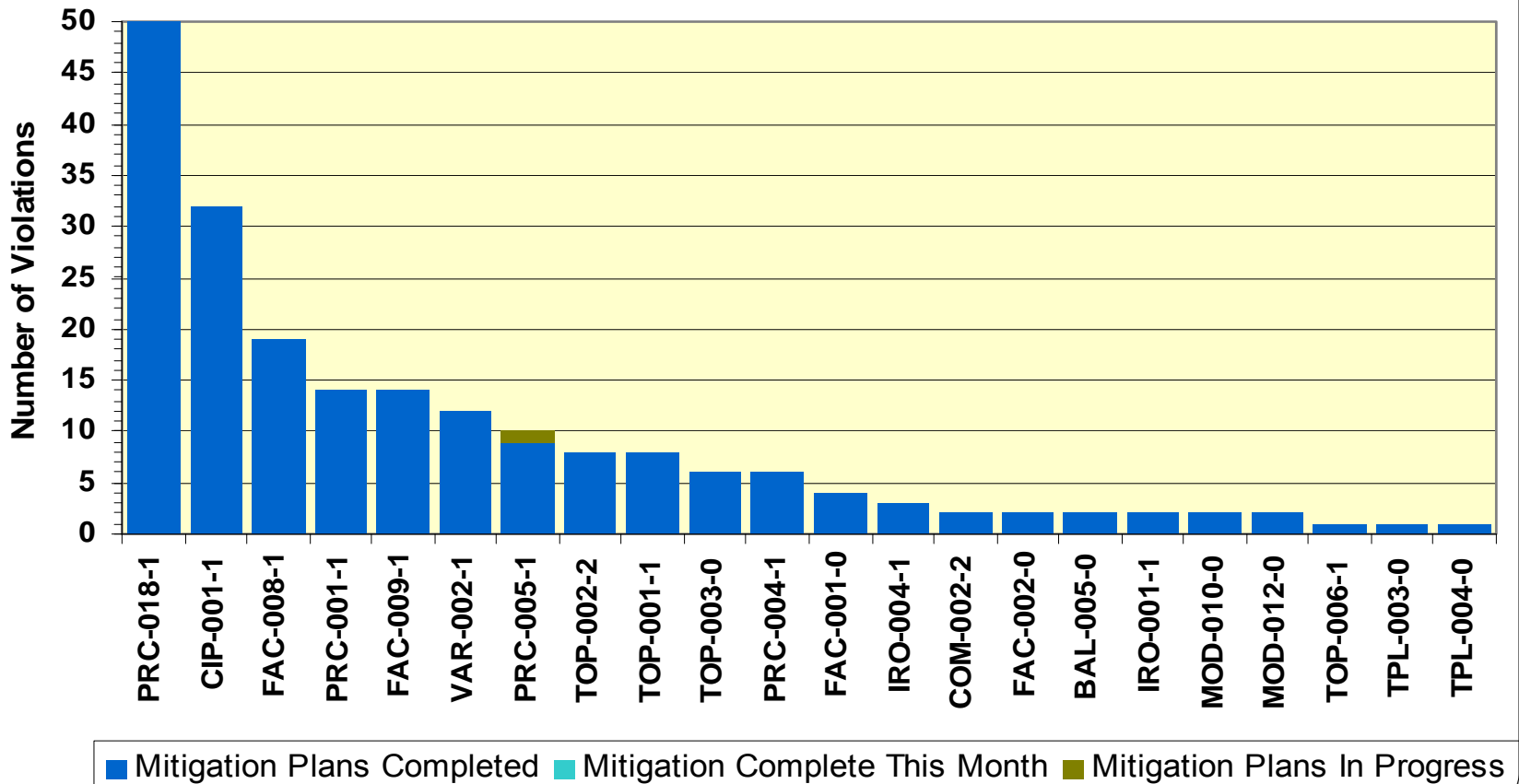
Std	Qty	Req'mt	VSL	VRF	Time Horizon	Impact	Category
PRC-005	2	R2	Moderate	Lower	LT Plan	Minimal	Tech
PRC-005	1	R1.1	Lower	High	LT Plan	Minimal	Admin
FAC-008	3	R1	Severe	Lower	LT Plan	Minimal	Admin
FAC-008	3	R2	Severe	Lower	OP Plan	Minimal	Admin
FAC-008	3	R3	Severe	Lower	OP Plan	Minimal	Admin
FAC-009	3	R1	Severe	Medium	LT Plan	Minimal	Admin
FAC-009	3	R2	Severe	Medium	LT Plan	Minimal	Admin
IRO-004	3	R4	Not Spec	High	OP Plan	Minimal	Admin
CIP-001	1	R1	Lower	Medium	LT Plan	Low	Admin
CIP-001	1	R2	Lower	Medium	LT Plan	Low	Admin
CIP-001	1	R3	High	Medium	LT Plan	Low	Admin
CIP-001	1	R4	Lower	Medium	LT Plan	Low	Admin
Total	25						



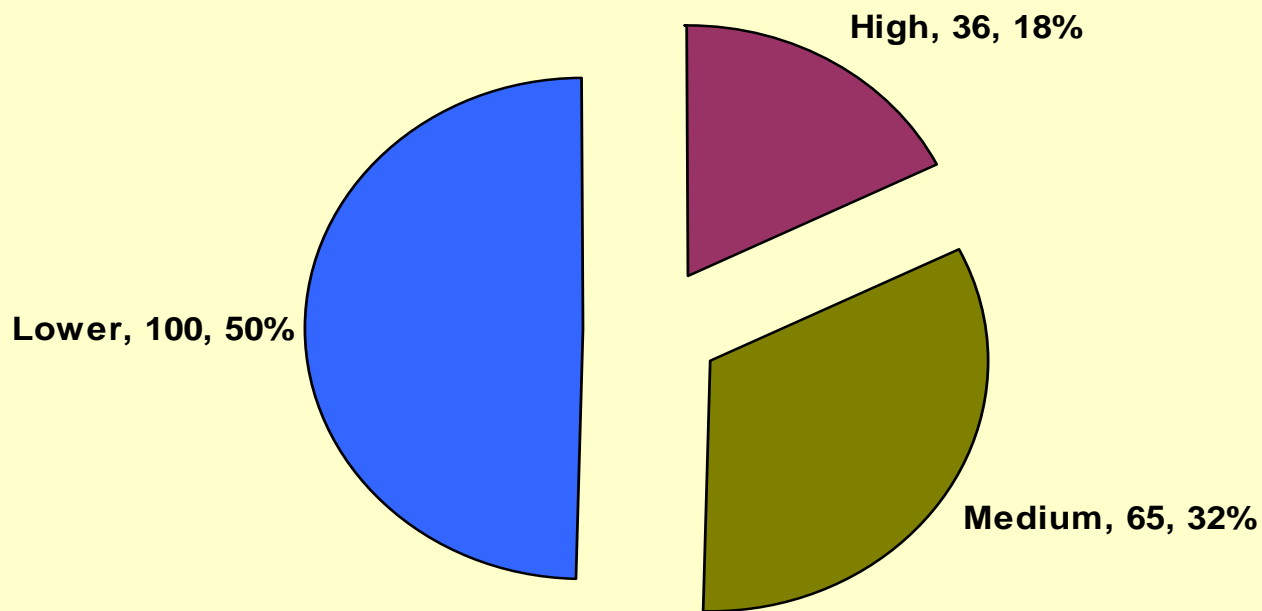
NERC Standards Self-Reported Violations

Pre-June 18th

Mitigation Plan Status



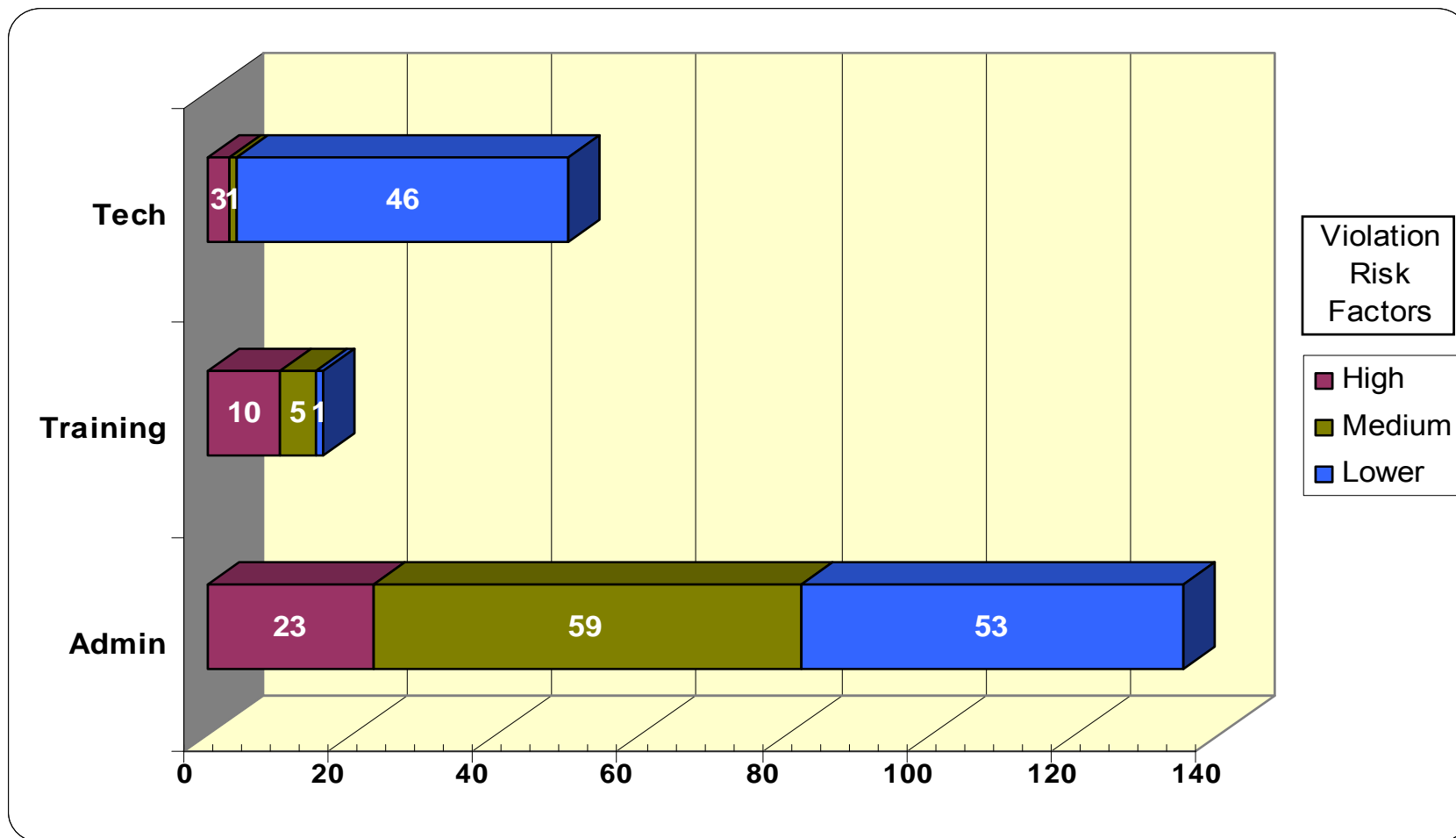
Risk Factors for Self-Reported NERC Standards Violations Pre-June 18th



Risk Factors are being assigned to each NERC Standard as part of the Standard Development Process

NERC Standards Self-Reported Violation Categorization

Pre-June 18th





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January Financial Results

January Actual Workforce

- **3 Current Workforce Vacancies**

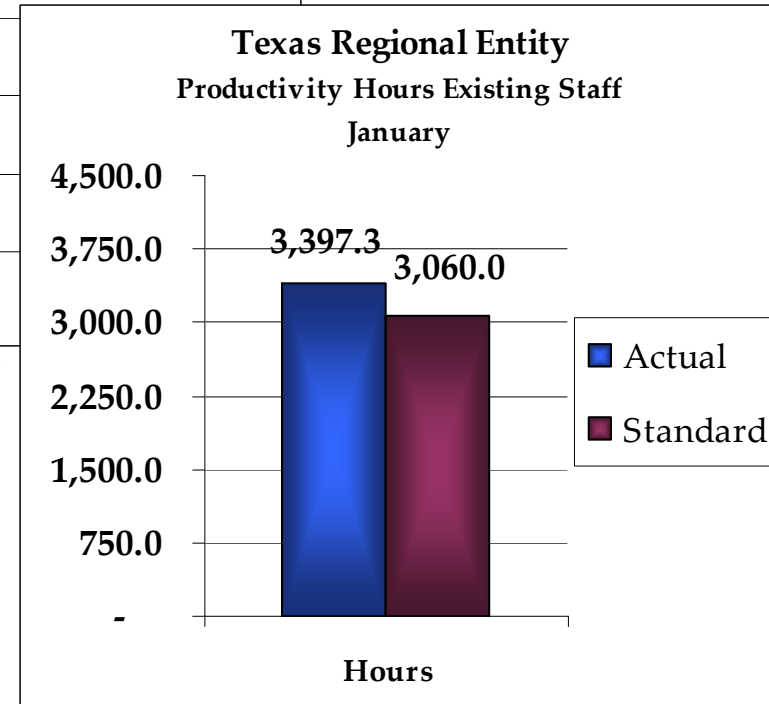
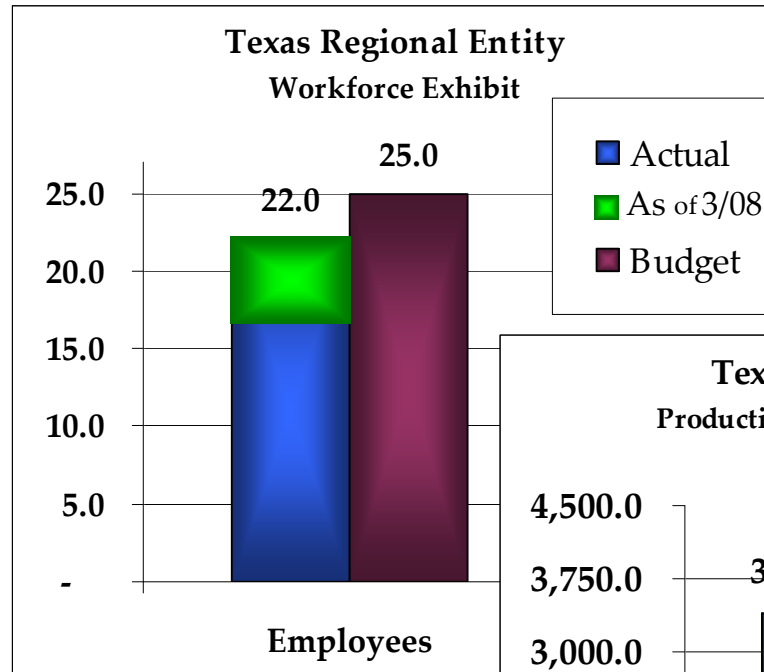
- Director of Compliance
- Compliance Engineer Sr.
- Compliance Engineer 3

- **Staff Additions Since - January 31, 2008**

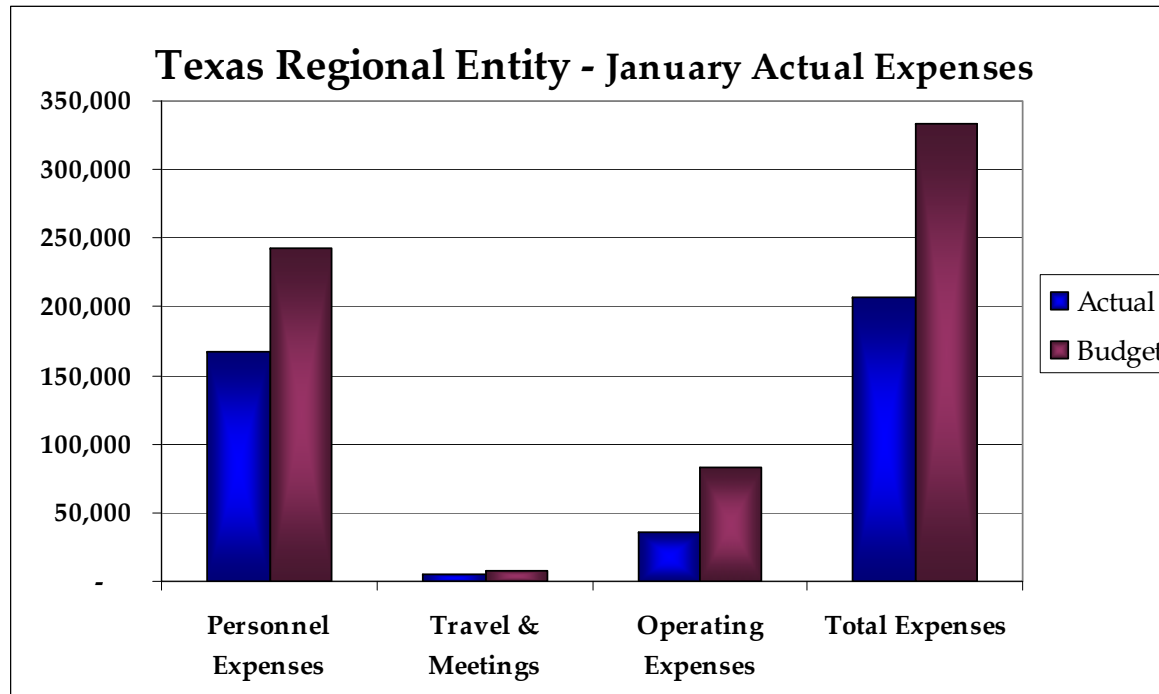
- Compliance Administrator
- Records Coordinator
- Sr. Paralegal
- Standards Coordinator

- **Worker Productivity is High**

- Productivity hours reflected are higher than actual employee standard labor hours by 11%
- Leveraging existing staff and structure to mitigate staff vacancies
- Long-term, leveraging of staff is not viable. Vacancies are in-process to be filled



January Operating Expenses



- **Personnel Expense Lower than plan**
 - Due to vacancies
- **Travel & Meetings expense is slightly less than plan**
 - Primarily due to staff vacancies
- **Operating Expenses are lower than plan**
 - Primarily related to contingency reserve remains unused