

# Texas Regional Entity Compliance Report

September 15, 2008

# Texas RE Monthly Summary

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- **August 2008**
  - **Protocol & Operating Guides violations**
    - 0 new violations
  - **NERC Standards violations**
    - 1 new alleged violation
  - **Reportable events**
    - 2 new events reported

# Texas RE Monthly Summary (cont.)

## ■ Audits

- 7 entities audited
- 2 entities were issued audit reports
- Audits are on schedule 100%
- Audit Reports are on schedule 100%

## ■ Mitigation Plans in progress for NERC Standards

- 1 resulting from self-reporting violations
- 6 resulting from self-certification violations

## ■ Settlements

- 3 settlements in progress

# Performance Highlights

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- ERCOT's Control Performance Standard (NERC CPS1) score for August 2008 = 133.03
- Initial scores for August 2008 indicate 36 non-wind-only QSEs passed and 1 failed the SCPS2 measure
- 15 of the 16 active wind-only QSEs or sub-QSEs failed the SCPS2 measure but currently have an exemption from this Protocol requirement

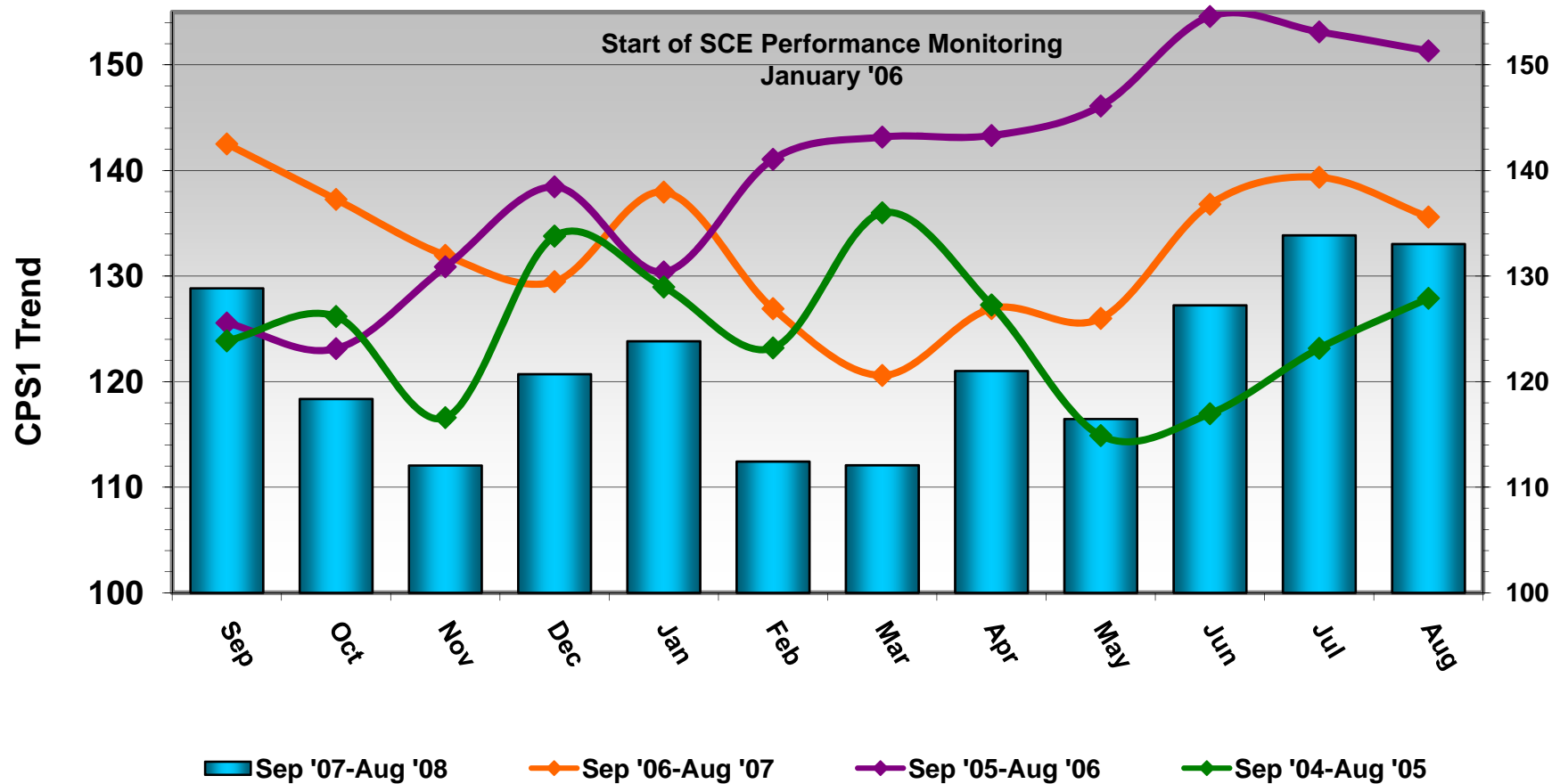
# Texas Regional Entity

## Report Details

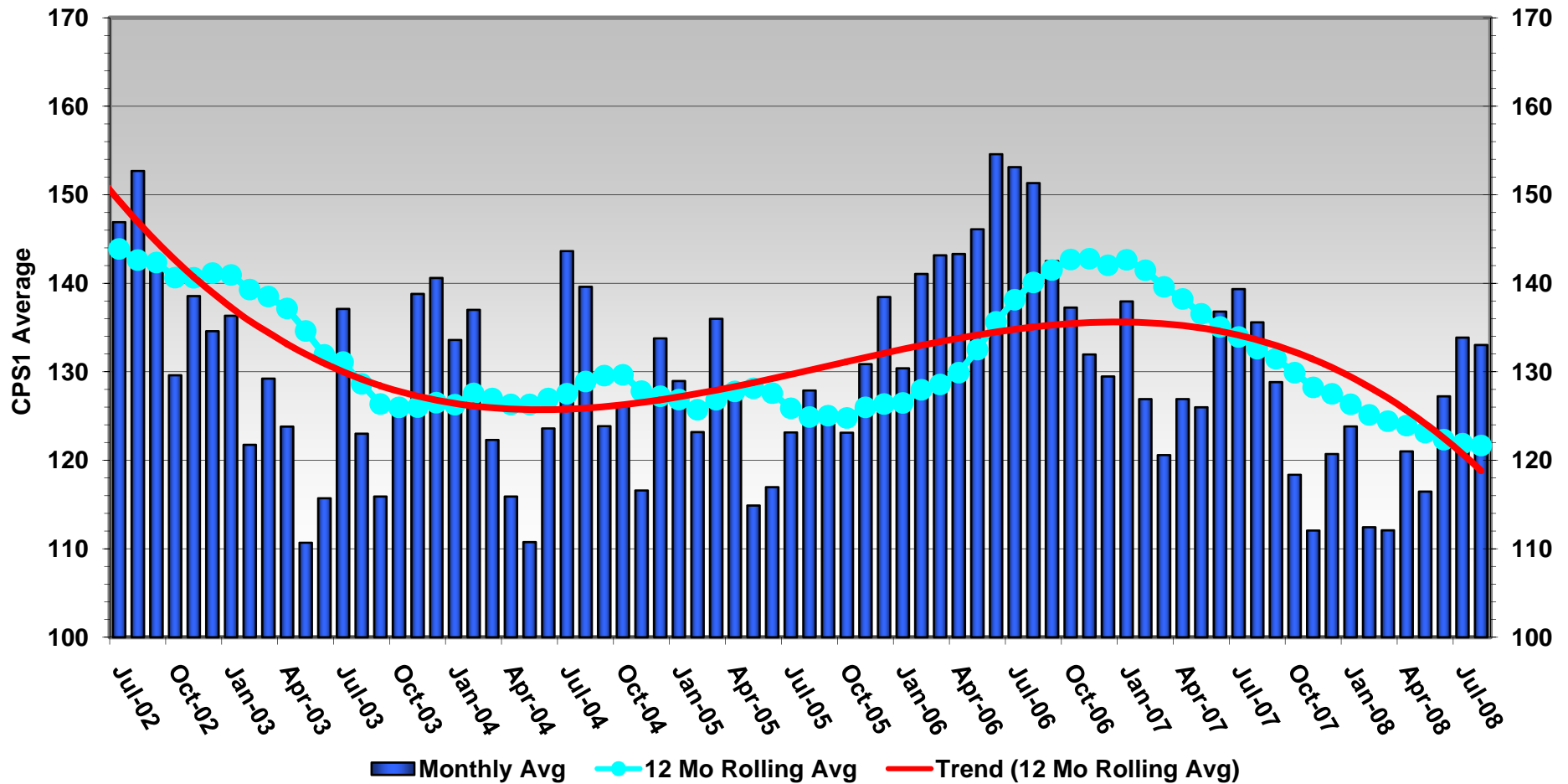
# NERC CPS1 Performance

- ERCOT's CPS1 Performance
  - August 2008 Performance
    - Monthly comparison
      - ◆ 2008: 133.03
      - ◆ 2007: 132.61
    - 12 month rolling average comparison
      - ◆ September 2007 → August 2008: 125.49
      - ◆ September 2006 → August 2007: 139.09
- PRR 525 Performance
  - Scores posted on the ERCOT Compliance Website
    - [SCE Performance Scores](#)

# ERCOT CPS1 Performance Comparison

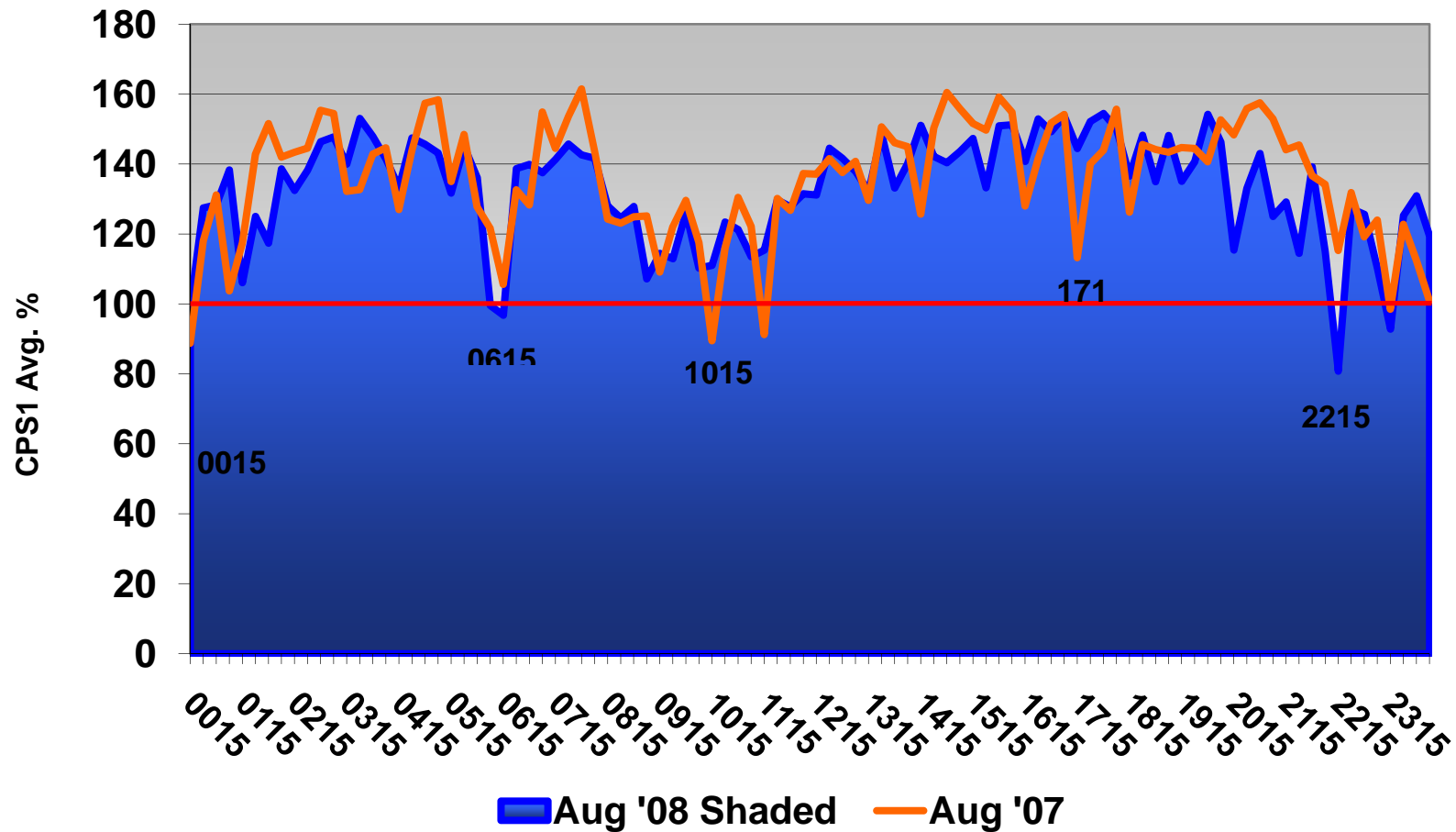


# ERCOT's CPS1 Monthly Performance

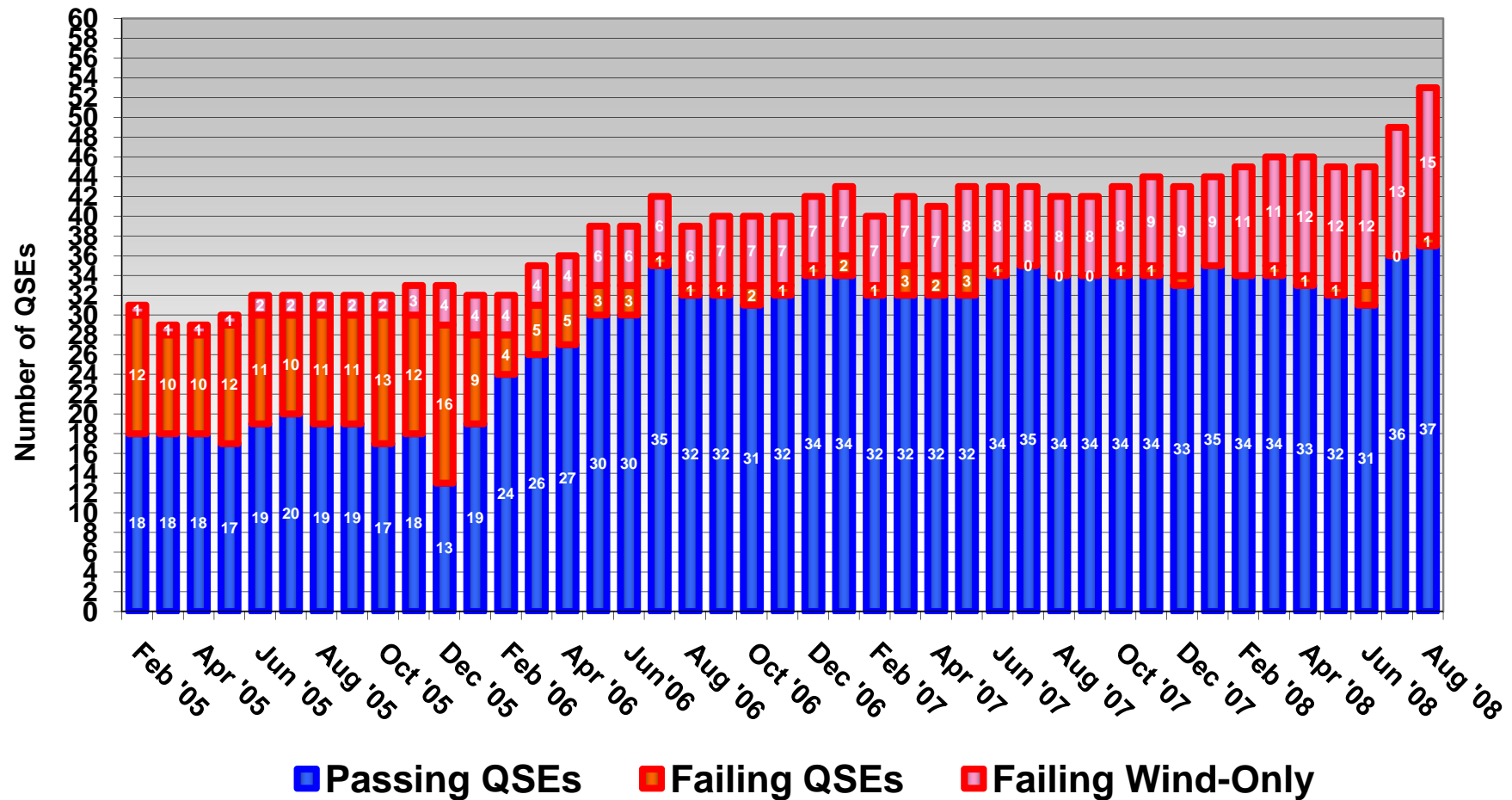




# ERCOT CPS1 by Time Interval

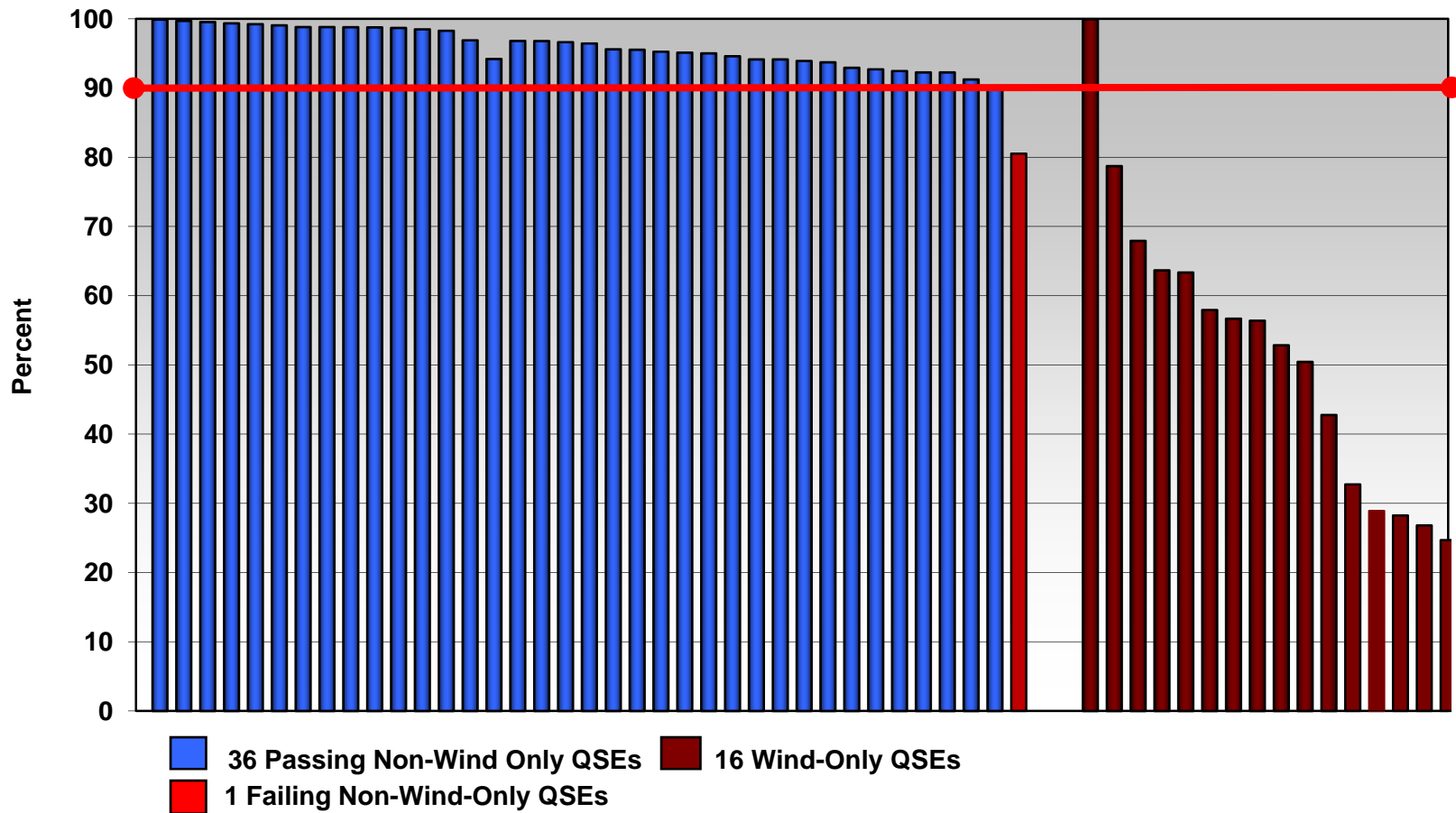


# QSE PRR 525 10-Minute Interval Scoring



\*Wind-only QSEs have an exemption from this Protocol requirement.

# August 2008 – SCPS2 Scores



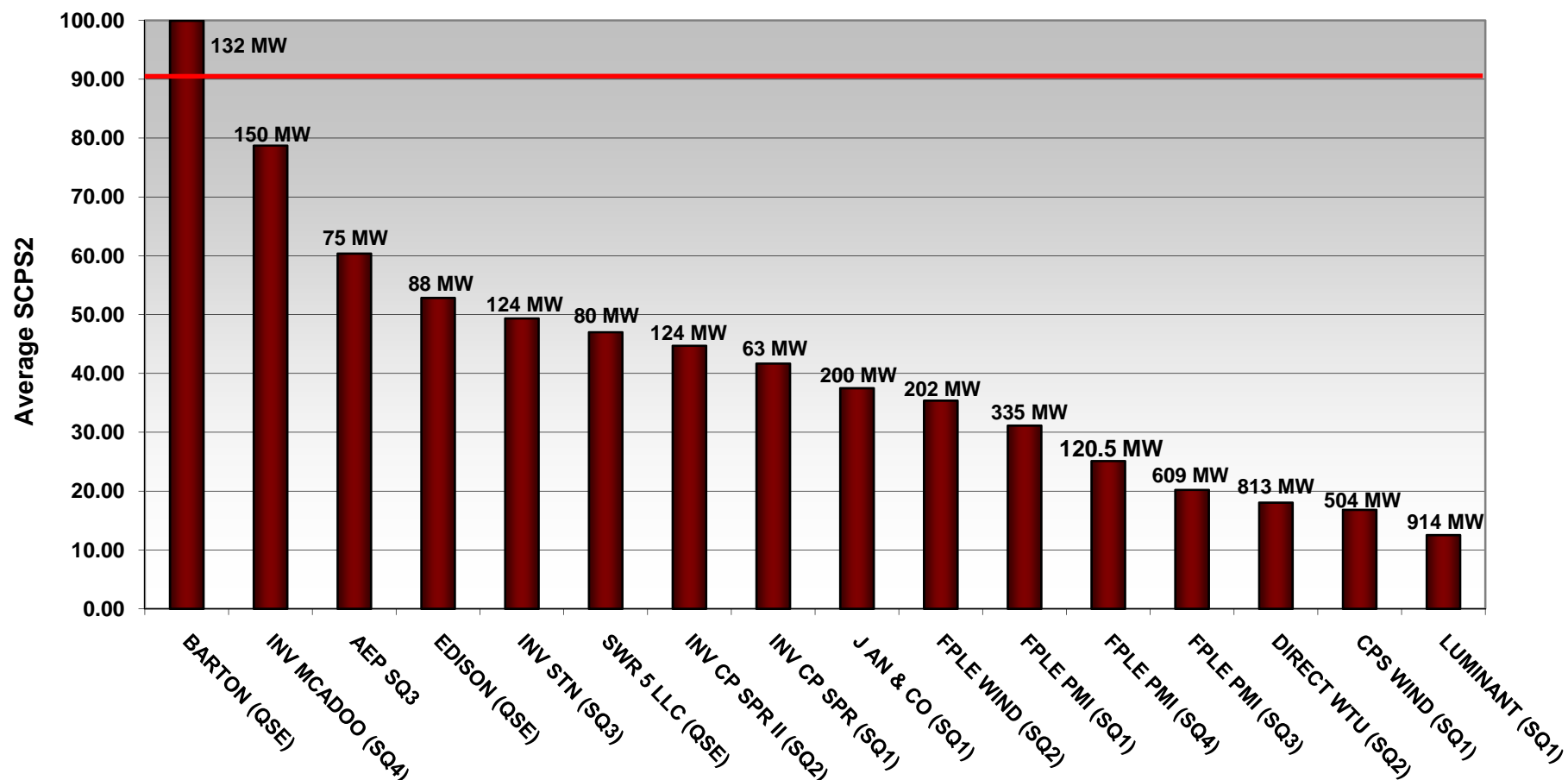
\*Wind-only QSEs have an exemption from this Protocol requirement.

# Analysis of August 2008 – SCPS2 Scores

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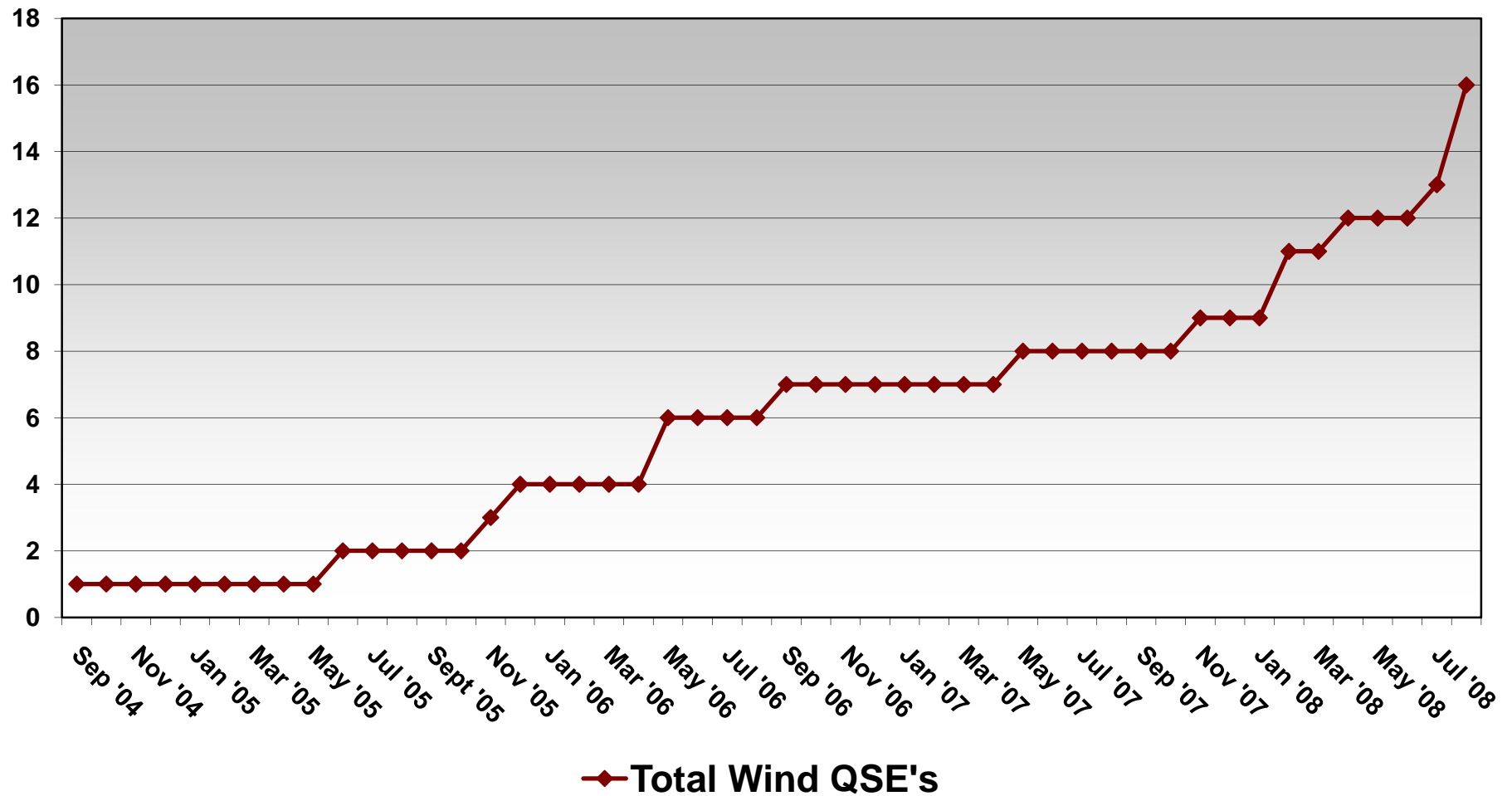
- **The passing wind-only QSE was online for 280 ten minute intervals. Scores are developed for all QSE's with more than 144 intervals in month, therefore it was only online for approximately 2 days.**
- **The higher scores of the wind-only QSE's are due in part to the addition of weather monitoring stations and improvements in wind output forecasting.**

# Six Month Average Wind-Only SCPS2 Scores



\*Wind-only QSEs have an exemption from this Protocol requirement.

# Total Number of Wind-Only QSEs



# August 2008 Resource Plan Performance Metrics

Resource Plan Performance Metric	ID																															
	JG	DK	BT	DE	IP	AP	AO	HA	BY	BC	JA	AY	AM	AR	BR	HJ	DF	CI	AE	AD	BJ	BH	JM	JL	JD	CF	ET	DA	GR	GS	HS	BF
Resource Status	-	100	-	100	100	100	100	100	99	100	100	99	99	100	99	-	99	100	-	100	100	-	-	-	100	100	100	100	-	-	-	-
LSL as % of HSL	-	99	-	94	97	100	98	98	99	100	94	100	82	95	95	-	100	100	-	100	98	-	-	-	98	99	100	100	-	-	-	-
DA Zonal Schedule	100	99	100	100	100	98	100	100	100	100	100	93	100	100	98	98	100	100	-	100	100	100	100	89	100	99	-	99	100	100	100	
AP Zonal Schedule	98	99	96	100	100	100	100	100	100	99	100	99	99	100	98	100	100	99	-	100	99	100	100	98	100	99	-	99	100	100	100	
Down Bid & Obligation	99	95	97	98	100	100	99	100	96	99	98	100	64	97	100	100	81	97	-	100	97	97	100	100	100	99	-	98	100	100	100	
Total Up AS Scheduled	-	-	-	100	-	100	99	97	92	98	100	98	97	100	96	-	100	-	91	-	-	-	-	-	100	100	-	92	-	-	-	-

Resource Plan Performance Metric	ID																															
	BE	DP	EU	FX	JH	JI	JN	JJ	JC	CY	BG	CX	FK	HW	CK	IN	IZ	JK	BX	CC	JE	CD	DI	FS	AC	IE	CQ	IV	CR	IO	HM	FY
Resource Status	-	100	100	-	-	-	-	-	-	-	99	99	99	100	-	99	100	-	99	100	-	90	-	100	99	100	99	-	-	100	-	-
LSL as % of HSL	-	100	100	-	-	-	-	-	-	-	98	99	99	100	-	99	99	-	98	98	-	100	-	100	100	94	97	-	-	100	-	-
DA Zonal Schedule	100	100	100	100	100	100	100	100	68	100	99	100	100	98	100	100	100	99	100	100	100	100	100	100	100	100	99	100	100	94	100	-
AP Zonal Schedule	100	100	100	99	99	99	88	99	100	-	99	97	99	98	-	95	100	100	98	99	100	100	-	100	100	91	100	100	-	46	-	-
Down Bid & Obligation	100	77	92	100	100	100	62	100	100	-	100	94	100	93	-	94	100	100	99	99	100	70	-	-	100	79	92	100	-	91	-	-
Total Up AS Scheduled	-	98	100	-	-	-	-	-	-	-	99	97	99	89	-	83	100	-	99	100	-	100	-	-	-	89	98	-	-	-	-	92



4 Consecutive Failing Scores



3 Consecutive Failing Scores



2 Consecutive Failing Scores



1 Failing Score

# Registration Activities

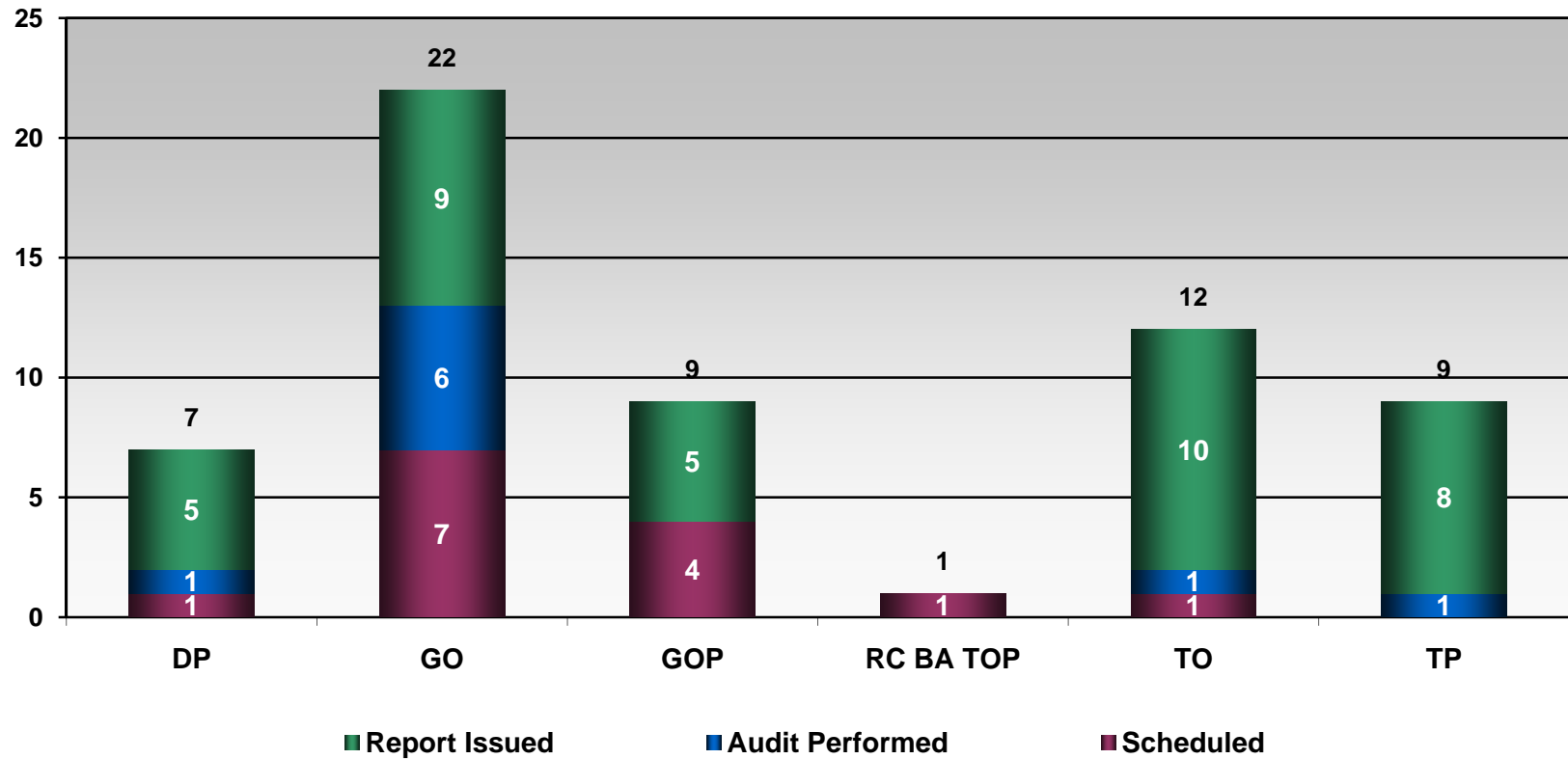
- NERC Entity Registration issues continue to be addressed and are being resolved
- Load-Serving Entity (LSE) registration issues being addressed
  - NERC BOTCC made a decision on changing the registry criteria and sent final analysis to FERC for their approval.
    - NERC's decision was to register all DP's as LSE's.
    - FERC has not approved NERC's decision.
    - Comment period closed on September 2nd. NERC has 15 days, by September 17<sup>th</sup>, to respond to industry comments to FERC.
    - There could be as many as 39 entities registered as LSE's in ERCOT.
- Appeals
  - One entity has appealed the a NERC BOTCC decision upholding Texas RE's decision to register the entity to FERC.



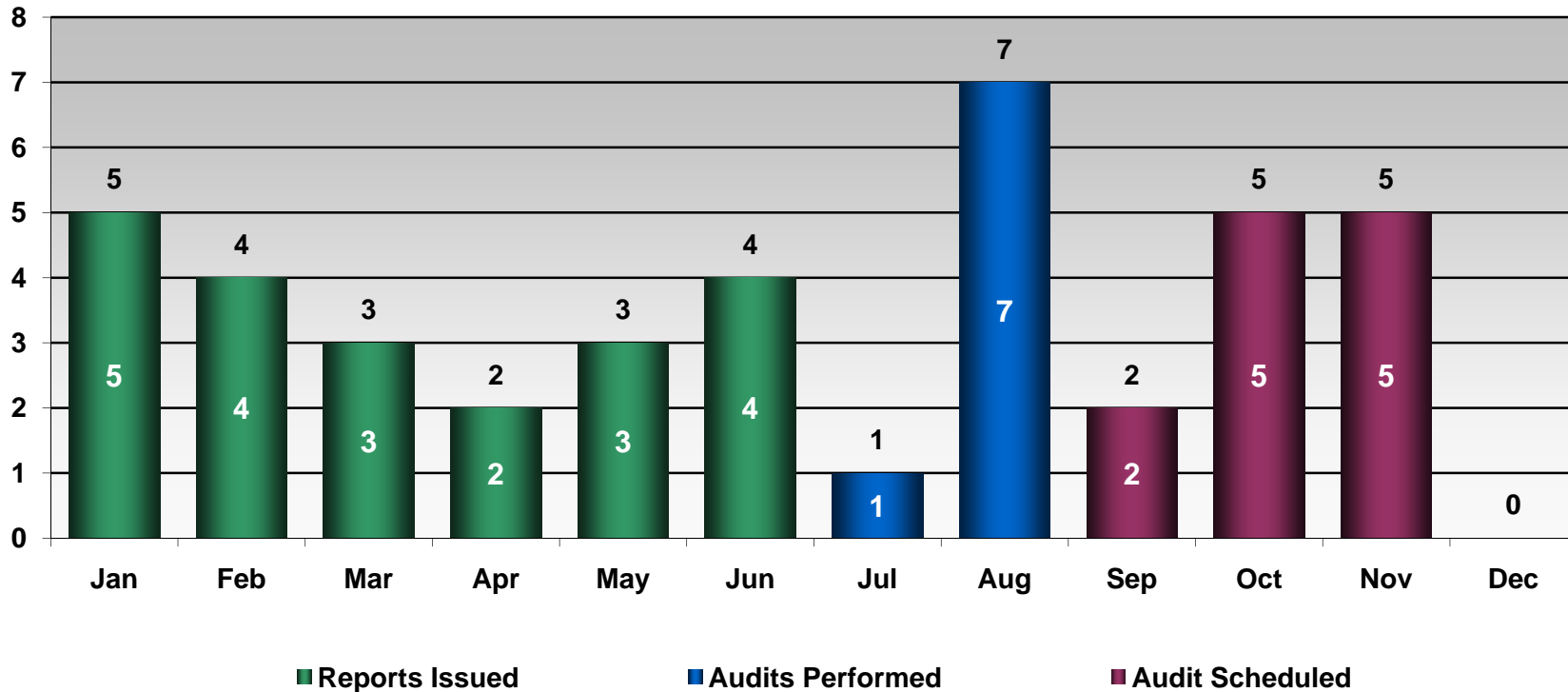
# Registration Activities (continued)

- Joint Registration Organization (JRO) of some entities remains likely
  - JRO agreement forms and applications are available online at the [Texas RE website](#).
  - The list of current JRO registered entities is available on the [NERC website](#).
- ERCOT ISO, as a Transmission Operator (TOP) is in the process of negotiating with NERC registered Transmission Owners (TOs) to reach a TOP JRO agreement
  - Up to 28 additional TOPs
  - What this means to Texas RE – more and longer compliance audits and self-certifications
  - There could be some DP JRO's

# 2008 Audits by Registered Function

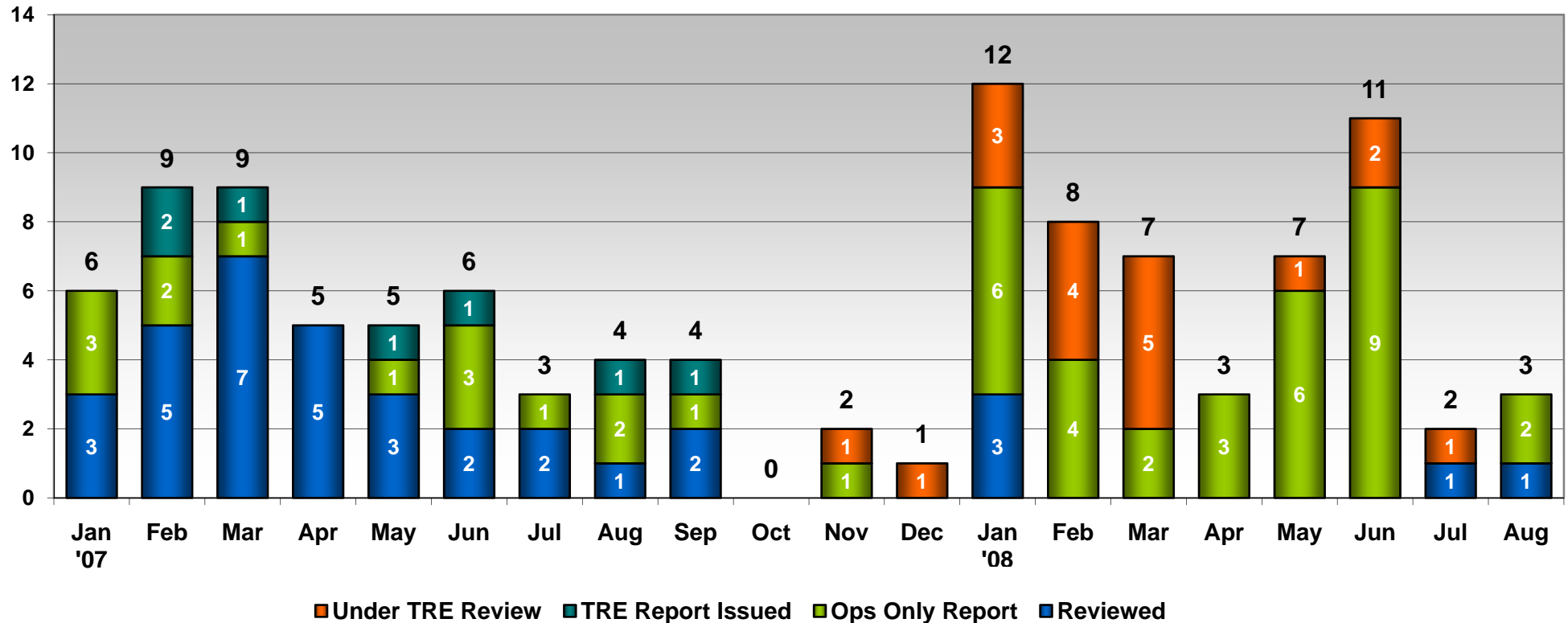


# 2008 Compliance Audits Scheduled by Entity



The 2008 Texas RE Audit Schedule and completed NERC reports are available on the [NERC Website](#).

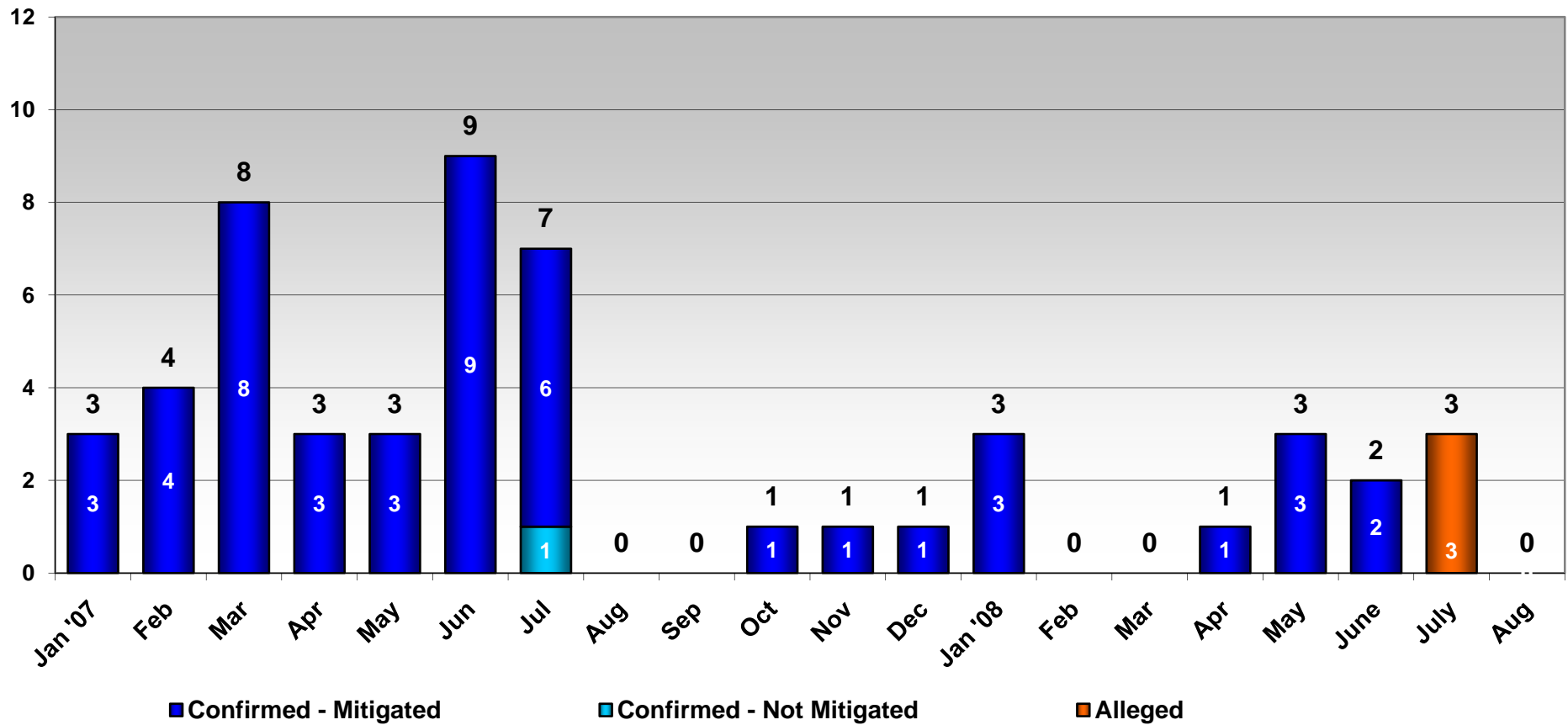
# Compliance Reviews of Events by Month



# Analysis of the Compliance Reviews of Events by Month

Event Date	Event Name	Potential Violations	Next Step Taken
11/29/2007	EECP Step 1	NERC IRO-005, R4	Final Report - Draft Written
12/12/2007	Possible DCS Event	Protocol 6.5.4	Final Report - Draft Written
1/4/2008	SPS Operation	Standards PRC-016; PRC-017	Under Texas RE Investigation
1/15/2008	SPS Operation	Under Texas RE Investigation	Under Texas RE Investigation
1/21/2008	SPS Operation	Standards PRC-016; PRC-017	Under Texas RE Investigation
2/19/2008	Loss of Multiple Elements	Under Texas RE Investigation	Under Texas RE Investigation
2/24/2008	SPS Operation	Protocol 7.2.3.3	Under Texas RE Investigation
2/26/2008	EECP Step 2	TOP-002	Under Texas RE Investigation
2/28/2008	SPS Operation	Protocol 7.2.3.3	Under Texas RE Investigation
3/10/2008	SPS Operation	Protocol 7.2.3.3	Under Texas RE Investigation
3/13/2008	SPS Operation	Protocol 7.2.3.3	Under Texas RE Investigation
3/16/2008	Possible DCS Event	Under Texas RE Investigation	Under Texas RE Investigation
3/18/2008	Loss of Multiple Elements	Under Texas RE Investigation	Under Texas RE Investigation
3/21/2008	SPS Operation	Protocol 7.2.3.3	Under Texas RE Investigation
5/1/2008	Voltage Dev > 5%	Under Texas RE Investigation	Under Texas RE Investigation
6/11/2008	Loss of Primary and Backup Computer Systems	Protocol 12.4.4.1	Under Texas RE Investigation
6/18/2008	EECP Step 1	Under Texas RE Investigation	Under Texas RE Investigation
7/27/2008	SPS Operation	Protocol 7.2.3.3	

# Violations of ERCOT Protocols

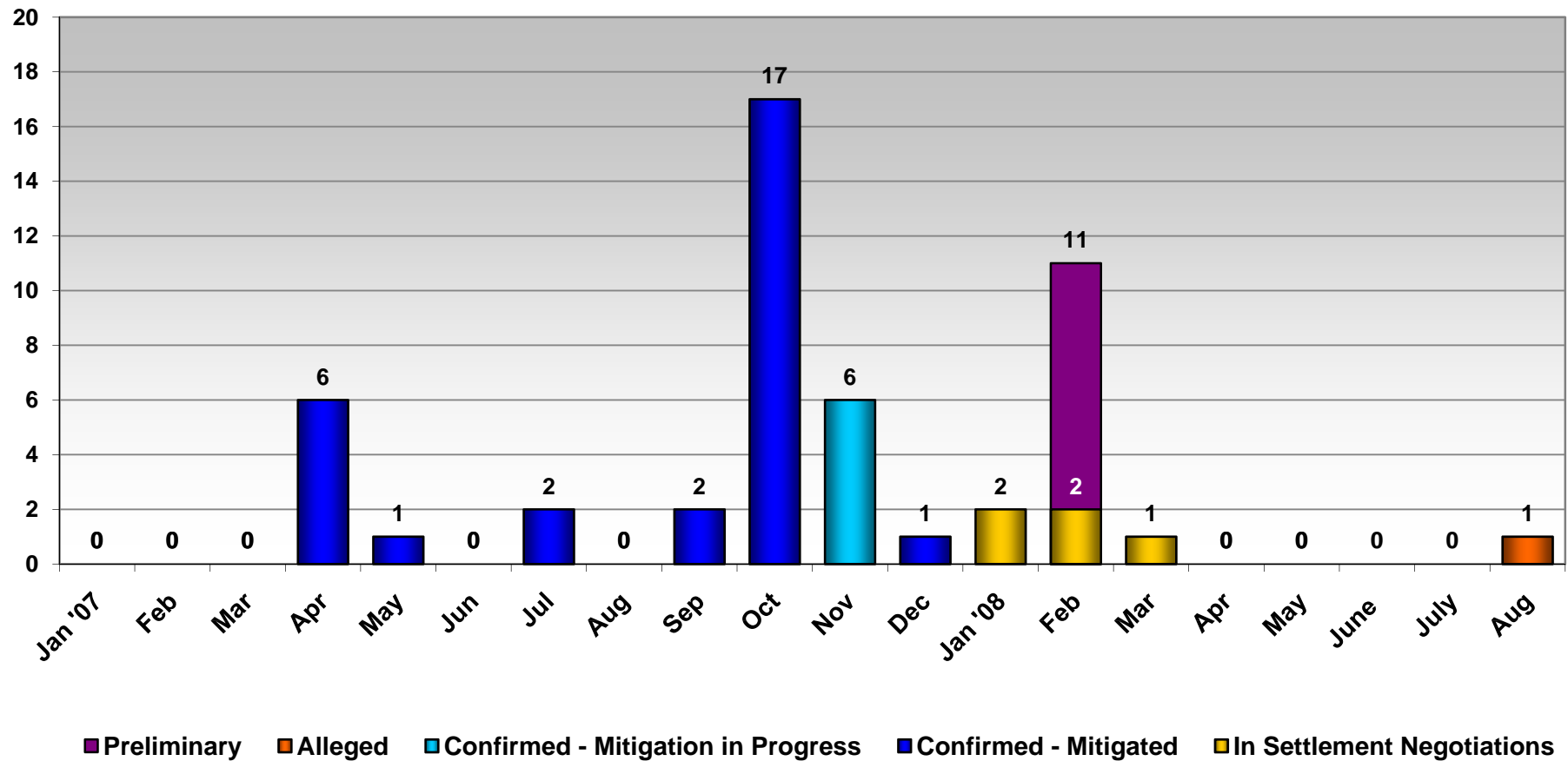


# Analysis of the Violations of ERCOT Protocols

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- **July 2007 has 1 LaaR violation open**
  - Texas RE is in the process of reviewing the mitigation plan from the entity and verifying its completion.

# Violations of NERC Standards Reported by Month





# Analysis of the Violations of NERC Standards Reported by Month

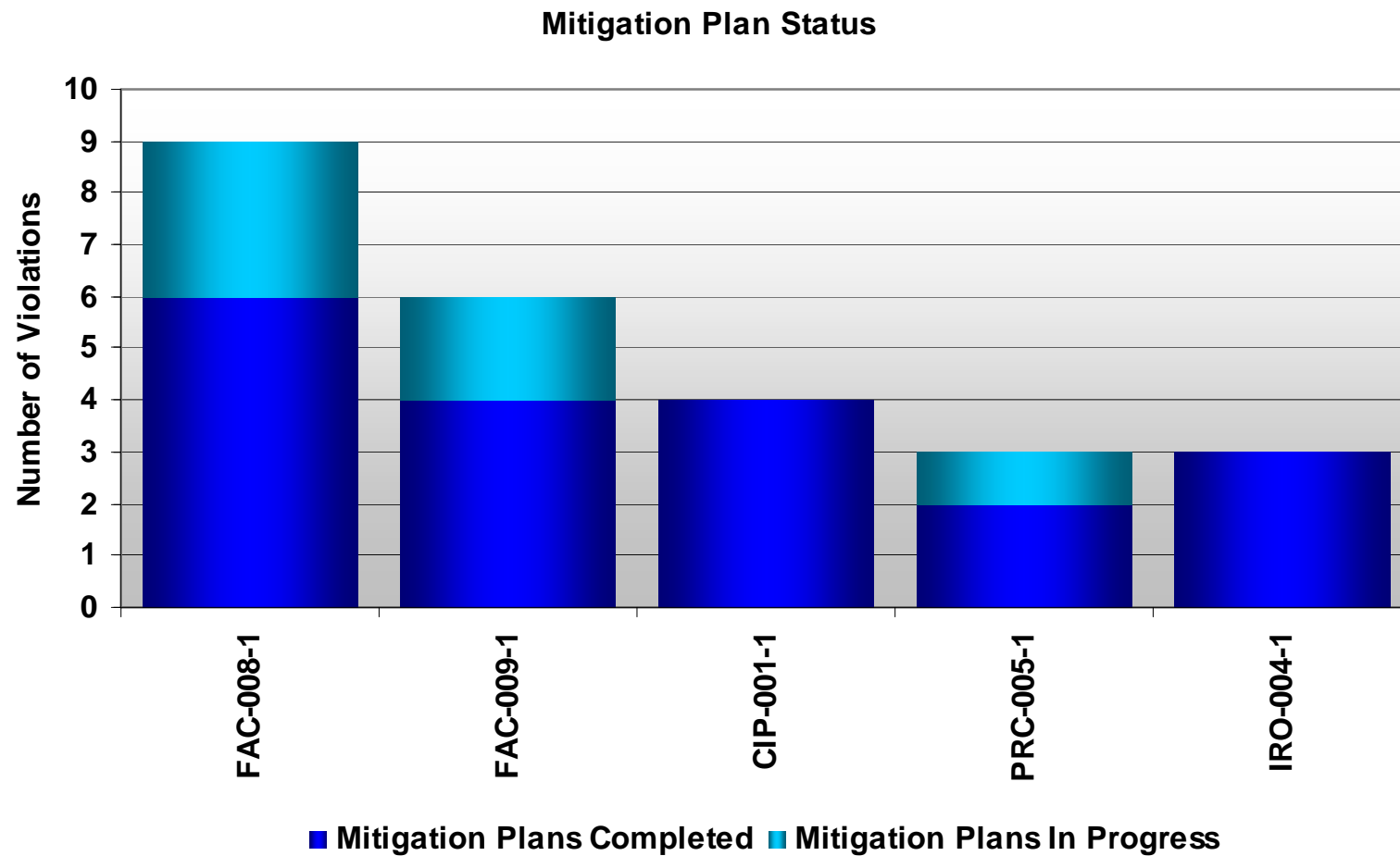
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- **There was 1 violation of NERC standards reported in August not subject to penalty because related standard is not enforceable.**
- **5 Violations are in settlement negotiations.**
  - 3 entities in settlement discussions and between them there are 5 violations.
- **8 Mitigation plans approved by NERC.**

# 2007 NERC Standards Self-Certification

- NERC Registered Entities not audited in 2007 required to self-certify for 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)

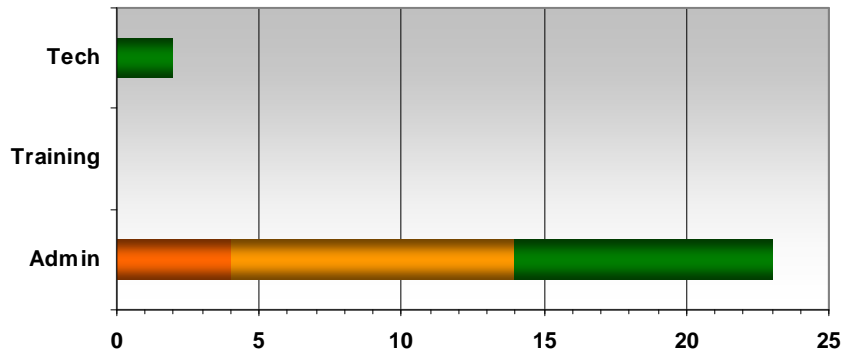
# 2007 NERC Standards Self-Certification Violation Status



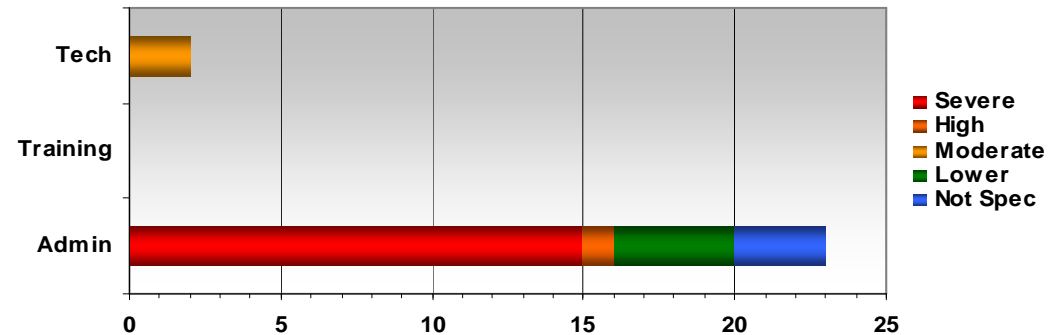
# 2007 NERC Standards Self-Certification Violation Details

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
<b>Total</b>	<b>25</b>						

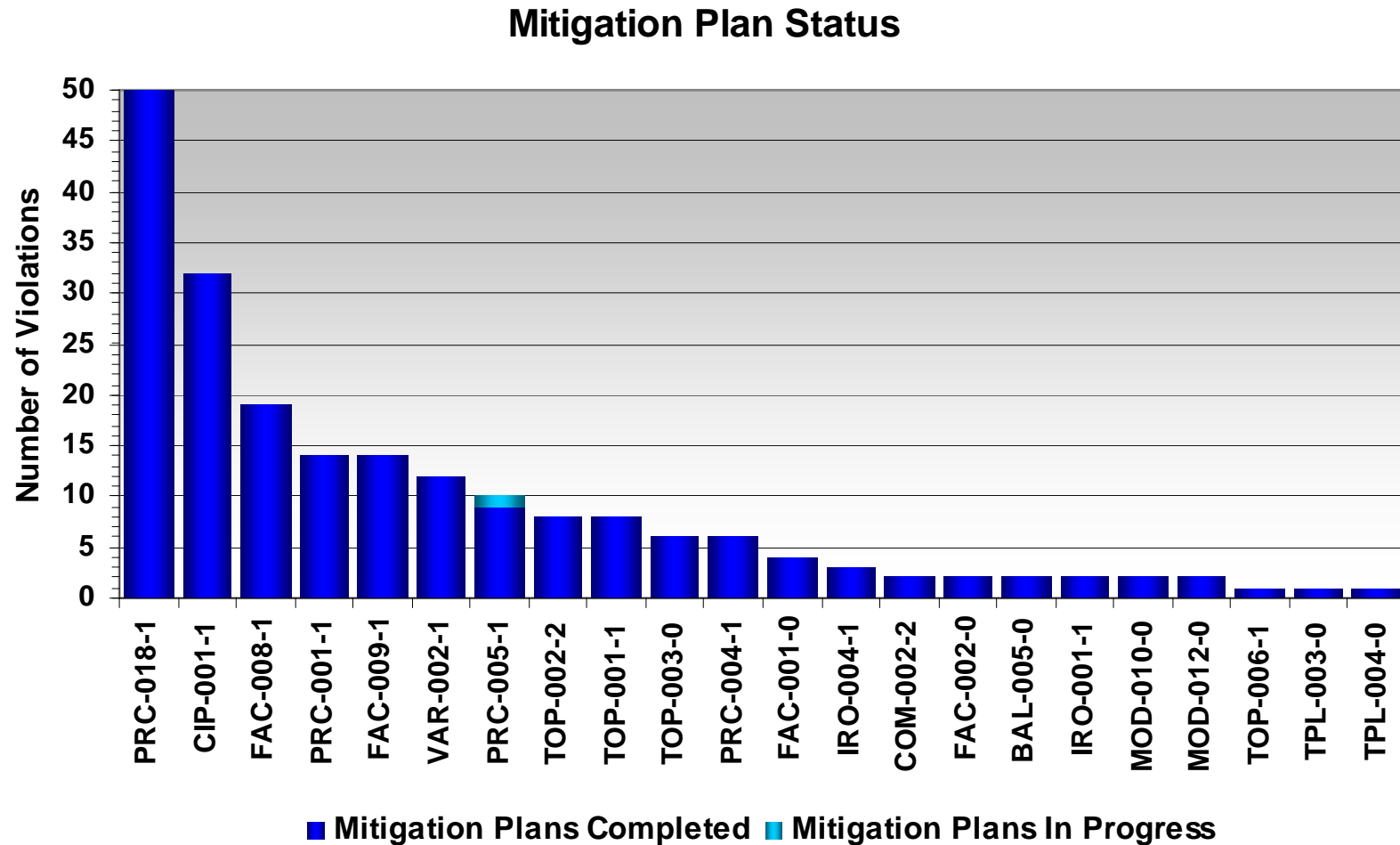
Violation Risk Factors



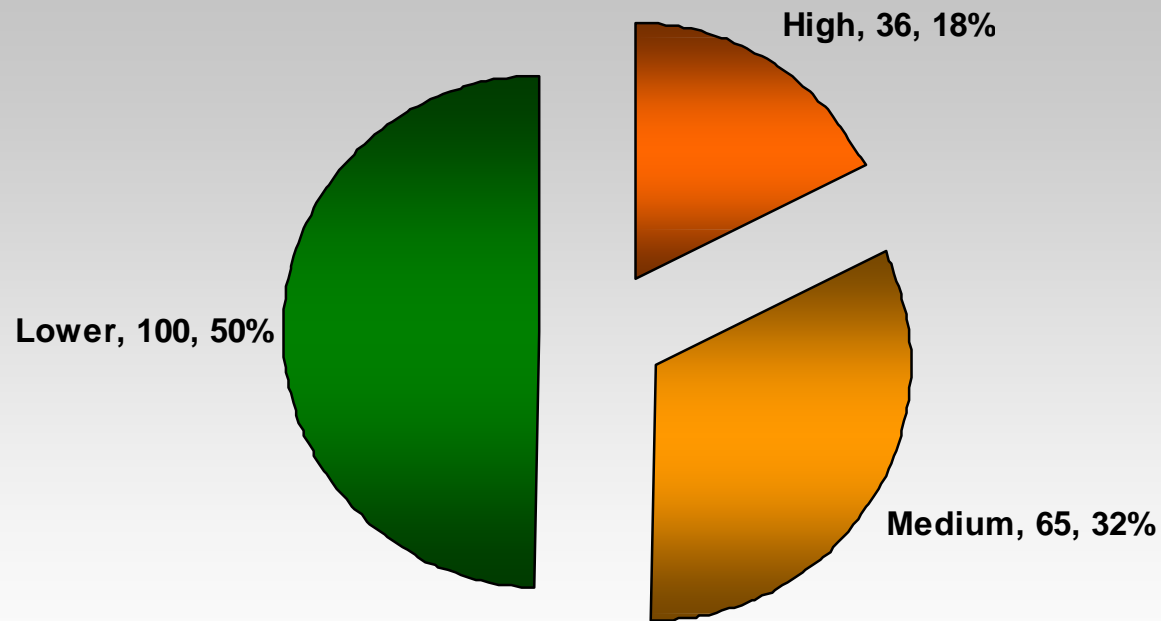
Violation Severity Level



# NERC Standards Self-Reported Violations Pre-June 18<sup>th</sup> 2007



# Risk Factors for Self-Reported NERC Standards Violations Pre-June 18<sup>th</sup> 2007



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

# NERC Standards Self-Reported Violation Categorization Pre-June 18<sup>th</sup> 2007

