Texas Nodal Market Implementation: Program Update

ERCOT Board of Directors
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Vice President and Chief Information Officer

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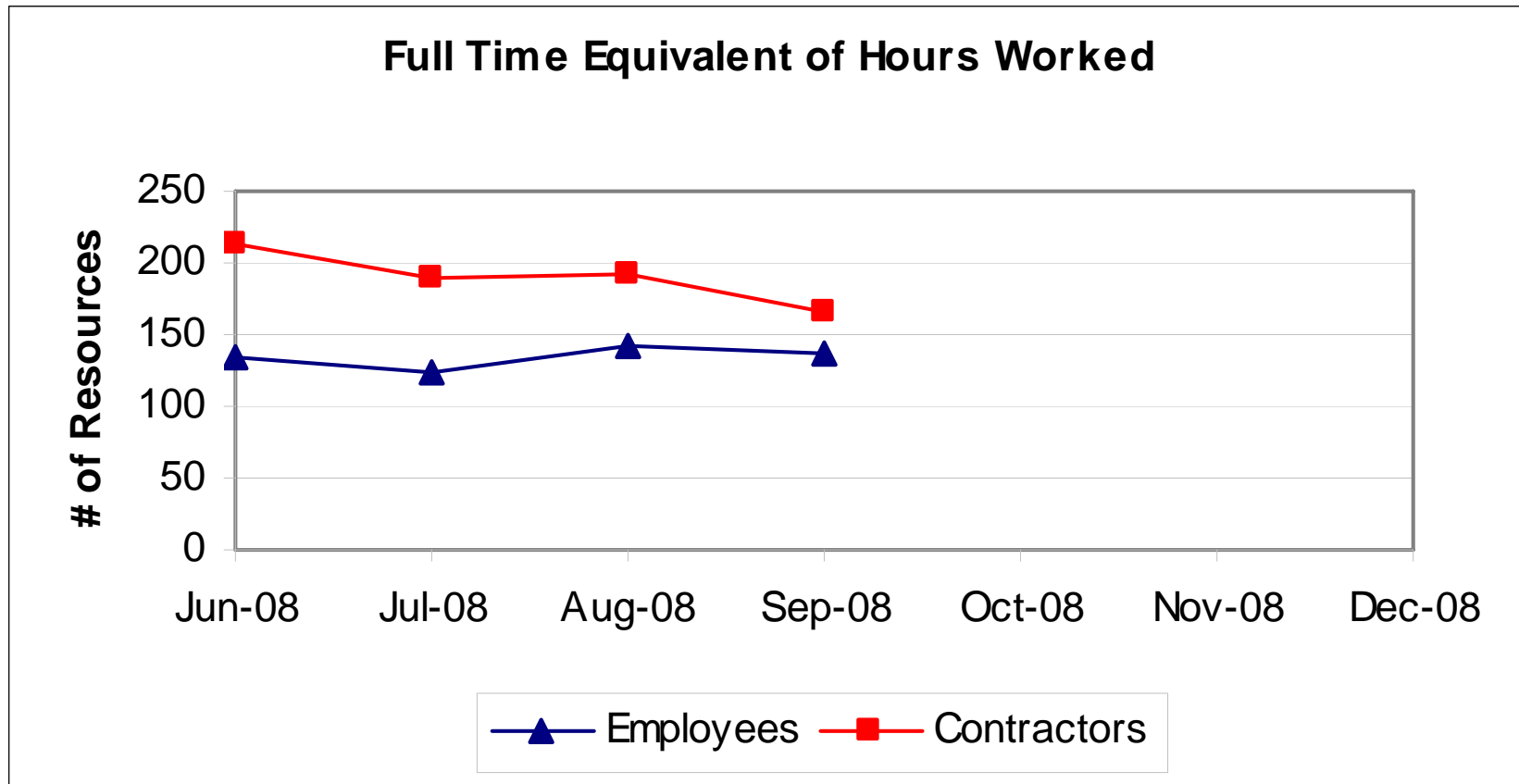- **Cost**

Health Indicators

Indicator	Status	Explanation
Overall	**Red**	• Overall status remains red, driven by schedule and budget indicators
Schedule	**Red**	• Schedule remains red until the integrated schedule is approved
Budget	**Red**	• Budget remains red until new budget is finalized and approved
Scope	**Amber**	• Requirements review still underway
Resources	**Green**	• Majority of projects reporting green status
Risks	**Amber**	• Program addressing risks detailed on subsequent slide
Issues	**Amber**	• Program addressing issues detailed on subsequent slide
Quality Control	**Red**	• Status driven by number of Sev 1 and 2 defects and lengthy defect turn-around time
ERCOT Readiness	**Amber**	• Status quo until the schedule is released
Market Participant Readiness	**Amber**	• Status quo until the schedule is released

Note: health indicator measures are located in the appendix

Highlights

- **Reminder: the program posts weekly status reports to the nodal website: http://nodal.ercot.com/docs/po/index.html**

- **Resource Asset Registration Form (RARF) data is now 97% accurate, up from 90%**
  - The remaining 3% is spread across about 50% of the RARFs, which means RARFs that still have issues have few errors and are generally very minor
  - EDS is working individually with MPs to correct remaining errors

- **Market Readiness Resource Entity Scorecard launched on Nov. 6**
  - This is an online tool for Resource Entities to report market readiness for transitioning to the nodal market
  - The scorecard tracks progress in three areas:
    - MP10 - Mapping of Resources to Resource Nodes and Resources to EPS Meters
    - MP11 - MP Registration Activities
    - MP21 - Wind Generation Resources ICCP Telemetry (if applicable)

- **No tasks on the program critical path are currently behind schedule**
- **Core Projects**
  - NMMS Validation Rules Set 1 Implemented
  - EMS CIM Importer completed Functional Acceptance Test (FAT) on data model 1.20 on Nov. 5. AREVA is addressing one performance issue
  - MMS4 patch 4 FAT testing completed on schedule
- **Defect update – no change since last time**
- **Utilicast, the company that will conduct Nodal program audits, is onsite the week of Nov. 10**

Staffing Update

Staffing for nodal continues to trend down for contractors while holding fairly steady for ERCOT employees

Full Time Equivalent of Hours Worked

Top Risks / Issues

Description	Status
Information Lifecycle Management (ILM) strategy for ERCOT is behind schedule. – Problem: Current processes do not adequately address archival and storage requirements for Nodal; Existing Data Center constraints limit new storage growth – Without ILM in place and executed, the nodal program go-live date could be delayed because of insufficient storage	• Assigning a PM to manage a project to develop an ILM strategy and implement the strategy – Project funds have been identified – Project to be managed by Business, IT and Nodal
Nodal business process work is incomplete. Without the business process foundation in place, requirements traceability, functional testing, nodal procedures, and training work cannot be completed.	• Murray Nixon has been assigned as the PM to lead this effort. – Staffing needs and an associated budget have been developed – Project schedule development is in progress • TPTF agreed with strategy to review top level business processes for clarity and transparency; will leverage work performed in 2006-2008 for as starting point
Traceability between protocols and requirements is largely manual; not all requirements documentation has been updated to reflect NPRR changes and re-approved by TPTF	• Requirements review in process to review all project requirements documentation, approvals, and incorporation of NPRRs. • In progress: Ensuring that changes are identified by NPRR number; Determining documents posting and re-approval schedule • For December 15-16 TPTF meeting: – Provide schedule for document posting and re-approval allowing for a two week comment period

Cost: Element Summary - Updated

When the integrated schedule has been finalized and the financial impact determined we will incorporate this into an updated forecast

Nodal Program
Cost Element Summary
($ Millions)

Cost Element	Through October 2008 Budget	Through October 2008 Actual	Variance (over)/under Budget
Internal Labor	$ 44.2	$ 44.0	$ 0.2
External Labor	172.3	182.5	(10.2)
Hardware / Software	60.8	63.9	(3.1)
Travel and Other	11.4	7.1	4.3
Subtotal	$ 288.7	$ 297.5	$ (8.8)
Finance Charge	9.9	11.3	(1.4)
Total	$ 298.6	$ 308.8	$ (10.2)

Appendix

Health Indicator Measures

Metric	Green	Amber	Red
Overall	Both core indicators are green	At least one core indicator is amber, but none are red	At least one core indicator is red
Schedule	All activities on the critical path are complete, or are expected to be complete, on or ahead of the planned dates	No dates have been missed, but one or more critical path activities is forecasted to complete late	At least one critical path deliverable has missed its due date. Project implementation date is in jeopardy
Budget (hrs)	Project forecasted to complete within the baselined hours	Project forecasted to complete up to 5% over the baselined hours	Project forecasted to complete more than 5% over the baselined hours
Scope	All Requirements approved; no unplanned scope changes	Pending approvals for Requirements; no unplanned scope changes	Unapproved Requirements and/or unplanned scope changes
Resources	All key resource positions are filled and no schedule delays are expected.	One or two key positions are not staffed and the schedule may be adversely impacted.	More than two key positions are not staffed and the schedule will be impacted.
Risk	All project risks have a Risk Score =< 4	At least one project risk has a Risk Score => 5 and =< 8	At least one project risk has an Risk Score => 9
Issues	All issues are being resolved by the required due dates	Some issues are remaining open past the required due dates but none are of "critical" priority (Impact = 3 or 4)	At least one "critical" priority issue (Impact = 3 or 4) is open past the due date
Quality Control	Defect metrics meet all of the following: • # of Severity 1 = 0 • # of Severity 2 = 0 • Avg. #. Days to Close Sev 1 and Sev 2 Defects < 45 • % Reopen Defects < 15	Defect metrics meet at least one of the following: • #. Severity 1 = 1 to 5 • #. Severity 2 = 1 to 5 • Avg. # Days to Close Sev 1 and Sev 2 Defects => 45 and =< 90 • % Reopen => 15 and =< 24	Defect metrics meet at least one of the following: • #. Severity 1 > 5 • #. Severity 2 > 5 • Avg. # Days to Close Sev 1 and Sev 2 Defects >90 • % Reopen >24

Questions ?