



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Texas Regional Entity Compliance Report

December 8, 2008

Overview

- **November 2008 ERCOT's CPS1 Monthly Performance**
- **November 2008 SCPS2 Scores for QSEs**
- **October 2008 Resource Plan Performance Metrics for QSE's**
- **New Work**
- **Update on Key Issues**
- **Major Compliance Accomplishments**
- **Protocol/Nodal Update**
- **Key Organizational Challenges**



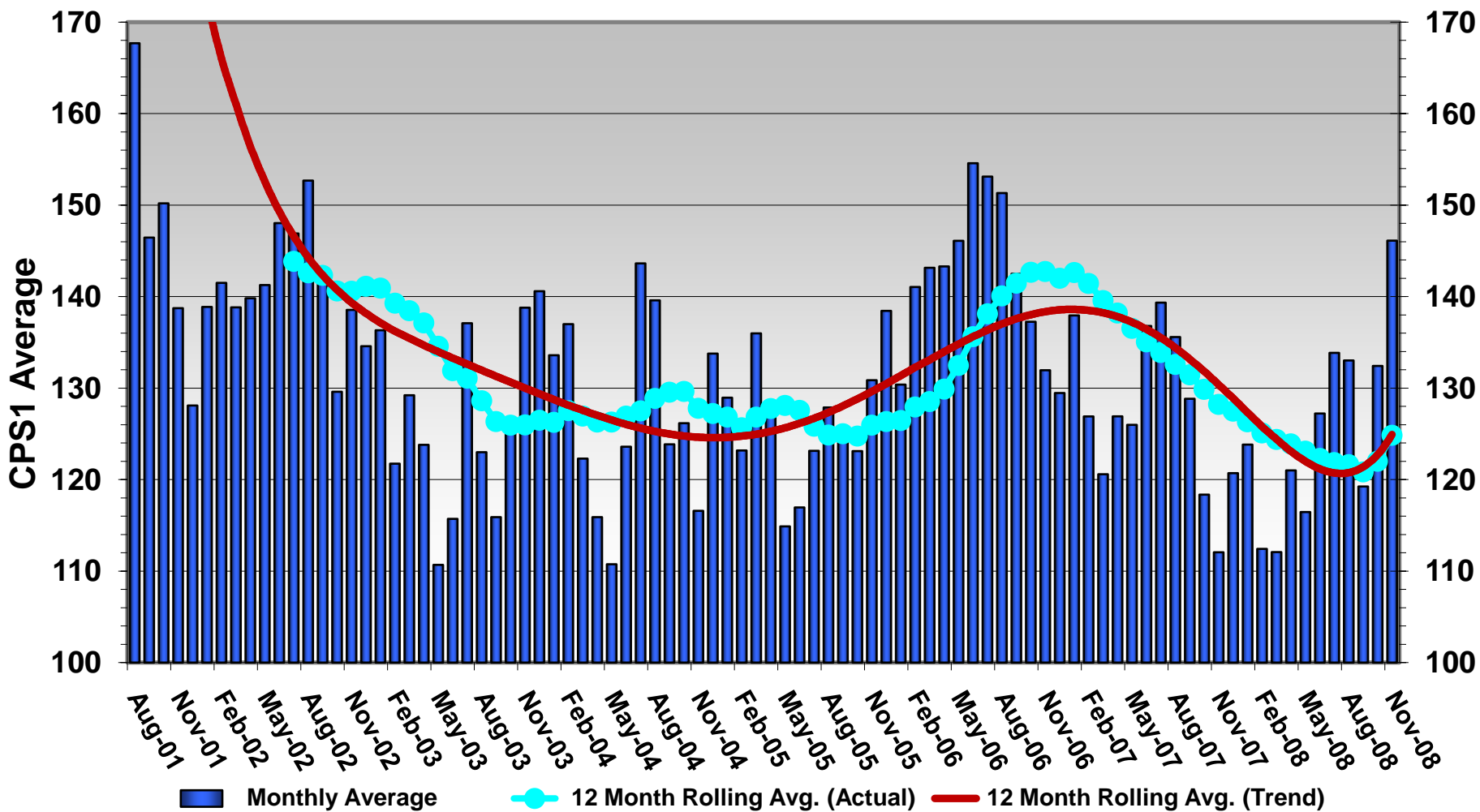
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Report Details

November 2008 ERCOT's CPS1 Monthly Performance



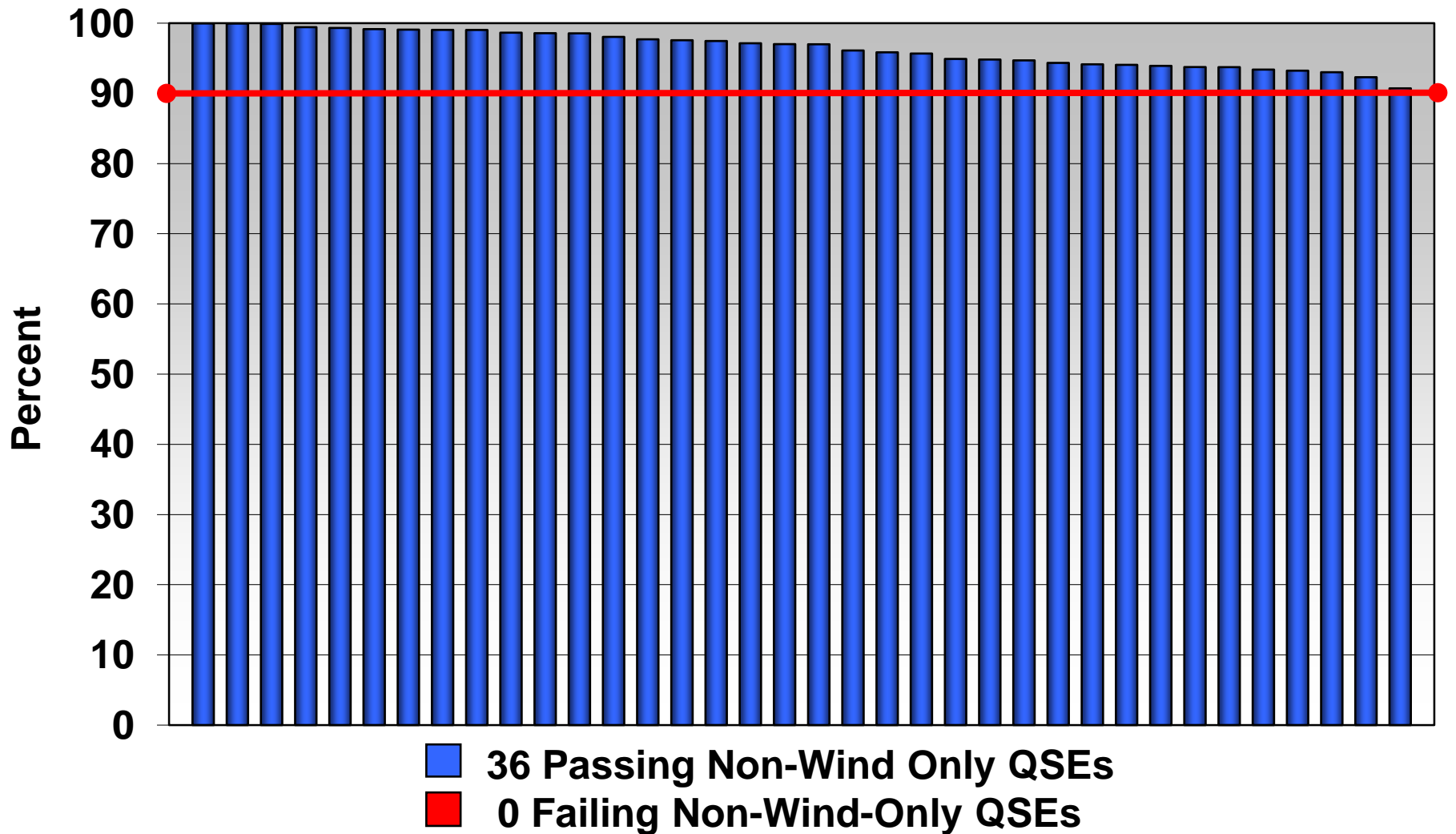
Analysis of CPS1 Monthly Performance

- **Purpose**: To maintain Interconnection steady-state frequency within defined limits by balancing real power demand and supply in real-time
- **CPS1 is one reliability measure of how well the ERCOT Region managed the BPS**
- **The measure is based on a rolling 12 month average**
- **ERCOT Region's frequency performance is determined by NERC Control Performance Standard 1 (CPS1)**

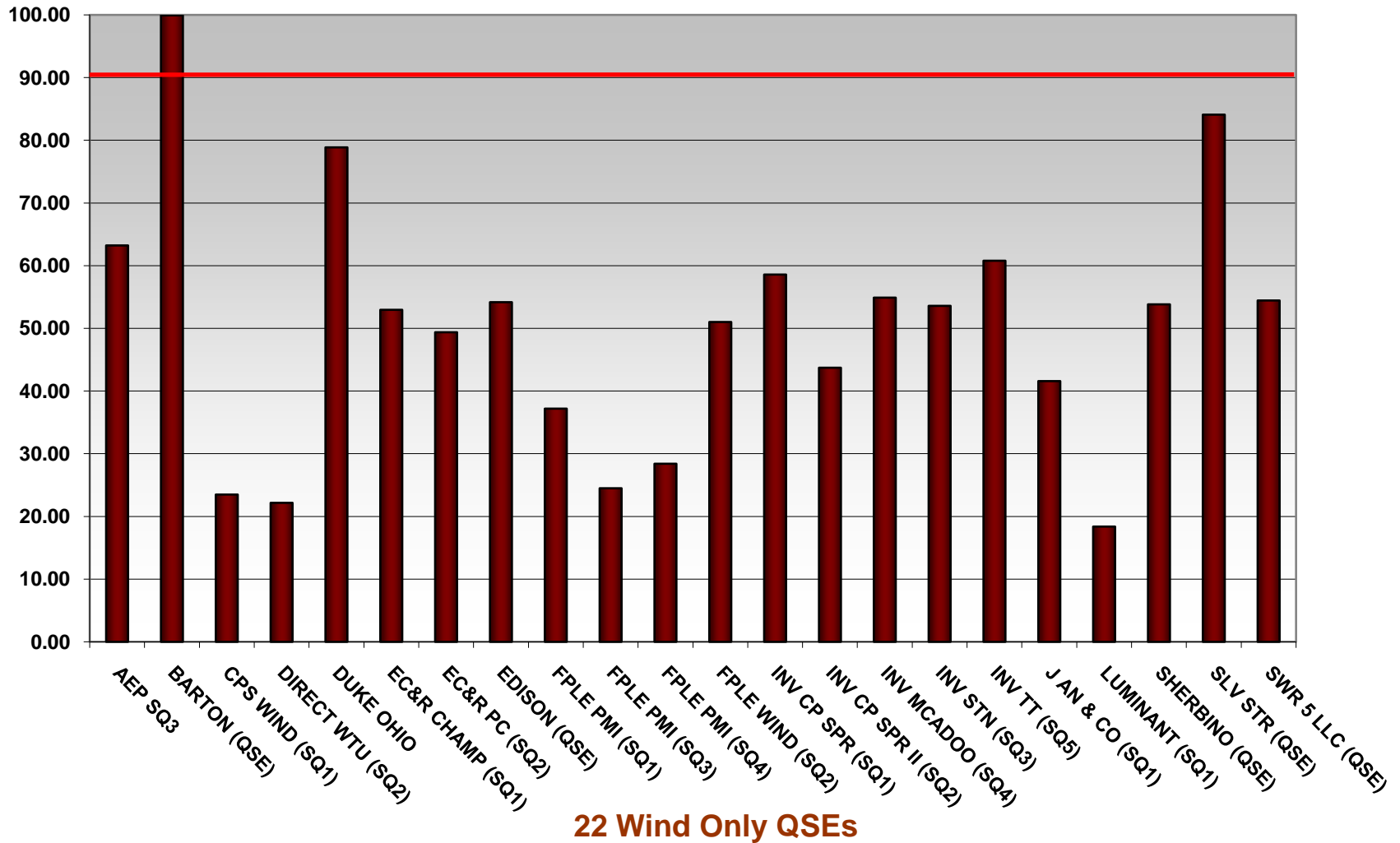
Analysis of CPS1 Monthly Performance (cont.)

- **Seasonal fluctuation is expected**
- **Scores for individual months can be adversely affected by events, such as hurricanes**
- **A detailed formula can be found in NERC Reliability Standard BAL-001-0a**
- **There was a sharp decrease in September 2008 due to Hurricane Ike and a recovery in October 2008**

November 2008 SCPS2 Scores for Non-Wind Only QSEs



November 2008 SCPS2 Scores for Wind Only QSEs



Analysis of November 2008 SCPS2 Scores

- **This is a schedule focused metric**
- **Calculations are Portfolio Based by QSE**
- **Because of variations in the wind, it is more difficult for wind generators to match their scheduled generation to their actual output**
- **A detailed formula can be found in Protocol 6.10.5.3**

Wind Only SCPS2 Recommendations

- **The wide variation on SCPS2 wind scores for wind only QSEs should be analyzed to determine what is driving the wide variation between QSEs' performance**
- **The metric should be revised to make it relevant to wind generation operation and reasonable performance requirements should be set and enforced**
- **The metrics for wind and non-wind generation should be tailored to be more meaningful and enforceable**

October 2008 Resource Plan Performance Metrics for Non-Wind Only QSEs

Resource Plan Performance Metric	ID																			
	DK	DE	IP	AP	AO	HA	BY	BC	JA	AY	AM	AR	BR	HJ	DF	CI	AD	BJ	JD	
Resource Status	100	100	100	100	100	100	100	100	100	98	99	100	99	-	100	100	100	100	100	
LSL as % of HSL	97	100	93	100	95	94	99	100	99	100	100	99	97	-	100	94	99	99	99	
DA Zonal Schedule	100	100	100	100	100	100	100	100	100	92	100	100	99	100	100	98	100	100		
AP Zonal Schedule	100	100	95	100	99	99	98	100	100	98	100	100	98	100	100	97	100	99		
Down Bid & Obligation	99	97	96	99	99	99	93	100	100	99	90	100	100	100	90	99	100	96		
Total Up AS Scheduled	-	99	-	100	99	97	95	99	97	99	97	100	92	-	98	-	-	100		

Resource Plan Performance Metric	ID																			
	CF	ET	JO	DA	DP	EU	BG	CX	FK	HW	IN	IZ	BX	CC	CD	AC	IE	CQ	IO	
Resource Status	100	100	100	98	100	100	100	100	100	99	100	100	100	100	90	99	100	100		
LSL as % of HSL	100	100	100	100	100	-	96	99	100	100	100	100	100	96	90	100	98	97		
DA Zonal Schedule	96	-	100	94	100	-	100	100	100	100	100	100	98	100	100	100	100			
AP Zonal Schedule	100	-	100	98	100	-	99	99	100	100	99	100	99	99	100	98	100			
Down Bid & Obligation	100	-	99	99	99	-	100	96	100	93	100	100	99	93	92	91	100			
Total Up AS Scheduled	100	-	99	92	99	-	100	98	97	98	97	100	99	99	97	-	99			

 4 Consecutive Failing Scores

 3 Consecutive Failing Scores

 2 Consecutive Failing Scores

 1 Failing Score

Note: These are non-adjusted scores for the month of October

October 2008 Resource Plan Performance Metrics for Wind QSEs

Resource Plan Performance Metric	ID																					
	JG	BT	HJ	BH	DI	JM	JL	GR	GS	HS	BF	BE	FX	JH	JI	JN	JJ	JC	JK	JE	IV	CR
DA Zonal Schedule	100	92	100	100	100	100	100	100	100	96	100	100	100	100	100	100	100	70	96	100	100	100
AP Zonal Schedule	97	95	100	100	100	97	99	100	97	99	100	100	100	98	100	99	98	100	100	100	100	-
Down Bid & Obligation	100	97	100	98	-	99	100	100	100	100	99	100	100	100	99	100	100	100	100	100	100	-



4 Consecutive Failing Scores



3 Consecutive Failing Scores



2 Consecutive Failing Scores



1 Failing Score

Note: Wind only QSEs do not have Resource Status, LSL as a % of HSL and Total Up AS Scheduled scores.

Analysis of October 2008 Resource Plan Performance Metrics

- **IO – Westar SQ1 (Non-Wind Only QSE)**
 - Third time with a failing score in Adjustment Period Zonal. Second time with a failing score in Down Bid & Obligation. Westar SQ1 was informed by email about their score and did not provide a response contesting the failed score.

- **JC – J Aron and Company (Wind Only QSE)**
 - Fourth consecutive month with a failing score in Day Ahead Zonal. J Aron has been informed by email about their violation.

- **Initiated 5 Protocol and Operating Guides Violations**
- **Initiated 5 NERC Preliminary Notice of Alleged Violations**
- **Initiated 1 Event Analysis**

Update on Key Issues

- **Five entities are in settlement discussions representing 17 violations**
- **Texas RE's review of the entity "D" mitigation plan is complete. Settlement discussions are ongoing.**

Major Compliance Accomplishments

- **2008 Self-Certification Forms were issued by Texas RE and 100% of the responses have been received**
- **12 SPS Event Analyses were completed and closed**
 - Involves 3 entities
 - No violations were found
- **4 SPS Event Analyses are still pending**
 - Texas RE will Spot Check all TOs involved

- **Texas RE and the PUC:**

- Continue to work together on appropriate categories of metrics for the Nodal market
- Need participation by TAC and its subcommittees to determine appropriate working groups for to address Nodal metrics
- Will continue to attend meetings of the market participant committees and working groups developing Nodal (or Zonal) metrics

Key Organizational Challenges Moving Forward

- **Potential for significant work load increases due to unknowns such as investigations, appeals, registrations, etc.**
- **Increased level of participation in ERCOT committees/working groups, and in performance metrics development**
- **FERC Audit**
- **NERC/Regional Entity 3 year performance assessment- FERC requirement**