



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

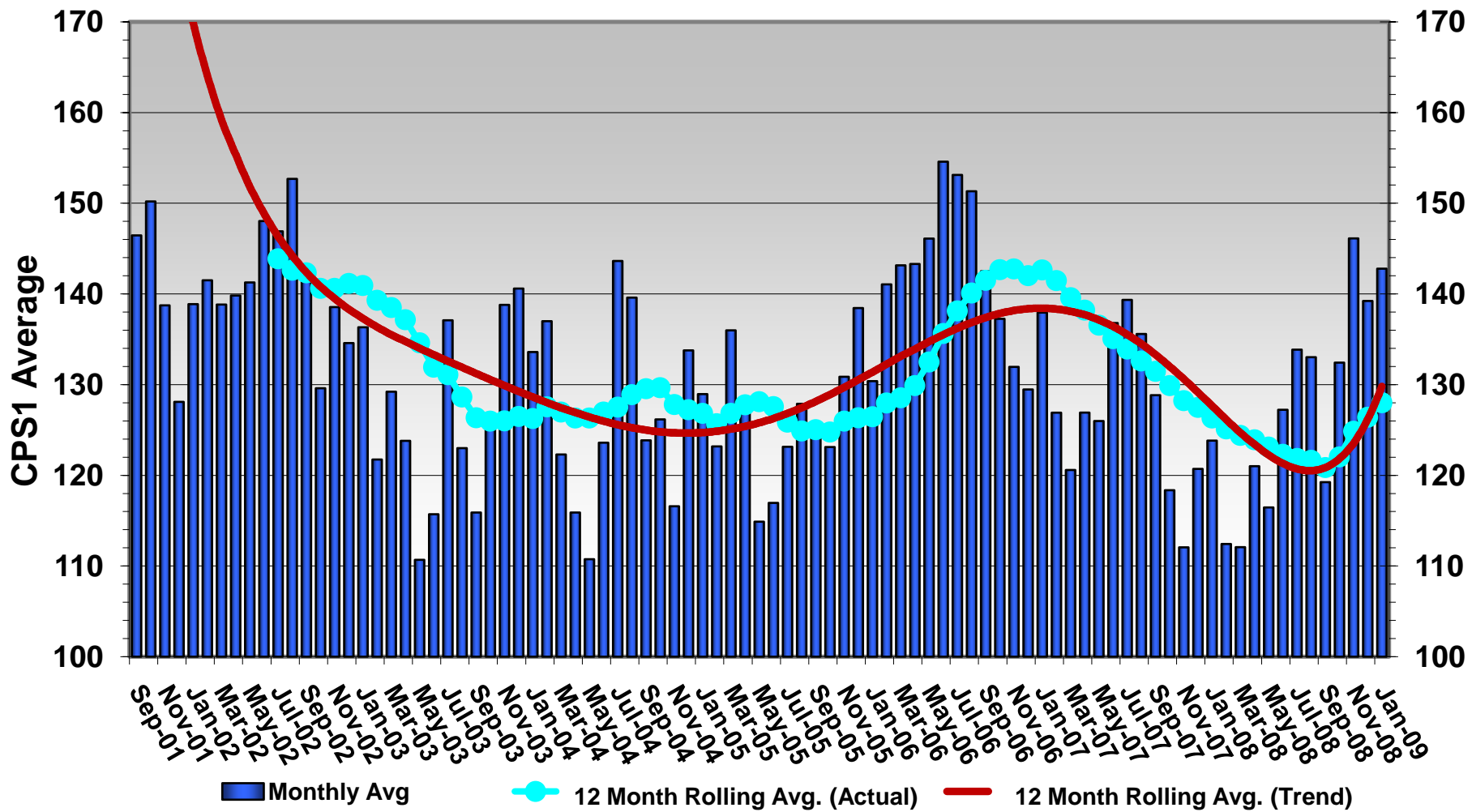
Texas Regional Entity Compliance Report

Board of Directors
February 16, 2009

Overview

- **January 2009 ERCOT's CPS1 Monthly Performance**
- **January 2009 SCPS2 Scores for Non-Wind and Wind Only QSEs**
- **December 2009 Resource Plan Performance Metrics for Non-Wind and Wind Only QSEs**
- **January 2009 Compliance Progress**
- **Update on Key Issues**

January 2009 ERCOT's CPS1 Monthly Performance



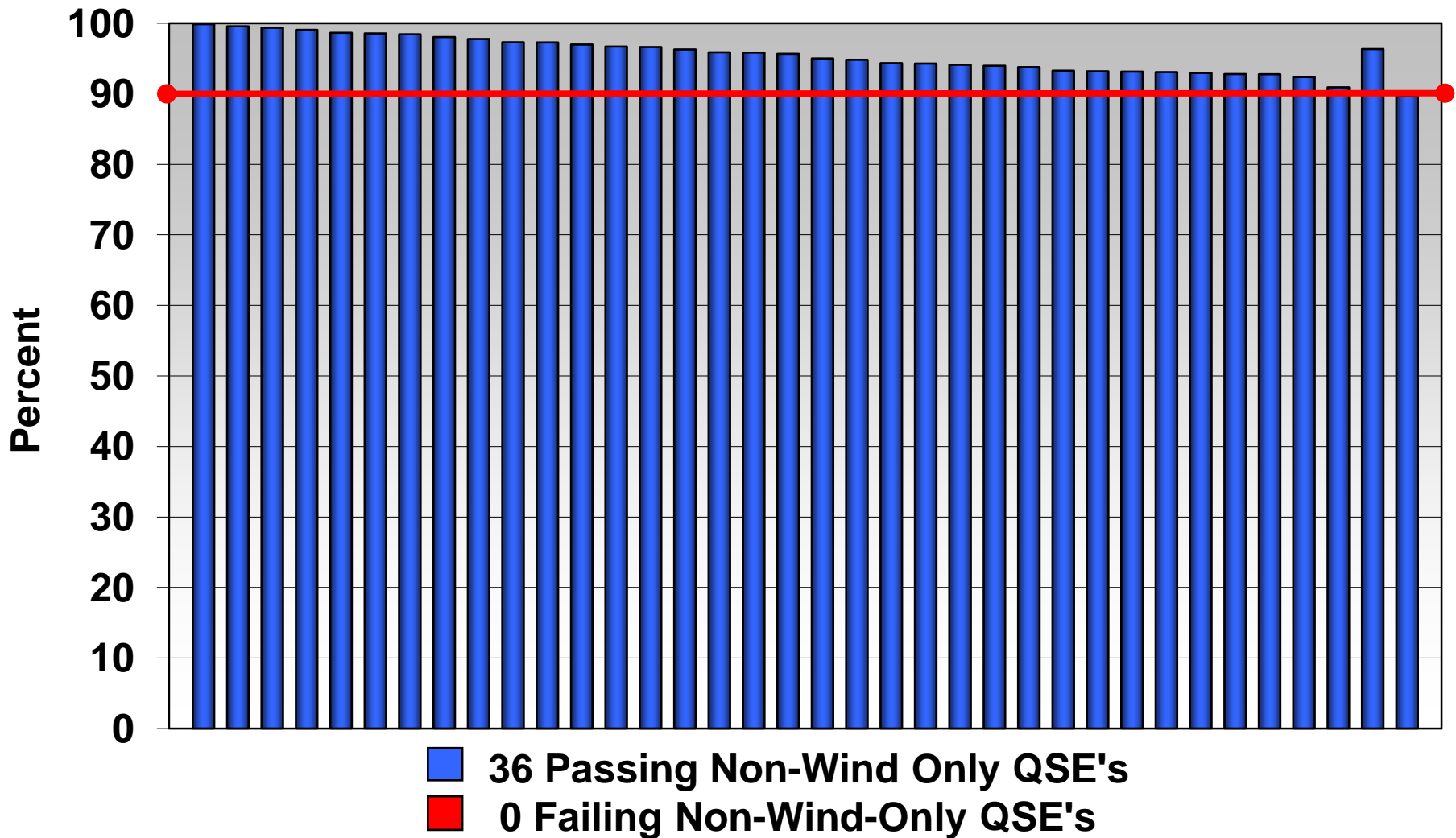
Analysis of CPS1 Monthly Performance

- **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)**

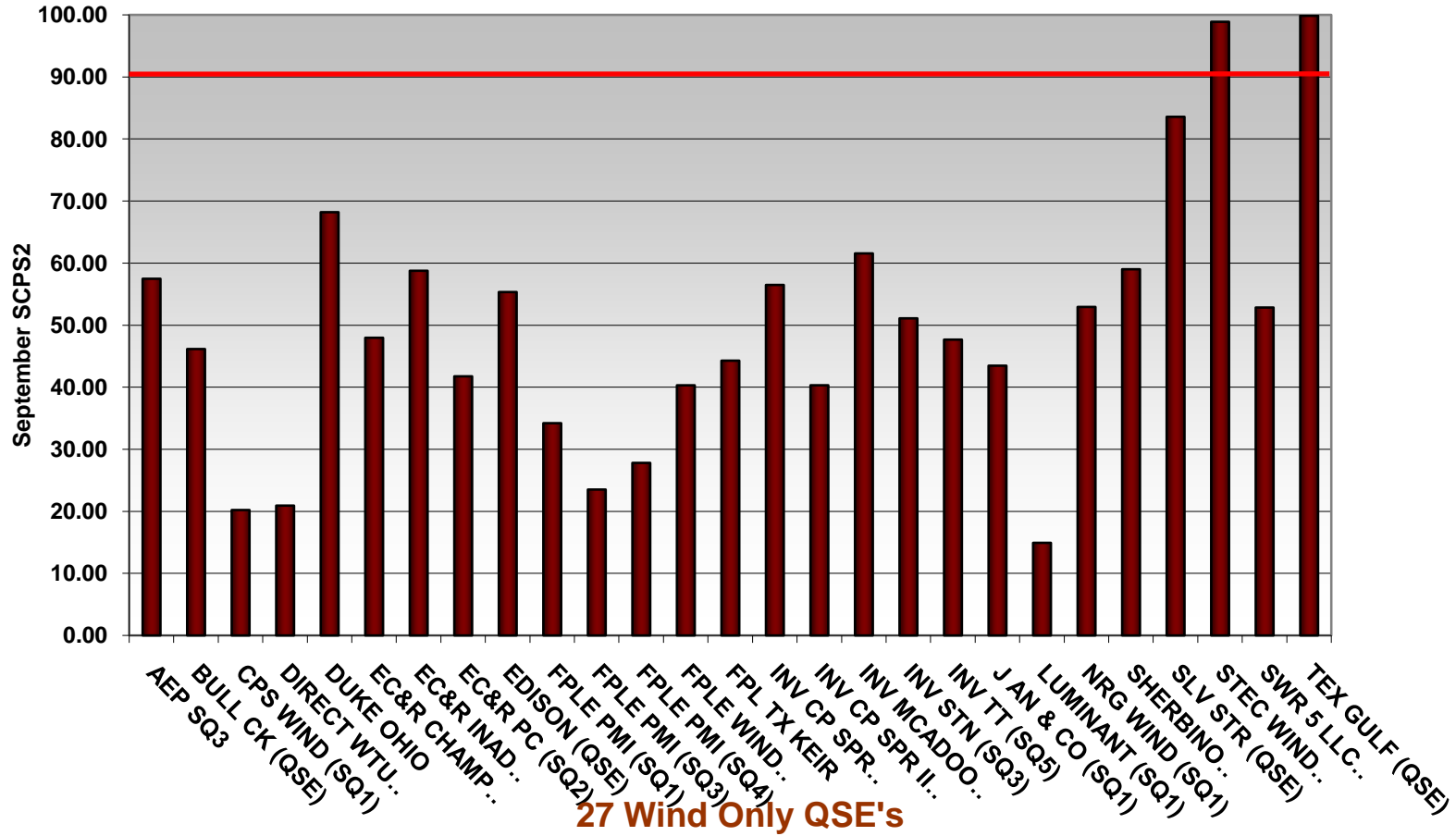
Analysis of CPS1 Monthly Performance (cont.)

- **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**
- **Per ERCOT ISO, recent improvements in CPS1 have been partially attributed to a reduction in non-conforming loads (e.g. steel mills) due to the economic downturn**

December 2008 SCPS2 Scores for Non-Wind Only QSEs



December 2008 SCPS2 Scores for Wind Only QSEs



Analysis of December 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**
- **4th Straight month that all non-wind only QSEs passed**

December 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	DF	CI	AD	BJ	JD
Resource Status	100	100	100	100	100	100	100	100	100	99	99	100	99	99	100	100	100	100
LSL as % of HSL	99	96	98	93	95	92	99	100	92	100	100	100	98	100	95	98	100	99
DA Zonal Schedule	100	100	99	100	100	100	100	100	100	90	100	100	100	100	100	100	100	98
AP Zonal Schedule	99	99	99	100	100	99	100	100	100	92	100	100	100	100	98	99	100	99
Down Bid & Obligation	99	-	-	96	100	97	93	99	99	97	36	100	48	98	98	98	97	99
Total Up AS Scheduled	-	100	-	100	97	100	98	100	99	98	99	98	97	88	-	-	-	85

Resource Plan Performance Metric	ID																	
	CF	JO	DA	DP	BG	JV	JU	CX	FK	HW	IN	IZ	BX	CC	CD	AC	CQ	
Resource Status	100	100	99	100	100	99	99	100	100	100	99	100	100	100	98	100	100	
LSL as % of HSL	99	97	100	100	98	100	100	99	92	93	100	98	100	99	97	100	96	
DA Zonal Schedule	99	97	98	100	99	100	100	100	100	99	100	100	99	100	100	100	99	
AP Zonal Schedule	98	99	98	100	100	99	96	93	99	100	98	99	99	98	100	100	99	
Down Bid & Obligation	98	94	94	96	98	-	-	93	100	96	95	98	95	94	93	98	96	
Total Up AS Scheduled	100	97	94	99	99	99	100	95	96	97	95	91	99	98	96	-	100	

 4 Consecutive Failing Scores

 3 Consecutive Failing Scores

 2 Consecutive Failing Scores

 1 Failing Score

Analysis of December 2008 Resource Plan Performance Metrics for Non-Wind Only QSEs

- **AM – City of Austin DBA Austin Energy (QSE)**
 - First time failing the Resource Plan Performance Metric Down Bid & Obligation measure. AEN was informed about their failing score and are investigating the cause.
- **BR – City of San Antonio City Public Service (QSE)**
 - First time failing the Resource Plan Performance Metric Down Bid & Obligation measure. CPS was notified of their failing score and acknowledge the score. The City of San Antonio City Public Service found the problem and have corrected their procedures.

Analysis of December 2008 Resource Plan Performance Metrics for Non-Wind Only QSEs (cont.)

- **DF – Constellation Energy Commodities Group Inc (QSE)**
 - Second time failing the Resource Plan Performance Metric Total Up AS Scheduled Obligation measure. Constellation was notified and acknowledged the score and has corrected the problem.
- **JD – Energy Co Marketing and Trading LLC (QSE)**
 - First time failing the Resource Plan Performance Metric Total Up AS Scheduled Obligation measure. Energy Co was notified and acknowledge the score. They explained the cause of the low score and are taking steps to correct the problem.

December 2008 Resource Plan Performance Metrics for Wind Only QSEs

Resource Plan Performance Metric	ID														
	JG	BT	JF	JS	HJ	BH	JY	JM	JW	JL	GR	GS	HS	BF	BE
DA Zonal Schedule	100	100	100	100	100	100	100	100	100	97	100	100	100	97	98
AP Zonal Schedule	100	100	98	99	98	99	99	100	100	99	100	100	100	100	100
Down Bid & Obligation	100	93	99	93	100	100	100	100	100	100	100	100	99	100	100

Resource Plan Performance Metric	ID														
	FX	JH	JI	JN	JJ	JT	JC	HE	JQ	JP	JK	JE	JR	IV	
DA Zonal Schedule	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
AP Zonal Schedule	100	100	100	99	100	100	100	-	99	100	100	100	-	100	
Down Bid & Obligation	100	100	99	100	100	100	100	-	100	100	100	100	94	96	



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 percentage of HSL and Total up AS Scheduled scores.

January Compliance Activities

- **There were 3 recordable events involving the SPS activation for Wind GOs that are being reviewed by Texas RE**
- **Three NERC Audits were Conducted**
- **Critical Infrastructure Protection (CIP) Self Certifications were due January 31, 2009**
 - 156 Registered Entities (RE)
 - 147 met deadline
 - 8 needed help with certification statements
 - 1 was granted an extension
 - As of February 6, 2009, 155 of 156 RE's have successfully submitted

Update on Key Issues

- **Texas RE Compliance portal went live on December 31, 2008 and was used successfully for the CIP Self-Certification submissions**

25th Annual ERCOT Operations Training Seminar

- **Target Audience** - Qualified Scheduling Entity (QSE) and Transmission/Distribution Service Provider (TDSP) operators and those who provide management, supervision and support for the operators. The seminar is also open to power marketers, retail electric providers and others associated with the Bulk Electric System.
- **COST:** \$299 until March 1, 2009, then \$349
- **Location:** [Wyndham Garden Hotel – Austin](#)

Seminar Schedule

25th Annual ERCOT Operations Training Seminar:

<u>Session</u>	<u>Seminar Date</u>	<u>Deadline</u>
Session 1	Mar. 9 - 12, 2009	Feb. 19, 2009
Session 2	Mar. 16 - 19, 2009	Feb. 26, 2009
Session 3	Mar. 23 - 26, 2009	Mar. 5, 2009
Session 4	Mar. 30 – Apr. 2, 2009	Mar. 12, 2009
Session 5	Apr. 6 - 9, 2009	Mar. 19, 2009
Session 6	Apr. 13 - 16, 2009	Mar. 26, 2009

http://www.ercot.com/services/training/Operations_Training_Seminar

- **Public Utility Commission of Texas (PUCT) and Texas RE requested an update from the TAC on the plan and progress for developing Nodal Protocols and Operating Guides monitoring programs and metrics**
 - Letter was sent to TAC Chair in December 2008
 - Response was requested by February 2, 2009
 - TAC did not respond by February 2, 2009
 - ERCOT ISO is drafting new section on Operating Guides related to Nodal metrics
 - NOGRR will need input from market participants

Nodal Metrics Development (Continued)

- TAC discussed the development process on February 5, 2009 meeting
- TAC will provide draft TAC work plan
- ROS will discuss moving the metrics development forward on February 12, 2009 meeting
- Texas RE and PUCT staff will participate and monitor the development process

Load Serving Entity (LSE)

- **NERC Regional Reliability Standards Working Group Meeting was held in Austin in January with other Regional Entities, NERC and FERC**
- **FERC staff suggested the proposed regional standard to remove LSE function from the six standards would not be approved**
- **Slight modifications to the LSE registration plan**
 - Attempt the full Joint Registration Organization (JRO) registration with those six standards included
 - Otherwise concurrent LSE registration

PRR & OG Highlights

- **PRR 787** – Drastically reduces reliability. Market participants are able to pass this metric as it exists today and does not impose an unreasonable burden on the market. Texas RE has filed comments. Texas RE opposes any move to reduce the rigor of SCE monitoring.
- **PRR 796** – Requires clarification. As written, it weakens the Resource Plan Metrics. Texas RE has provided written comments on this PRR.

Texas RE Year End Stats – 2008 NERC Reliability Standards

- **From January 1, 2008 to December 31, 2008, Texas RE has conducted, processed, reviewed, or issued the following:**
 - Audits: 40
 - Spot-Checks: 8
 - Self-Certifications: 231
 - CIP Self-Certifications: 123
 - Complaints: 3 related to NERC Standard Violations
 - Compliance Violation Investigation (CVI): 1 Texas RE led; 1 NERC led
 - Self Reports reviewed: 12

Texas RE Year End Stats- 2008 NERC Reliability Standards (Continued)

- Notices of Violation Issued: 38
- Number of Notices of Violation closed: 211
- Number of Mitigation Plans received: 41
- Number of Mitigation Plans approved by NERC: 29

Texas RE Year End Statistics- 2008 ERCOT Protocols

- **From January 1, 2008 to December 31, 2008, Texas RE has conducted, processed reviewed or issued the following:**
 - Incidents: 10 related to ERCOT Protocols and Operating Guides
 - Notices of violation issued: 24
 - Number of notices of violation closed: 14
 - Number of mitigation plans received: 23
 - Number of mitigation plans accepted by Texas RE: 18

Texas RE Year End Stats – 2007 NERC Reliability Standards

- **From January 1, 2007 to December 31, 2007, Texas RE has conducted, processed, reviewed, or issued the following:**
 - Audits: 14
 - Spot-Checks: 12
 - Self-Certifications: 165
 - CIP Self-Certifications: 168
 - Complaints: 0 related to NERC Standard Violations
 - Compliance Violation Investigation (CVI): 0 Texas RE led; 0 NERC led
 - Self Reports reviewed: 79

Texas RE Year End Stats – 2007 NERC Reliability Standards (Continued)

- Notices of Violation Issued: 229
- Number of Notices of Violation closed: 0
- Number of Mitigation Plans received: 222
- Number of Mitigation Plans approved by NERC: 201