



**TEXAS
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ENTITY™**

An Independent Division of ERCOT

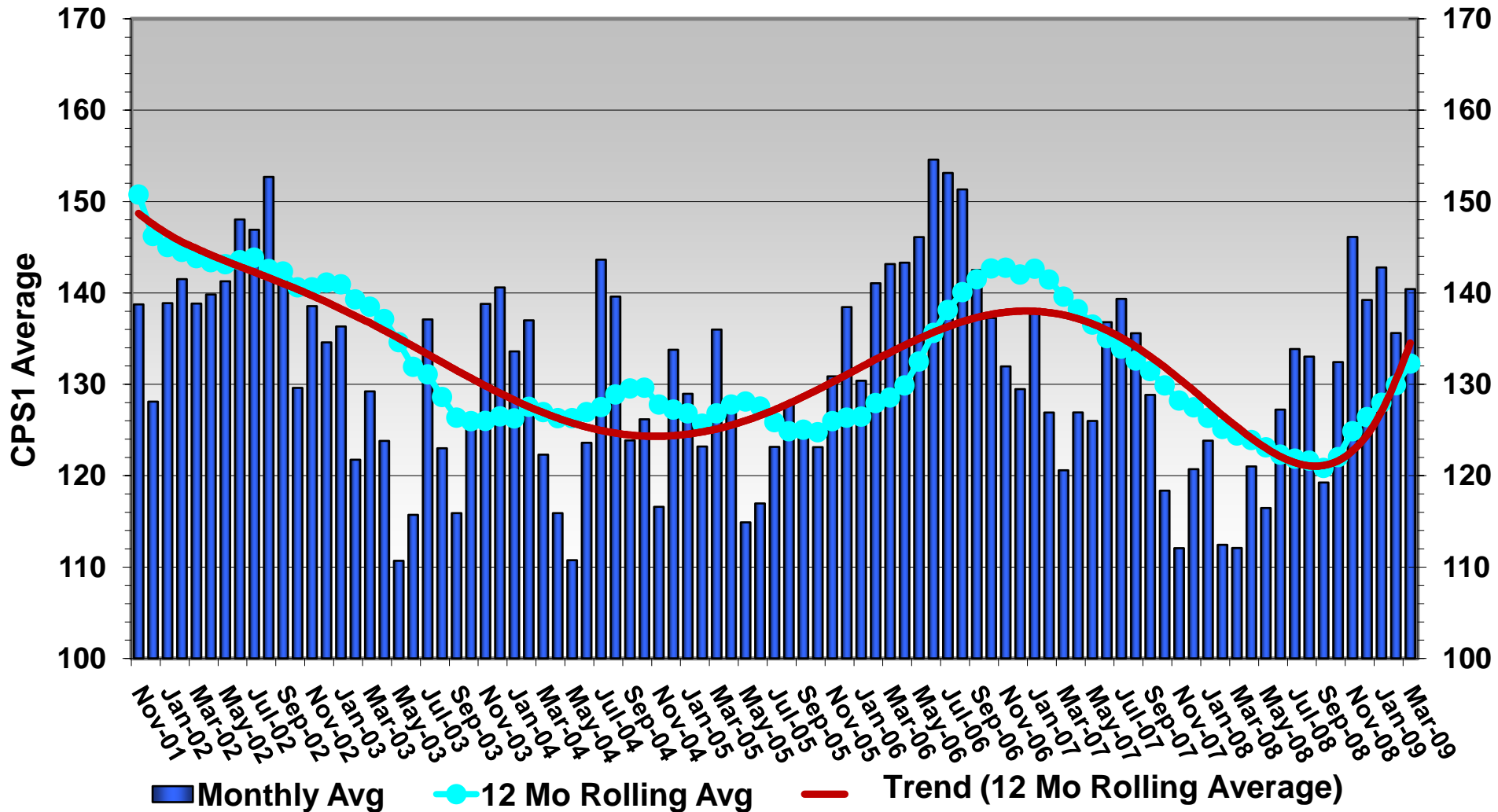
Texas Regional Entity Compliance Report

Board of Directors
April 21, 2009

Overview

- **March 2009 ERCOT's CPS1 Monthly Performance**
- **March 2009 SCPS2 Scores for Non-Wind and Wind Only QSEs**
- **February 2009 Resource Plan Performance Metrics for Non-Wind and Wind Only QSEs**
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- **Nodal Market Preparedness**
- **PRR 787 – SCPS2 Metric**
- **PRR 800 – QSE Day Ahead Metric for Wind**
- **NERC Audit & Enforcement Highlights**

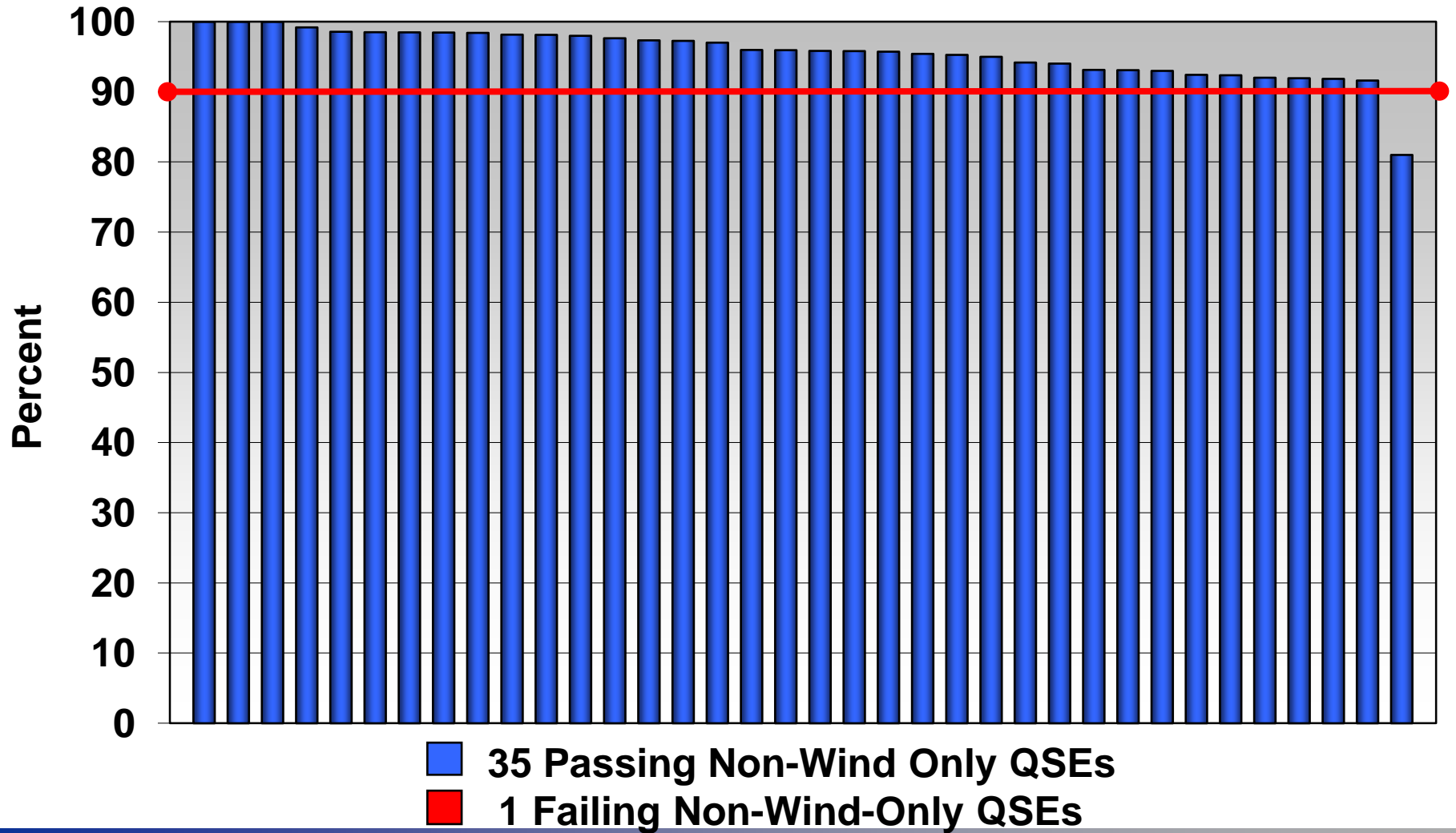
March 2009 ERCOT's CPS1 Monthly Performance



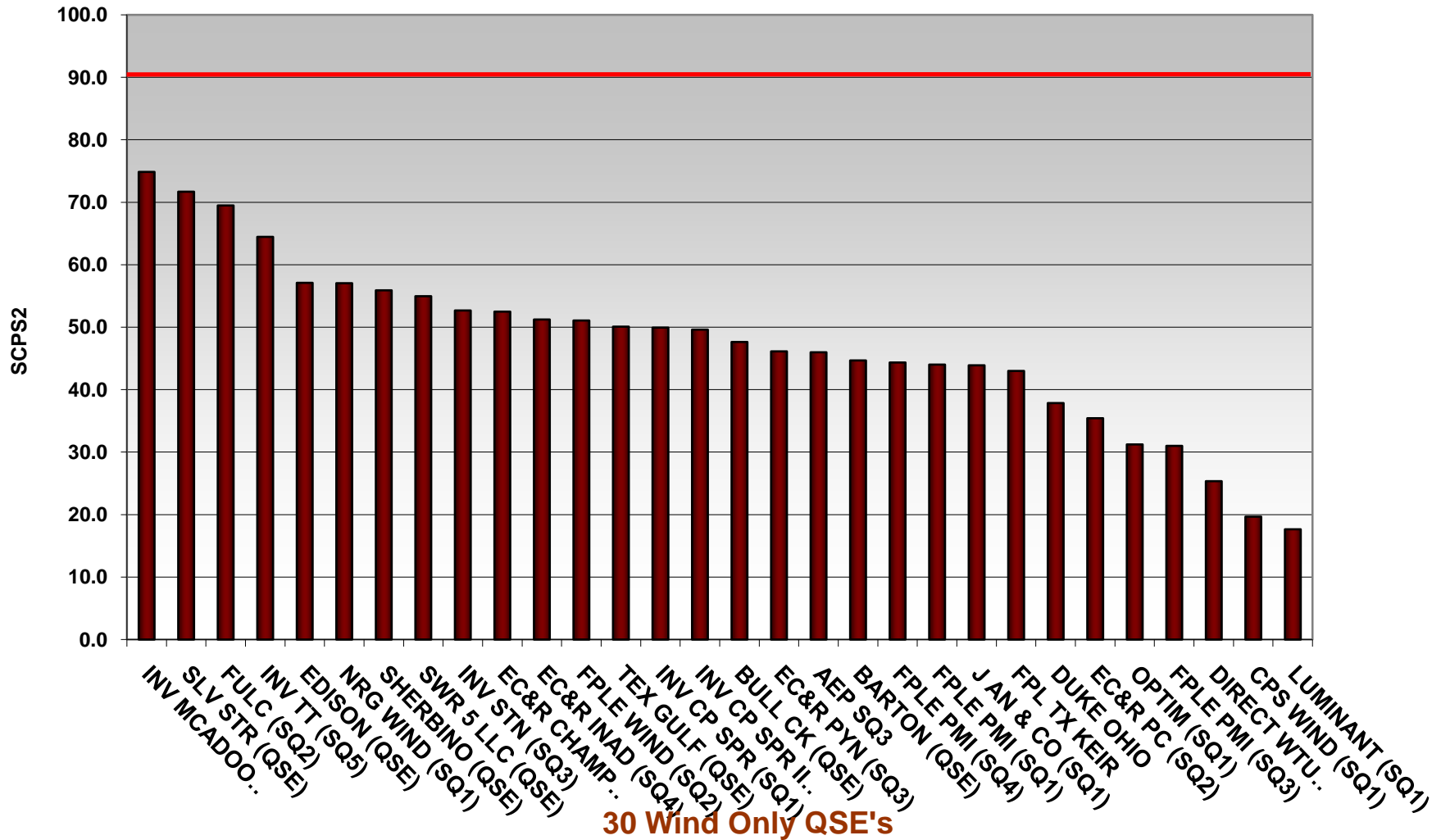
Analysis of CPS1 Monthly Performance

- **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**
- **ERCOT region's frequency performance is determined by NERC Control Performance Standard 1 (CPS1)**
- **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**

March 2009 SCPS2 Scores for Non-Wind Only QSEs



March 2009 SCPS2 Scores for Wind Only QSEs



Analysis of March 2009 SCPS2 Scores

- **This is a schedule focused metric**
- **Calculations are Portfolio Based by QSE**
- **A detailed formula can be found in Protocol 6.10.5.3**

February 2009 Resource Plan Performance Metrics for Non-Wind Only QSEs

Resource Plan Performance Metric	ID															
	CC	JO	DF	IP	IZ	JU	JD	AC	ET	BY	CQ	JV	FK	AR	CX	BR
Resource Status	100	98	100	100	98	99	100	100	100	100	100	100	100	100	100	98
LSL as % of HSL	95	100	99	98	99	100	99	99	99	97	-	98	99	100	100	100
DA Zonal Schedule	100	100	100	100	97	99	100	100	100	100	100	100	100	100	99	-
AP Zonal Schedule	99	100	100	98	91	100	100	99	99	100	27	99	100	100	99	-
Down Bid & Obligation	94	100	94	99	98	95	97	96	97	98	100	99	98	95	100	-
Total Up AS Scheduled	99	98	98	-	99	97	98	99	97	99	-	-	100	98	100	100
Resource Plan Performance Metric	ID															
	AP	CD	BX	BC	IN	CI	AD	AM	CF	BJ	BG	AY	DP	DE	DA	KB
Resource Status	100	99	100	100	100	100	100	100	99	100	100	100	100	100	97	99
LSL as % of HSL	100	100	99	98	100	97	100	100	96	99	100	100	100	99	100	100
DA Zonal Schedule	100	99	100	100	99	100	100	100	100	100	100	100	100	100	100	100
AP Zonal Schedule	100	99	100	100	98	99	100	100	98	100	100	98	100	100	100	100
Down Bid & Obligation	100	97	99	2	99	99	96	97	90	100	100	94	99	98	100	99
Total Up AS Scheduled	100	94	100	-	98	100	90	91	99	97	98	100	99	99	99	-

 4 Consecutive Failing Scores

 3 Consecutive Failing Scores

 2 Consecutive Failing Scores

 1 Failing Score

Analysis of February 2009 Resource Plan Performance Metrics for Non-Wind Only QSEs

- **CQ:** CQ's low score was due to data entry errors in their balanced scheduling system. CQ incorrectly set itself as counterparty instead of ERCOT. CQ has corrected its data entry process and implemented setup checks to make sure this type of scheduling error will not be repeated.
- **BC:** BC's low score in Down Bid and Obligation occurred because its internal computer system did not update Down Bid parameters from ERCOT's MOI system. BC has corrected their program and put in place a check and balance system to make sure its system updates ERCOT's MOI information appropriately.

February 2009 Resource Plan Performance Metrics for Wind Only QSEs

Resource Plan Performance Metric	ID														
	JY	JW	JT	JS	JR	JQ	JP	JN	JM	JL	JK	JJ	JI	JH	JG
DA Zonal Schedule	100	99	100	100	98	100	100	100	100	100	92	98	100	100	98
AP Zonal Schedule	100	99	99	99	97	100	100	99	96	100	97	100	99	97	100
Down Bid & Obligation	100	97	100	98	99	99	94	100	100	100	100	100	100	100	100
	ID														
	JF	JE	JC	IV	HS	HJ	GS	GR	FX	DI	BT	BH	BF	BE	
DA Zonal Schedule	98	100	100	100	100	100	100	100	100	100	100	98	100	100	
AP Zonal Schedule	100	100	100	100	100	100	100	100	100	99	100	100	100	100	
Down Bid & Obligation	100	100	100	100	100	100	98	100	100	98	100	100	100	100	

 4 Consecutive Failing Scores

 3 Consecutive Failing Scores

 2 Consecutive Failing Scores

 1 Failing Score

Update on Key Issues

- **The 25th Annual ERCOT Operations Training Seminar was Successful Based on Comments from our Participants**
- **All six sessions completed**
- **654 people attended the seminar**
- **Continuing Education Hours (CEH) from NERC were awarded for passing the exam at the end of each seminar session**

Compliance Human Resources

- **Compliance has one unfilled, budgeted 2009 opening (Enforcement)- Outstanding offer in April**
- **Three compliance position offers were made and accepted in March and April**

Load Serving Entity (LSE) Registration Update

- **LSE Registration Working Group (LSERWG) met on April 1, 2009 to continue work on a NERC LSE Joint Registration Organization (JRO) agreement**
- **Discussions includes:**
 - 1) QSEs who represent LaaR and or EILS that have peak load of greater than 25 MW, 2) Transmission and Distribution Companies, and 3) ERCOT ISO**
- **Suggested JRO language has been posted for comment – April 21st deadline**
- **Next LSERWG meeting scheduled for April 30th**

Nodal Market Preparedness

- **Reliability rules with metrics and reports to support monitoring need to be in place prior to the Nodal Market to go live date**
- **PUCT and Texas RE continue to monitor NOGRR- 025 progress through various committees and working groups**
- **TAC to provide regular updates on NOGRR-25 at their meetings**
- **TAC to provide completed metrics and reports by July 31, 2009 for PUCT and Texas RE's review and comment**
- **Nodal transition and subsequent implementation is expected to increase Texas RE's non-statutory work load in 2010**
- **The ERCOT impact analysis will be revised to include Texas RE's work**

PRR 787 – SCPS2 Metric

- **Texas RE and PUCT met with market participants to share perspectives on improving PRR 787 wording**
- **PUCT and Texas RE submitted recommendations to better define a metric failure and guidelines for enforcement**
- **Luminant submitted comments expanding the list of interval exclusions**
- **ERCOT ISO has reviewed and commented on PUCT/Texas RE's suggested changes**
- **PUCT/Texas RE's comments were posted for comments**

PRR 800 – QSE Day Ahead Metric

- **Texas RE supports the intent of PRR 800**
- **Texas RE submitted comments modifying the methodology for determining a failure**
- **ERCOT ISO's impact analysis shall include any changes to the Texas RE's revised metric calculations, software and timeline for implementing the PRR changes**
- **With the changes Texas RE fully supports PRR 800 and believes it can be adequately monitored and enforced**

NERC Audit & Enforcement Highlights

- **Increase in violations coming out of audits in 2009**
- **NERC revised the requirements for each Notice of Alleged Violation and Penalty or Sanction (NAVAPS) in March 2009 requiring re-work of previously submitted documents**
- **Three NERC Audits were conducted in March 2009 as scheduled**