



**TEXAS
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An Independent Division of ERCOT

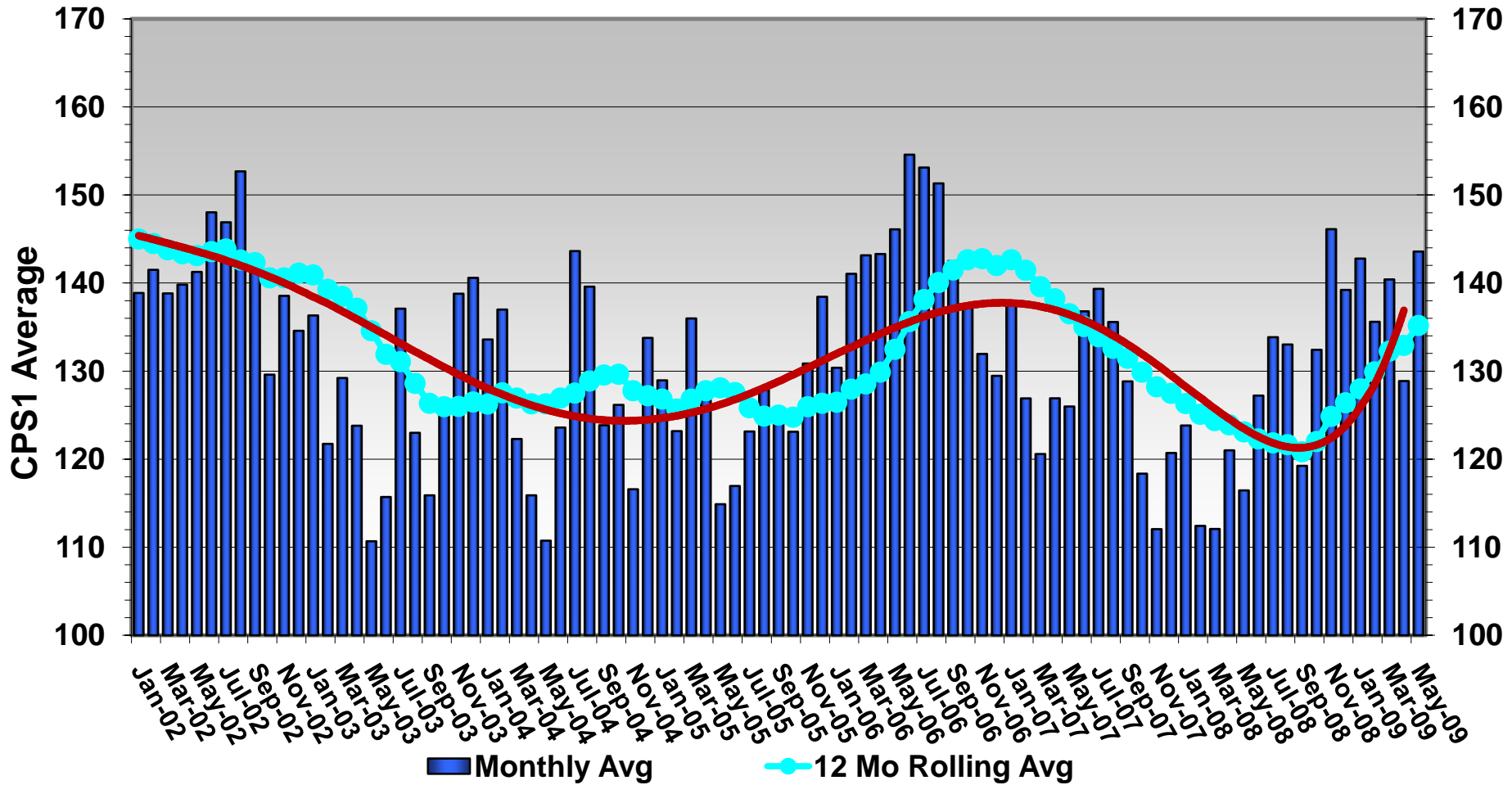
Texas Regional Entity Compliance Report

Board of Directors
June 15, 2009

Overview

- **April 2009 ERCOT's CPS1 Monthly Performance**
- **April 2009 SCPS2 Scores for Non-Wind and Wind Only QSEs**
- **March 2009 Resource Plan Performance Metrics for Non-Wind and Wind Only QSEs**
- **Key Issues**
 - NERC Registration update
 - Load Serving Entity (LSE) Registration JRO update
 - NERC Standards Self Certification Schedule
 - NERC Audit & Enforcement Highlights
 - Compliance Human Resources
 - Critical Performance Metric and Criteria for the ERCOT Nodal Market
 - Zonal PRR and OGRR progress

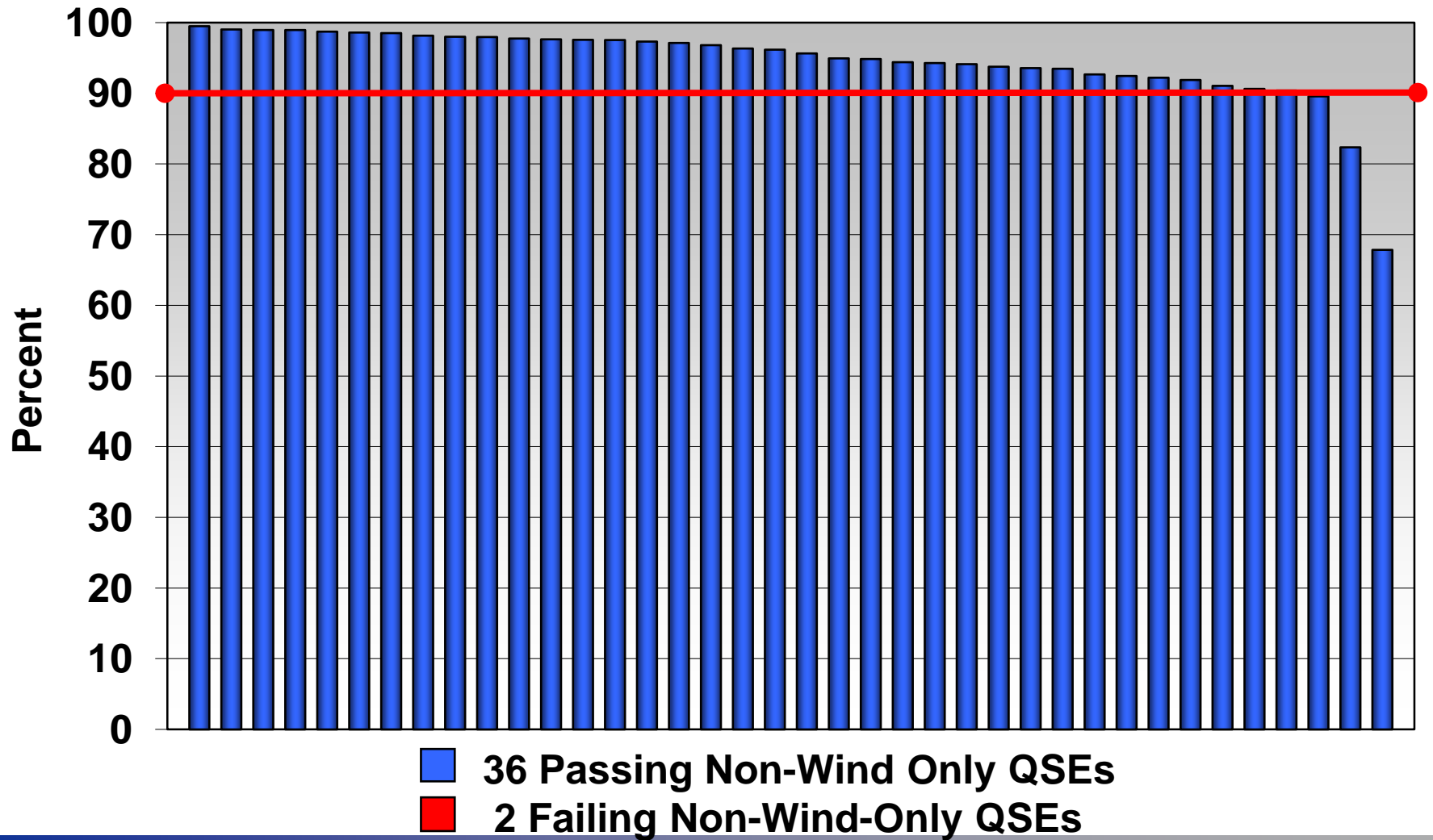
May 2009 ERCOT's CPS1 Monthly Performance



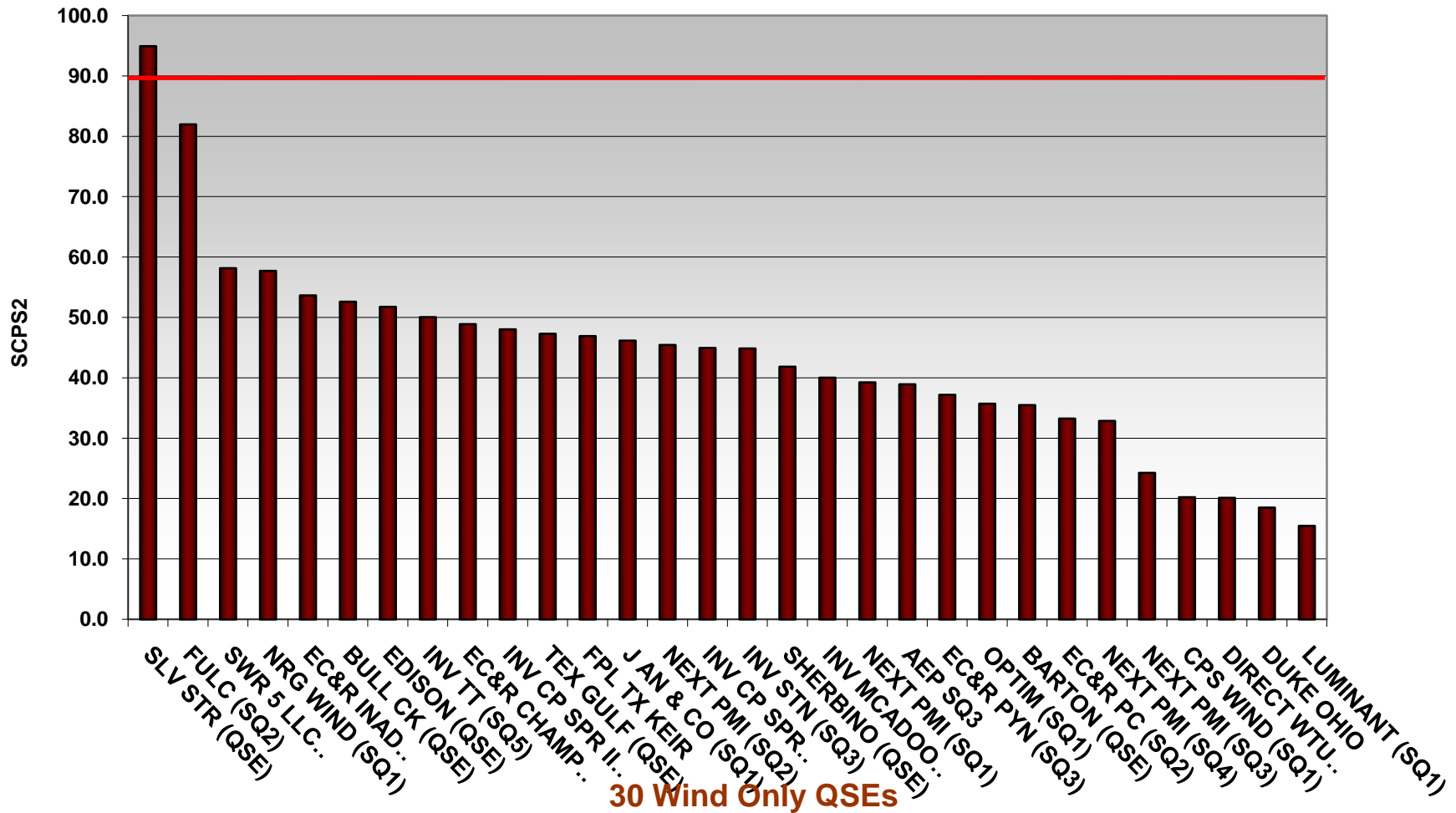
Analysis of CPS1 Monthly Performance

- **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**

May 2009 SCPS2 Scores for Non-Wind Only QSEs



May 2009 SCPS2 Scores for Wind Only QSEs



Analysis of May 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**

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

Resource Plan Performance Metric	ID																		
	DE	AP	BY	BC	AY	AM	AR	KB	BR	DF	CI	AD	BJ	CF	ET	DA	DP	IP	
Resource Status	100	100	100	100	99	98	100	100	98	100	100	100	99	100	99	99	100	100	
LSL as % of HSL	100	93	99	100	100	100	99	99	99	100		100	99	100	100	100	98	68	
DA Zonal Schedule	100	97	100	100	96	100	100	100	100	100	100	100	100	100	100	97	100	100	
AP Zonal Schedule	100	97	100	100	91	100	100	100	99	99		99	99	99	100	99	100	100	
Down Bid & Obligation	99	99	95	100	98	99	100	100	97	97		95	96	99	99	96	99	100	
Total Up AS Scheduled	100	96	99	100	98	95	100	96	97	100			100	100	100	93	100		
	ID																		
	BG	CQ	JZ	JV	JU	CX	FK	HW	JD	KA	JZ	IN	IZ	BX	CC	CD	AC	KD	
Resource Status	100	100	100	100	100	100	100	100	100	100	99	97	100	100	100	99	99	93	
LSL as % of HSL	100	90		100	100	99	94	100	100	99	99	100	91	97	95	98	100	100	
DA Zonal Schedule	98	100				100	100	96	100	100	99	100	100	100	100		100		
AP Zonal Schedule	99	97		100	91	99	100	95	99	100	98	99	100	99	96	100	100	100	
Down Bid & Obligation	99	99		100		98	100	98	98	89	91	99	99	99	82	99	99	100	
Total Up AS Scheduled	98	99		98	100	100	99	98	95	96	95	100		97	97	91		100	

 4 Consecutive Failing Scores

 3 Consecutive Failing Scores

 2 Consecutive Failing Scores

 1 Failing Score

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

- **CC – First time failing the Down Bid & Obligation Resource Plan Performance Measure. Actions: QSE was notified of its failing score. QSE acknowledged the score and affirmed it has identified the cause of the occurrences. Reason: Failed intervals resulted from Resource Plan adjustments. Solution: The QSE has taken steps to validate its resource plan against ERCOT adjustment period measures.**
- **IP – Second consecutive time failing the LSL as % of HSL Resource Plan Performance Measure. Actions: QSE was notified of its failing score. QSE acknowledged the score and affirmed the measure will be met going forward. Reason: an operational change was not correctly reported in the Resource Plan. Solution- Operators have been trained on Resource Plan scheduling requirements.**
- **KA – Second consecutive time failing the Down Bid & Obligation Resource Plan Performance Measure. Actions: QSE was notified of its failing score. QSE acknowledged the score and met with TRE regarding the measure. Reason: QSE's portfolio is challenged by the Down Bid & Obligation measure's requirements. Solution: QSE & TRE will continue communication to address the QSE's issues.**

April 2009 Resource Plan Performance Metrics for Wind Only QSEs

Resource Plan Performance Metric	ID														
	JG	BT	JF	JS	HJ	BH	DI	JY	JM	JW	JL	GR	GS	HS	BF
DA Zonal Schedule	100	98	100	100	0	100	100	100	100	100	99	97	96	99	97
AP Zonal Schedule	100	100	99	97	99	99	98	100	100	99	96	100	100	100	100
Down Bid & Obligation	100	95	98	100	100	100		100	100	99	100	100	100	100	100
	ID														
	BE	FX	JH	JI	JN	JJ	JT	JC	IV	JQ	EL	JP	JK	JE	JR
DA Zonal Schedule	97	100	100	100	100	100	100	100	100	100	100	100	100	100	100
AP Zonal Schedule	100	100	100	100	100	100	100	100	100	100		100	100	99	100
Down Bid & Obligation	99	100	100	100	100	100	100	100	100	100		100	100	100	100

 **4 Consecutive Failing Scores**

 **3 Consecutive Failing Scores**

 **2 Consecutive Failing Scores**

 **1 Failing Score**

Analysis of April 2009 Resource Plan Performance Metrics for Wind Only QSEs

- **No Resource Plan Performance Metric Violations**

Key Issues

- **NERC Registration update**
- **Load Serving Entity (LSE) Registration JRO update**
- **NERC Standards Self Certification Schedule**
- **NERC Audit & Enforcement Highlights**
- **Compliance Human Resources**
- **Critical Performance Metric and Criteria for the ERCOT Nodal Market**
- **Zonal PRR and OGRR progress**

NERC Registration Update

- **Stakeholders are encouraged to review and comment on the proposed changes to NERC Rules of Procedures (section 500), by July 6th, which modify:**
 - The rules dealing with organization registration and certification
 - Appendix 5, the Organization Registration and Certification Manual
- **Changes are posted on the NERC website:**
<http://www.nerc.com/page.php?cid=1|8|169>
- **Significant changes include:**
 - Modifications to Joint Registration Organizations
 - Addition of Coordinated Functional Registration
 - Clarification regarding process for certification of TOPs, BAs, and RCs

NERC LSE Registration Update

- **Stakeholders from the Load Serving Entity Registration Working Group (LSERWG) made additional comments for Texas RE staff to incorporate into the NERC LSE JRO Matrix and proposed Agreement**
- **Texas RE staff provided two proposed revised versions of NERC LSE JRO Matrix to LSERWG for review for the June 2nd meeting:**
 - Option #1 (sought by stakeholders)- seeks to register an entity as LSE only if the requirements are not already being performed by an entity (even if the performance is done by an entity in a different functional capacity, such as TO, TP, RC) [Note, this has not previously been permitted by NERC]
 - Option #2 – Seeks the registration of a responsible entity as LSE for each requirement and sub-requirement (even if the entity already performs the requirement in its capacity as a different registered function)
- **Texas RE will make changes to Agreement and Matrix content, based on stakeholders comments and will send out for review**

NERC Standards Self Certification Schedule

<u>Self-Certification Activity by NERC Function</u>	<u>Start</u>	<u>Due</u>
Generation Owner (GO) and Generation Operator (GOP)	June 1	July 1
Critical Infrastructure Protection (CIP) Standards, CIP-002-009 For GO, GOP and Transmission Owner (TO)	July 1	August 3
Distribution Provider (DP), Purchasing-Selling Entity(PSE), Transmission Planner (TP), Load Serving Entity (LSE) and TO	August 3	Sept 3

All submissions will be via the Texas RE Portal

NERC Audit & Enforcement Highlights

- **Six (6) NERC Audits were conducted in May 2009, as scheduled. Three (3) audits also included review of Protocols**
- **FERC and NERC observers attended an audit at one location and provided favorable comments on the conduct of the audit team**
- **Texas RE and the other seven (7) regions are continuing efforts to coordinate compliance activities for multi-region registered entities**

Compliance Human Resources

- **Compliance has one unfilled, budgeted 2009 opening- interviews are being conducted**

Critical Performance Metric and Criteria for the ERCOT Nodal Market

- Preliminary measures and criteria were published on June 3 at <http://www.puc.state.tx.us> (under Hot Topic Briefs – ERCOT Nodal Metrics Project 37052)
- Workshop to be held on: Friday, June 12th, at 9:30 a.m. in PUCT's Commissioners' Hearing Room located on the 7th floor of the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, 78701.
- This workshop will focus on Critical Performance Metric and Criteria for the ERCOT Nodal Market

PRR 787 – SCPS2 Metric & Outage Definitions

PRR 787: Defines enforcement methodology and adds exemptions to the SCPS2 scoring calculation.

- Approved by PRS May 21
- Next step is PRS IA Review
- Texas RE supports PRR 787 with reservations on the new exemptions

Concerns:

Added exemptions for forced de-rating and failure to start up may reduce the effectiveness of the protocol to identify generating units with on-going, repeat reliability concerns. ERCOT ISO is analyzing the cost to integrate the new exemptions into the Outage Scheduler.

PRR 796 – Resource Plan Performance Metrics Revision

PRR 796: Allows two (2) hours following a Forced Outage to be excluded from performance calculation. TRE will incorporate 2-hour allowance into review process.

- Approved by TAC to vote May 7
- Next stop, Board to vote June 15
- Texas RE supports PRR-796 as currently revised before the board

Concerns: None

PRR 811 – Real Time Production Potential

PRR 811: This PRR establishes a requirement for Wind Generation Resources to telemeter a real time signal indicating the real time production potential which will be a function of wind and turbine availability.

- Tabled at PRS May 21th meeting for one month
- Texas RE supports PRR 811 with modification to support compliance

Concerns: A metric and criteria that define passing and failing are required as well as the method for monitoring the metric (e.g. exception report, ISO complaint). Texas RE will file comments.

PRR 812 – Wind Generator Forecasting for Scheduling Metric

PRR 812: This PRR adds a requirement for wind-powered generation resources to update resource plans and schedules every hour using the ERCOT provided most likely short-term wind power forecast as the standard for accuracy.

- PRS passed it on May 12th
- Next step: PRS impact analysis review on June 18th
- Texas RE supports this protocol with modification to support compliance

Concerns: A metric and criteria that define passing and failing are required as well as the method for monitoring the metric (e.g. exception report, ISO complaint). Texas RE will file comments.

OGRR 224 - Special Protection System (SPS) Operations Under No Contingency

OGRR 224: Places an obligation on Resource owners who have an SPS to monitor the flows monitored by the SPS in the base case and reduce output as needed before the arming point of the SPS is reached

- Was Tabled by OWG on May 20th
- Next step: To be withdrawn by ERCOT and replaced by modifications to the reporting requirement via a written clarification by Texas RE to ERCOT ISO.