



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

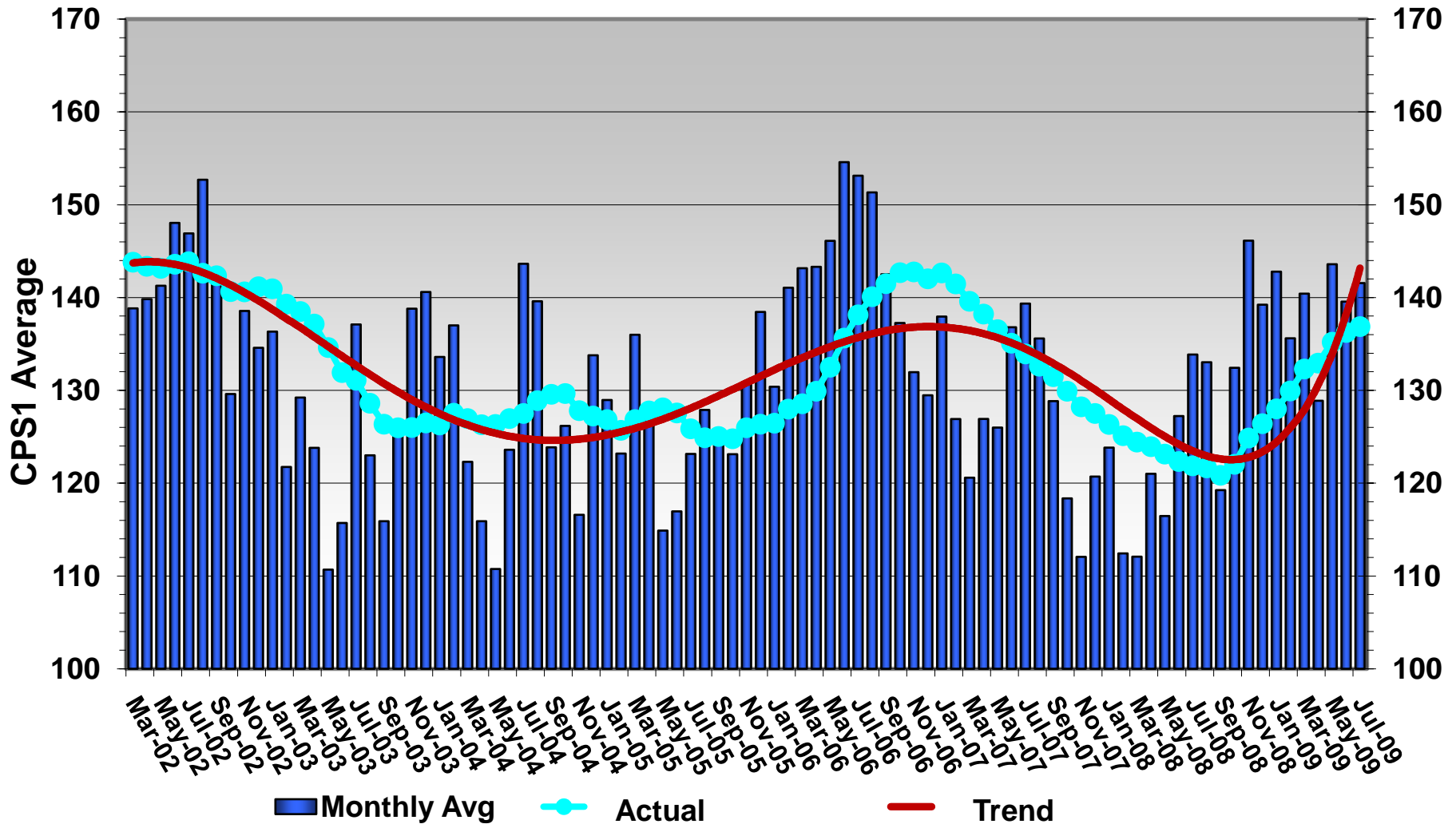
Texas Regional Entity Compliance Report

Board of Directors
August 17, 2009

Overview

- **July 2009 ERCOT CPS1 Monthly Performance**
- **July 2009 SCPS2 Scores for Non-Wind and Wind Only QSEs**
- **June 2009 Resource Plan Performance Metrics for Non-Wind and Wind Only QSEs**
- **Key Issues**
 - NERC Organization Registration and upcoming Compliance Workshop schedule
 - NERC Standards Self-Certification update and Schedule
 - NERC Audit & Enforcement Highlights
 - Technical Feasibility Exceptions (TFEs)
 - Nodal Regulatory Requirements
 - PRR – 822 Removing Access to Restricted Computer Systems, Control Systems and Facilities

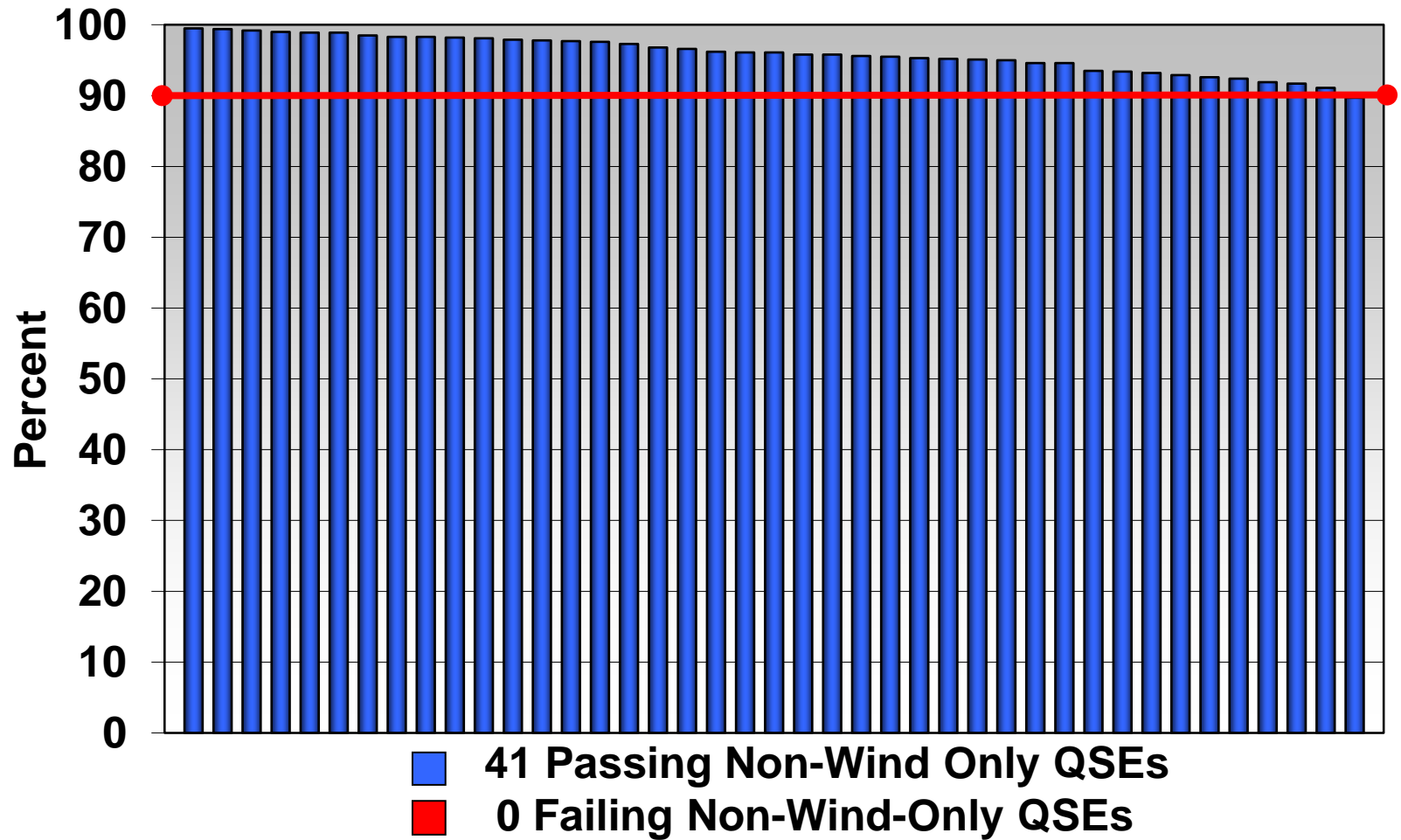
July 2009 ERCOT's CPS1 Monthly Performance



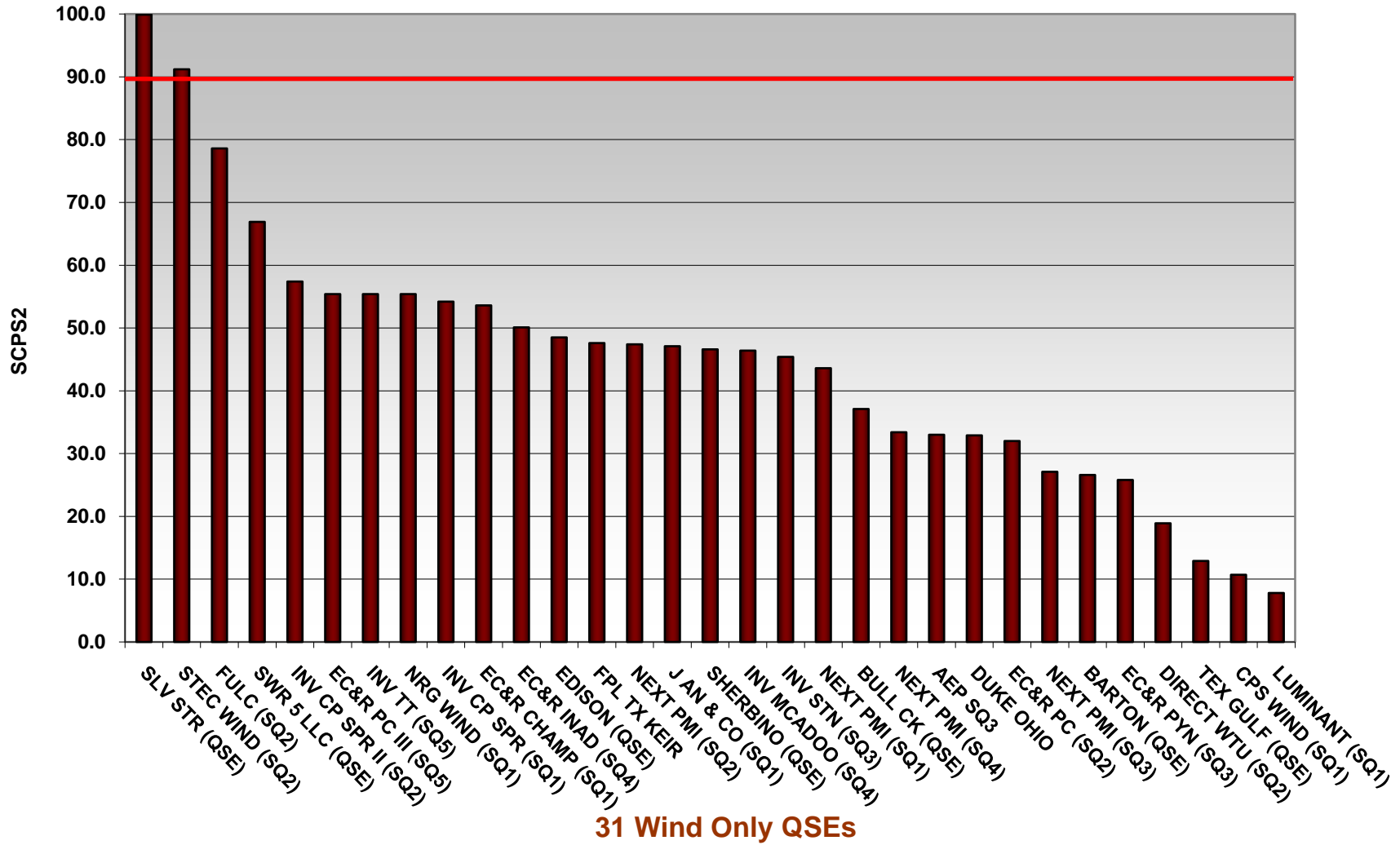
Analysis of CPS1 Monthly Performance

- **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**

July 2009 SCPS2 Scores for Non-Wind Only QSEs



July 2009 SCPS2 Scores for Wind Only QSEs



Analysis of July 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**

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

	ID																			
Resource Plan Performance Metric	DK	DE	AP	BY	BC	AY	AM	AR	KB	BR	DF	CI	AD	BJ	CF	ET	DA	DP	KD	IP
Resource Status Score	100	100	100	100	100	99	99	100	100	99	100	100	100	100	100	99	100	99	100	100
LSL HSL Percent Score	97	99	98	98	92	100	100	91	91	97	97	99	100	99	95	100	100	100	100	94
DA Zonal Schedule Score	100	100	100	99	100	98	100	100	99	100	100	98	100	100	100	100	98	100	100	100
AP Zonal Schedule Score	98	100	100	100	100	98	99	99	99	99	99	99	100	99	98	96	98	99	100	100
Down Bid & Obligation Score	97	90	97	98	100	99	98	97	94	95	96	99	100	98	99	100	97	100	92	100
Total Up AS Scheduled Obligation Score	-	98	100	90	90	96	96	90	90	97	100	-	-	91	100	96	93	90	96	-
	ID																			
Resource Plan Performance Metric	BG	CQ	JZ	JV	JU	CX	KE	FK	HW	JD	KA	JZ	IN	IZ	BX	CC	CD	AC	IO	
Resource Status Score	99	99	100	100	100	100	99	99	100	100	100	100	99	100	99	100	99	99	100	
LSL HSL Percent Score	99	97	100	100	100	94	100	97	99	100	97	97	100	98	95	97	95	100	100	
DA Zonal Schedule Score	97	100	100	100	100	99	100	99	99	99	99	100	99	100	100	100	100	100	100	
AP Zonal Schedule Score	99	99	-	100	90	98	98	100	99	100	99	100	97	100	99	100	100	100	-	
Down Bid & Obligation Score	99	100	-	100	100	96	100	100	93	100	96	94	95	100	100	98	92	100	98	
Total Up AS Scheduled Obligation Score	95	99	-	90	92	98	-	97	100	99	92	91	98	99	99	96	99	-	100	

June 2009 Resource Plan Performance Metrics for Wind Only QSEs

	ID														
Resource Plan Performance Metric	JG	BT	JF	JS	HJ	BH	DI	JY	JM	JW	JL	GR	GS	HS	BF
DA Zonal Schedule Score	100	97	100	100	98	100	100	100	100	100	99	100	97	100	100
AP Zonal Schedule Score	100	92	100	100	97	100	100	100	100	100	98	100	98	100	100
Down Bid & Obligation Score	100	95	100	100	100	100	78	100	100	100	100	100	100	100	100
	ID														
Resource Plan Performance Metric	BE	FX	JH	JI	JN	JJ	JT	JC	IV	JQ	JP	JK	JX	JE	JR
DA Zonal Schedule Score	98	100	100	100	100	100	100	100	100	98	100	100	100	100	100
AP Zonal Schedule Score	100	100	100	100	100	100	99	100	99	97	100	100	98	100	100
Down Bid & Obligation Score	100	100	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 June 2009 Resource Plan Performance Metrics for Wind Only QSEs

- **DI - First time failing the Down Bid & Obligation Resource Plan Performance Measure**
 - **Actions:** QSE was notified of its failing score
 - **Reason:** Failed intervals resulted from QSE's Resource Plan and scheduling methods used to submit their Resource Plans
 - **Solution:** QSE implemented changes to their internal system and Resource Plan submittal methods

NERC Organization Registration and Upcoming Compliance Workshop Schedule

- **Comments are due to NERC on the proposed changes to NERC Reliability Functional Model Version 5 - Deadline is August 19th; Texas RE may submit comments. Proposed changes can modify:**
 - The Planning, Interchange Authority, Load Serving Entity and Distribution Providers functions
 - The terminology and definitions for consistency with other NERC documents
 - The Reliability Functional Model Version 5 document is posted on the NERC website: <http://www.nerc.com/page.php?cid=2|247|108>
- **Upcoming Texas RE Compliance Workshops:**
 - Standards and Compliance Workshop will be on **September 23, 2009** at the ERCOT Austin MET Center
 - Critical Infrastructure Protection Workshop will be on **September 24, 2009** at the ERCOT Austin MET Center
- **Registration begins 6 weeks prior to each workshop.**

NERC Standards Self-Certification update and Schedule

- **100% of 2009 NERC CIP 002-009 standards Self-Certification submissions for GO/GOP/TO which were due on August 3, 2009 were received**
- **NERC non-CIP standards Self-Certification for Distribution Provider (DP), Purchasing-Selling Entity (PSE), Transmission Planner (TP) and Transmission Owner (TO) entities started on August 3, 2009 and are due on September 3rd**
- **All submissions will be sent via the Texas RE Portal**

NERC Audit & Enforcement Highlights

- **Two (2) NERC standards Audits; One (1) Protocol Audit conducted in July, as scheduled**
- **Focus in July has been to prepare for spot checks of NERC CIP standards and development of a process to handle Technical Feasibility Exceptions (TFEs)**
- **Texas RE conducted one voluntary spot-check in July for 13 requirements related to NERC cyber and physical security standards CIP 002-009**
 - **This was a good learning opportunity for Texas RE staff and the entity**
 - **Entity demonstrated excellent preparation**
- **CIP workshop (Sept. 24th) will review the CIP requirements**

Technical Feasibility Exception (TFE)

- **What is TFE?**
 - A procedure by which a Responsible Entity to which the NERC CIP Standards apply, may request and receive approval for an exception from the terms of certain requirements of the CIP Standards on the grounds of technical feasibility or technical limitations
- **Applies to 12 CIP Standard Requirements:**
 - CIP-005 requirements 2.4, 2.6, 3.1, & 3.2
 - CIP-006 requirement 1.1
 - CIP-007 requirements 2.3, 3.2, 4, 4.1, 5.3, 6, & 6.3
- **There will be a staffing and budgetary impact**
 - Estimates have been developed by each region
 - Some details are still unclear, i.e. number of TFEs to expect, time to process each TFE, etc.
- **Regional entities, not NERC, will be leading this effort**

Nodal Regulatory Requirements

- **Texas RE is working with PUCT, ERCOT ISO and other Stakeholders to determine the plan for implementation of reports needed for metrics for go-live date**
- **NOGRR 025 – Reporting Requirements created by ERCOT ISO and Stakeholders**
 - ERCOT CEO revision request review determined that 16 of 37 reports can be delivered within the current schedule and budget of the nodal program
 - Need a plan for implementation of remainder of needed reports
- **New NPRR – Jointly authored by ERCOT ISO, PUCT and Texas RE**
 - Defines the minimum metric requirements for the Nodal Market
 - Stakeholder workshops completed / NPRR process next

PRR – 822 Removing Access to Restricted Computer Systems, Control Systems and Facilities

- **PRR-822 was granted urgent status in July by PRS**
- **PRS unanimously voted to refer the PRR to ROS**
- **Based on the PRR process:**
- **ROS will consider and may vote on August 13th**