



2010 Budget Review

Nancy Capezzuti
Vice President & Chief Administrative
Officer

Finance & Audit Special Committee Meeting

August 17, 2009

- **Project Management (PMO)**
- **Facilities**
- **Human Resources, Benefits & Compensation**
- **Strategic Planning and Organizational Development**

- **Support project management through standardized processes, procedures, tools, training for all projects**
- **Shepherd projects from concept through delivery to business stakeholders**
- **Manage and report on the ERCOT project portfolio (excluding Nodal)**
- **Lead the prioritization of projects with market participants and business stakeholders**
- **Manage and provide the cost benefits analysis for projects**
- **Drive and report the CEO review of projects for nodal impact**
- **Manage resource allocation across all projects, including nodal**
- **Specific oversight of the specific corporate projects (CO CART)**
- **Delivered 38 projects in 2008 and on target to deliver 25 projects in 2009 – projects reduced due to focus on Nodal delivery**

- **MET Center Project – completion of the Bastrop control room and data center and Taylor data center**
- **Cyber Security Enhancements**
- **Data Research and Reporting (Replacement of the ESI ID Tracking System – ETS and reporting requirements)**
- **Information Lifecycle Management**
- **Completion of POLR and expedited switch**
- **Records Management**
- **Other enhancements requested by PUCT or by protocol revisions**

- **Reduced contractor staff based on the reduction in the number of projects – approximately \$180,000 annualized savings**
- **Provided projects which reduce inefficiency, streamline processes, while allowing for automated business controls**
 - Single-time entry
 - Automation of procurement processes
 - Workflow automation for HR processes
- **Continued review of process and procedures**

- **Currently manage approximately 215,000 square feet of office space including 5,200 square feet of data center white space**
- **Adding two new buildings in 2010**
 - Taylor data center – 22,000 square feet
 - Bastrop data center and control room – 36,000 square feet
 - Data center white space – 11,000 square feet
- **Plan and execute employee & contractor moves**
- **Reconfigure conference rooms and A/V support for the more than 700 ERCOT meetings conducted annually**
- **Manage the Data Center power and cooling, equipment installations, decommissions and reconfigurations**
- **Provide the health & safety program and Pandemic Plan**
- **Manage Business Continuity planning and execution**
- **Handle shipping, receiving and mail delivery**

- **Renegotiated ERCOT's energy cost – approximate savings: \$360,000 (annualized)**
- **Reduced cubical size from 8x10 to 6x6 to allow for data center expansion and growth – Saved approximately \$450,000 in lease expense/ \$100,000 for 2009 due to a \$350,000 one-time cost of additional cubes**
- **Terminated contractors and hired employees to handle HVAC and electrical needs – approximate savings: \$100,000 (annualized)**
- **Re-bid janitor supplies and reduced annualized expense by \$10,000**
- **Replaced copy machines in the Met center with lower cost machines – Saved \$3,000 (annually)**
- **Negotiated tax rebates and abatements for new facilities of between 50% to 85%, depending on year and location, for a potential savings of up to \$2,000,000 over a ten-year period**

- **Manage recruiting and employee relations issues for ERCOT**
- **Lead the mentoring and intern programs, which build our feeder pool for technical positions**
- **Assist managers with employee issues and performance management**
- **Handle immigration issues of our diverse workforce**
- **Manage selection, cost, compliance and audit of our benefit programs**
- **Review compensation and benefits for market competitiveness**
- **Design & implement the compensation program and technical track**
- **Investigate EthicsPoint issues and other employee concerns**

Cost Reduction and Expense Control in HR, Benefits & Compensation

- **Implemented tightened controls on job postings for replacements and new positions or wage increases (CEO must approve)**
- **Reduced the use of outside recruiters – annual savings of over \$200,000**
- **Development of mentoring program to allow the hiring of lower cost recent college graduates**
- **Focused on reduction of costly turnover**
 - 14.1% in July 2008 to 7.2% in July 2009
- **Increased deductibles and shared increased cost of ERCOT medical plan with employees**
- **Changed providers for life and disability coverage to reduce expense**
- **Changed stop loss provider to eliminate increased expense**

- **Assists the management team in developing ERCOT's vision, mission and strategic plan**
- **Works with the management team to align the strategic plan with business objectives, budget requirements and key performance indicators (KPI)**
- **Works with the various departments on the task analysis and reviews to determine staffing requirements and potential efficiency savings**
- **Manages, develops and delivers the required training as determined by review of the current and future needs of the organization (reduced external training)**
- **Currently working with the nodal team to assist in ERCOT Readiness**
- **Working with legal on preparations for the Sunset Review**

Description	2009 Budget	2010 Budget Request
Total Budget	\$9.4 million	\$8.5 million

Number of Employees	Current Staffing
Project Management Office	18
Facilities	19
Human Recourse, Benefits & Compensation	10
Strategic Planning and Organization Development	3

Questions?