

Texas Regional Entity 2009 Goals and Key Performance Indicators

	Key Performance Indicator	Pct.	Current Quarter Performance	Score	Status/Comments
1	Meet responsibilities as a Regional Entity and maintain independence from the ERCOT ISO.	25%		25.0%	<p>Audit to determine whether Texas RE is operating in compliance with (1) the Delegation Agreement between NERC and Texas RE, (2) the Texas RE Bylaws, and (3) other obligations and responsibilities as approved by FERC.</p> <p>Texas RE received a favorable audit from FERC in 2009 with no non-compliance found – 5 recommendations are being addressed. Texas RE also received a favorable performance assessment from NERC in 2009.</p>
2	Prepare Texas RE Business Plan & Budget and conduct base operations within approved budget.	15%		15.0%	<p>Final Texas RE Board-approved BP&B due to NERC on July 8th.</p> <p>Texas RE submitted all required finance-related reports and filings on time.</p>
3	Effectively manage the NERC Compliance Monitoring and Enforcement Program.	20%		19.5%	<p>Perform in accordance with Delegation Agreement and NERC Rules of Procedure; meet all submittal schedules; participate in NERC, FERC, and Stakeholder activities as required.</p> <p>Texas RE submitted all reports and documents on time and responded to all requests for information as required. Because of more pressing priorities (NERC Performance Assessment and FERC Audit in addition to normal compliance and enforcement activities), internal CMEP-related Texas RE Procedures were not completed as scheduled.</p>
4	Monitor and investigate non-compliance with ERCOT Protocols and Operating Guides.	15%		14.25%	<p>Monitor (not in real-time) Stakeholder performance and investigate all instances of potential non-compliance identified by Texas RE Staff or reported to Texas RE by the ERCOT ISO or other Stakeholder(s).</p> <p>All reports and information were submitted as required. The ERCOT Compliance Process was revised and submitted to the PUCT for review in August, as requested by PUCT staff. The delay from the planned schedule occurred primarily because of a) extensive collaboration with PUCT Staff and ERCOT ISO, (b) unanticipated pressing priorities (NERC Performance Assessment and FERC Audit), and c) uncertainty as to which organization would perform Protocol Compliance activities after 2009.</p>

5	Manage the Texas RE Standards Development Process.	10%		10%	Effectively facilitate and coordinate the activities of the Reliability Standards Committee (RSC) and Standard Drafting Teams (SDTs). All goals met – process followed and timelines met.
6	Effectively communicate with the Board, Industry, Regulators, and other Stakeholders.	15%		14.25%	Routinely communicate with NERC Staff and other Regional Entity Staff at varying levels, to implement and maintain consistency and uniformity regarding compliance monitoring and enforcement, and standards development programs and discuss program issues; provide monthly Board reports on compliance activities; discuss Protocol compliance activities and related matters with PUCT Staff; regularly provide updates to Stakeholders related to Texas RE and NERC activities on website and in Stakeholder meetings; continue to develop IT automation tools for reporting and communication. Texas RE actively engaged with NERC and other Regional Entities to improve consistency and to effectively implement and maintain all programs. Communications continue to improve and be effective with the Texas RE Board. Continue to have clear communication lines with staffs at the PUCT and FERC. Texas RE IT Staff fully engaged in multiple new projects, primarily related to Portal-related projects (working with Regional Entity Consortium Group and NERC). Many projects proposed to automate processes and improve reporting of information. These projects were unknown at the beginning of 2009 and were considered by the Consortium to be high priority because of their positive impact on Registered Entities.
		100%		98%	

KPI 1: Meet Responsibilities as a Regional Entity and Maintain Independence from the ERCOT ISO

Goal	Pct of KPI	Measurement	Status/Score	Performance
Receive a favorable audit from FERC in 2009.	30%	Audit report indicates Texas RE effectively operating as a Regional Entity and maintaining its independence from the ERCOT ISO.	30%	Texas RE operates in compliance with: (1) the Delegation Agreement between NERC and Texas RE; (2) the Texas RE Bylaws; and (3) all other obligations and responsibilities as approved by FERC. No non-compliance found – 5 recommendations being addressed; 4 of which are being addressed by legal separation from ERCOT ISO. Remaining recommendation addressed by hiring an experienced engineer to perform a more detailed review and analysis of the ERCOT region reliability assessments.
Receive a favorable performance assessment from NERC in 2009.	30%	NERC's review and report indicates that Texas RE is performing in accordance with its delegation agreement with NERC – is developing and enforcing Reliability Standards and providing for an adequate level of Bulk Power System reliability in accordance with its delegation agreement.	30%	Texas RE's enforcement program: (1) meets all applicable legal requirements; (2) promotes consistent interpretations of the Reliability Standards; (3) provides for comparable levels of sanctions and penalties for violations of the Reliability Standards which constitute comparable levels of threat to the Bulk-Power System; and (4) reflects the requirements of the enforcement program. NERC's report and feedback from NERC staff indicate that Texas RE is performing well.
Respond as required to all FERC and NERC Requests for Information.	20%	Respond to requests in accordance with FERC directives.	20%	All responses submitted to as agreed to between FERC and/or NERC and Texas RE. Texas RE responded as required to all requests and directives.
Maintain effective relationships with FERC and NERC Staff.	20%	Good and positive relationship is maintained and nurtured.	20%	Openly communicate, effectively interact, and maintain credibility with FERC and NERC Staff. Texas RE Staff has a very open and good working relationship with the staffs of NERC and FERC. Communications are very effective, and all differing positions are resolved professionally.
	100%		100%	

KPI 2: Prepare Texas RE Budget and Conduct Base Operations within Approved Budget

Goal	Pct of KPI	Measurement	Status/Score	Performance
Develop achievable Texas RE Budget and Business Plan.	25%	Submit Texas RE Budget and Business Plan on time.	25%	Draft #1 due to NERC on May 8 th ; Draft #2 due to NERC on May 29 th ; final Texas RE Board-approved BP&B due to NERC on July 8 th . All Texas RE BP&B drafts submitted on schedule, including supplements.
Receive a favorable Financial Audit.	25%	Successfully complete audit and submit report to NERC on time.	25%	Obtain unqualified ("clean") audit opinions; audit report due to NERC by 150 days after the end of the fiscal year. Received favorable Financial Audit. Results submitted to NERC on schedule.
Maintain effective Texas RE fiscal controls.	20%	Submit to NERC un-audited quarterly interim financial statements by the 20 th day after the end of the fiscal quarter.	20%	Reports provided to NERC prior to January 20 th , April 20 th , July 20 th , & October 20 th . All quarterly reports submitted as required.
File all required reports with NERC.	15%	95% of reports submitted to NERC on time.	15%	All reports and information submitted to NERC in accordance with timelines and guidelines provided to Texas RE. All required reports and requested information submitted to NERC on schedule.
Assess and revise cost accounting procedures and methods.	15%	Complete assessment and revision process by June 30, 2009.	15%	Ensure procedures and methods are revised as needed to enhance Texas RE's operational and fiscal performance. Modifications made to Texas RE's Time and Expense Guidelines document, which included adding extra activity codes for Enforcement, CIP Audits, and other CIP work. Completed as planned and staff was updated at the July staff meeting.
	100%		100%	

KPI 3: Effectively Manage the NERC Compliance Monitoring and Enforcement Program

Goal	Pct of KPI	Measurement	Status/Score	Performance
Develop Texas RE Compliance Program Implementation Plan annually and submit to NERC.	15%	Submit annual plan to NERC by November 1 st for the following calendar year.	15%	Develop 2010 Implementation Plan; collaborate as needed with NERC Staff and other Regional Entity Staff to ensure uniformity and consistency among Regions. Plan submitted to NERC on schedule and subsequently approved by NERC.
For 2009, complete all compliance audits.	15%	Complete all 38 scheduled audits completed and issue final reports by December 31, 2009.	15%	Audit schedule followed – 21 on-site; 18 tabletop (off-site). All compliance audits completed.
Conduct compliance analyses of significant events and take applicable enforcement actions in accordance with the NERC Compliance Monitoring and Enforcement Program (CMEP).	35%	Analyses conducted in accordance with processes and procedures and appropriate enforcement actions taken.	35%	All analyses conducted in a timely manner and completed in accordance with processes and procedures. All significant events analyzed or in process in accordance with established processes and procedures.
Prepare and submit to NERC all required reports.	10%	95% of reports submitted to NERC on time.	10%	Reports submitted to NERC in accordance with timelines and guidelines provided to the Regional Entities. Reports submitted as required or requested.
Maintain up-to-date NERC Regional Compliance Registry and provide updates to NERC.	15%	Keep registry up-to-date/provide updates to NERC within 5 business days of being received from the Registered Entity or as requested by NERC.	15%	Compliance registry updated in accordance with NERC requirements and updates are promptly provided to NERC. Compliance registry updated and maintained. Process will be improved to allow using Portal which is being developed through Regional Entity Consortium Group (vendor – Guidance).
Comply with all NERC CMEP timelines.	5%	Meet timelines 95% of time.	5%	Adhere to and meet established timelines. Timelines met.
Develop internal CMEP-related Texas RE Procedures.	5%	Procedures developed and completed by March 31, 2009.	2.5%	Completed procedures to be submitted for Legal review by March 31, 2009; Legal review complete by April 30, 2009. Procedures drafted but some of the procedures have not been updated, reviewed and approved.
	100%		97.5%	

KPI 4: Monitor and Investigate Non-Compliance with ERCOT Protocols and Operating Guides

Goal	Pct of KPI	Measurement	Status/Score	Performance
Revise ERCOT Compliance Process	40%	Revision completed and submitted for Legal and CEO review by March 31, 2009.	35%	Process revision completed in accordance with schedule. The Process was revised and submitted to PUCT for review in August. Prior to submission, Texas RE collaborated with PUCT Staff and ERCOT ISO. Texas RE Board's decision that Texas RE not continue with Protocol Compliance activities in the future also contributed to additional changes being made to the process. The original planned timeline not met primarily due to more pressing needs (FERC Audit, NERC Performance Assessment, settlement of a contested Protocol compliance enforcement case, etc.), but the timeline required by PUCT staff was met.
Prepare and submit to the PUCT all required/requested reports.	30%	Reports provided to the PUCT on agreed to schedule.	30%	Reports provided in accordance with approved process. Reports submitted to PUCT as required or requested.
Comply with all ERCOT Compliance Process timelines.	30%	Meet timelines 90% of time.	30%	Adhere to and meet established timelines. Timelines met at least 90% of time.
	100%		95%	

KPI 5: Manage the Texas RE Standards Development Process

Goal	Pct of KPI	Measurement	Status/Score	Performance
Comply with the Texas RE Standards Development Process and associated timelines.	70%	Process facilitated, effective and measurable Regional Standards are developed, and timelines met 90% of time.	70%	Adhere to and meet established timelines. Timelines met and process followed.
Maintain an effective Registered Ballot Body (RBB).	30%	Each segment within the RBB is adequately represented.	30%	Ballot body maintained with all segments represented. Effective Ballot Body maintained and all segments continue to be represented.
	100%		100%	

KPI 6: Effectively Communicate With the Industry, Regulators, and Other Stakeholders.

Goal	Pct of KPI	Measurement	Status/Score	Performance
Manage and implement new Texas RE-related IT projects.	15%	<ul style="list-style-type: none"> Texas RE Website deployed by 4/30/09 and content kept up-to-date. Complete Document Management System by 12/31/09. Complete Portal-related projects by 4/30/09. 	10%	<ul style="list-style-type: none"> Project start date was January 5, 2009. This project has been delayed due to other higher priority projects. Website deployed in August 2009. Project start date projected to be April 2009. On hold – to be completed by Texas RE IT Contractor in 2010. Projects started December 2008. Projects completed – new projects added and are in progress. <p>IT Staff fully engaged in multiple new projects, primarily related to Portal-related projects (working with Regional Entity Consortium Group and NERC). Many projects are proposed to automate processes and improve reporting of information. These projects were unknown at the beginning of 2009 and were considered by the Consortium to be high priority. NERC has also required certain other projects or modifications to projects be escalated in priority to address evolving requirements under FERC orders. The additional projects are</p>

				useful, but the Portal projects are anticipated to continue to evolve (sometimes in ways that are outside of Texas RE's total control, since the regions must be consistent and respond to the NERC and FERC requirements) in 2010 and 2011 to allow improvements in data management and reporting.
Communicate activities related to the Compliance and Standards Development Programs.	15%	Texas RE Staff to attend stakeholder meetings as needed/requested.	15%	Texas RE Staff attend and participate in applicable stakeholder meetings; distribute updates and notices to market participants through the Texas RE Information list serve. Texas RE Staff actively participated in stakeholder meetings and any other forum where participation was requested. Texas RE continued to publish a bi-monthly newsletter and hosted the Operations Training Seminar.
Coordinate communication activities related to the NERC/Texas RE Programs.	15%	Communications provided and coordinated as directed by NERC.	15%	Regularly communicate and interact with NERC and Regional Entity Staffs at all levels to consistently and uniformly implement and maintain compliance, enforcement, and standards development programs. Texas RE actively engaged with NERC and other Regional Entities to improve consistency and to effectively implement and maintain all programs.
Conduct Compliance Monitoring and Enforcement and Standards Development Program Informational Session(s).	15%	Sessions conducted.	15%	Conduct workshops to inform and respond to questions from Registered Entities. Compliance and Standards Workshops held on May 6 th and September 23 rd ; Critical Information Protection (CIP) Workshop held on September 24 th .
Effectively communicate with the Board, Regulators, and Legislators.	40%	Visit and maintain open communications with Board Directors and FERC and PUCT Commissioners and key staff, and key Texas Legislators and their aides.	40%	Continue to regularly meet and interact with Board Directors and key PUCT and FERC Staff; continue to further develop communications relationships at all levels of FERC, NERC, and PUCT. Interact with Legislators as needed. Communications continue to improve and be effective with the Texas RE Board. Continue to have clear communication lines with staffs at the PUCT and FERC. No contact made with Texas Legislators or their aides.
	100%		95%	