



Date: January 12, 2010
To: Board of Directors
From: Trip Doggett, Interim President and Chief Executive Officer
Subject: Request for Project Funding Exceeding \$1 Million for PR90006_01 Information Lifecycle Management

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: January 19, 2010

Agenda Item No.: 17

Issue:

Whether to accept ERCOT staff's recommendation to move forward into Execution with capital project PR90006_01 Information Lifecycle Management and to authorize and approve a total project not-to-exceed budget amount for PR90006_01 of \$1,210,674. This project is currently listed on the Market Operations Project Priority List with a total project budget of \$1,963,000. However, this total budget was established to address a greater number of systems than included with PR90006_01. The balance of funds will be used by PR90006_02 to address the remaining systems included in the original scope.

This request is to only establish a total not-to-exceed budget for PR90006_01 Information Lifecycle Management.

Background/History:

Since 2001 ERCOT's databases have grown to more than 500 terabytes (TB). The implementation of settlements for advanced meters as well as the Nodal Program will both increase database growth considerably.

ERCOT's databases continue to grow as every data record received and processed is saved by each application it travels through. This growth is compounded by the multiple copies existing for each environment – an average of five (5) environments for each record.

To address this increasing volume of data, Project PR90006_01 was initiated to free up usable storage quickly and control future data growth rates on a defined set of ERCOT Commercial Systems. This is the first of several projects defined to control data and storage growth. The systems in scope for this first effort (PR90006_01) are:

- EIF (Enterprise Integration Framework) – includes usage data from 2001 to current day;
- ETS (ESIID Tracking System) – includes summarized data from 2001; and
- PaperFree/EDI/FTP – includes current retail transaction data.

In brief, this project is necessary to free up storage immediately and affect the next storage purchase resulting in efficient and controlled growth and lower storage costs.



This project is above the “funding cutline” and ranked 11 on the 2010 Project Priority List (PPL).

Key Factors Influencing Issue:

The drivers for PR90006_01 include:

1. The cost avoided by reclaiming storage and controlling future growth over the next five years (2010–2014) is estimated to be \$ 2,782,261.
2. As the volume of data grows in the database performance processing slows for database queries, reports and transaction processing. This project will optimize the performance for the databases in scope.
3. Current data volumes are reaching if not exceeding the required 7 years of data by Protocol 17.2.5. This project will ensure compliance for the databases in scope.

Alternatives:

ERCOT staff respectfully believes that there is only one favorable alternative; however, the following options are within the Board’s discretion:

1. Approve this authorization and funding request for PR90006_01 as presented. Funding is available within the Market Operations Portfolio; no additional funds are requested for Market Operations, only a project cap of \$1,210,674.
2. Choose to not execute this project. Risks of not doing the project include:
 - Inflated storage costs.
 - Lack of compliance with Protocol 17.2.5, specifically:
“Data passed to the Data Archive (ISM) will be stored by ERCOT for a total of seven years.”
 - Continued inefficient use of storage.
 - Increasing inability to recover databases within published Service Level Agreements (SLAs).
 - Increasing degradation of performance of database queries, reports, transaction processing.

Conclusion/Recommendation:

ERCOT staff respectfully seeks Board approval to move forward into Execution with capital project PR90006_01 Information Lifecycle Management with a total project not-to-exceed budget amount for PR90006_01 of \$1,210,674.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to accept ERCOT staff's recommendation to move forward into Execution with capital project PR90006_01 Information Lifecycle Management and to authorize and approve a total project not-to-exceed budget amount for PR90006_01 of \$1,210,674; and

THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves moving forward into Execution with capital project PR90006_01 Information Lifecycle Management with a total project not-to-exceed budget amount for PR90006_01 of \$1,210,674.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its January 19, 2010 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2010.

Michael G. Grable
Corporate Secretary