



# Nodal Program Update

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Chief Operating Officer

ERCOT Board of Directors

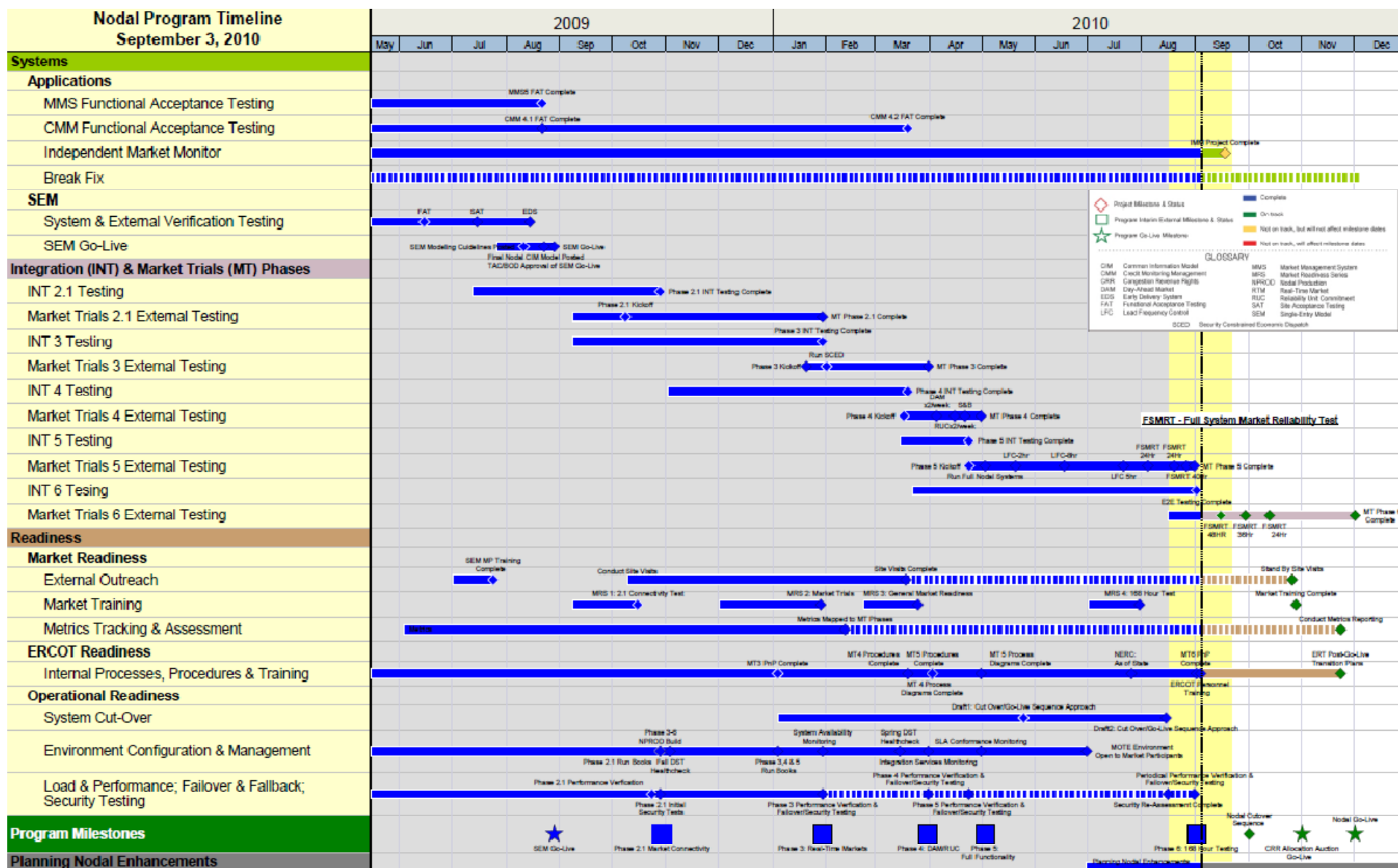
20 September 2010

# Today's Agenda

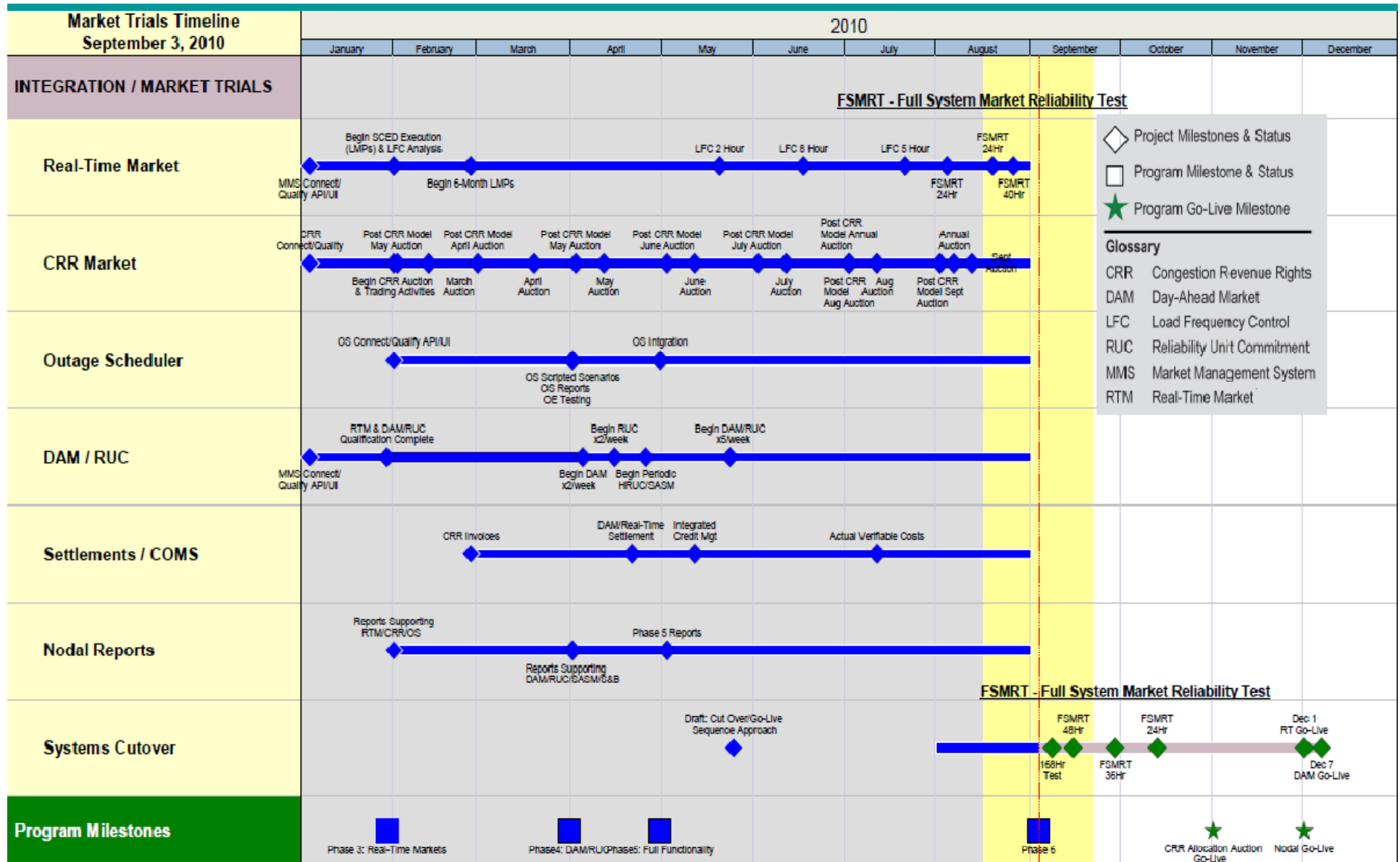
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- **Program Status**
- **168 Hr / 72 Hr LFC Test Overview**
- **Nodal Go-Live Update: Certified Systems Update**
- **Nodal Go-Live Update: Review of Full Nodal Operations Go-Live Items**
- **Nodal Parking Deck Items**
- **Appendix**

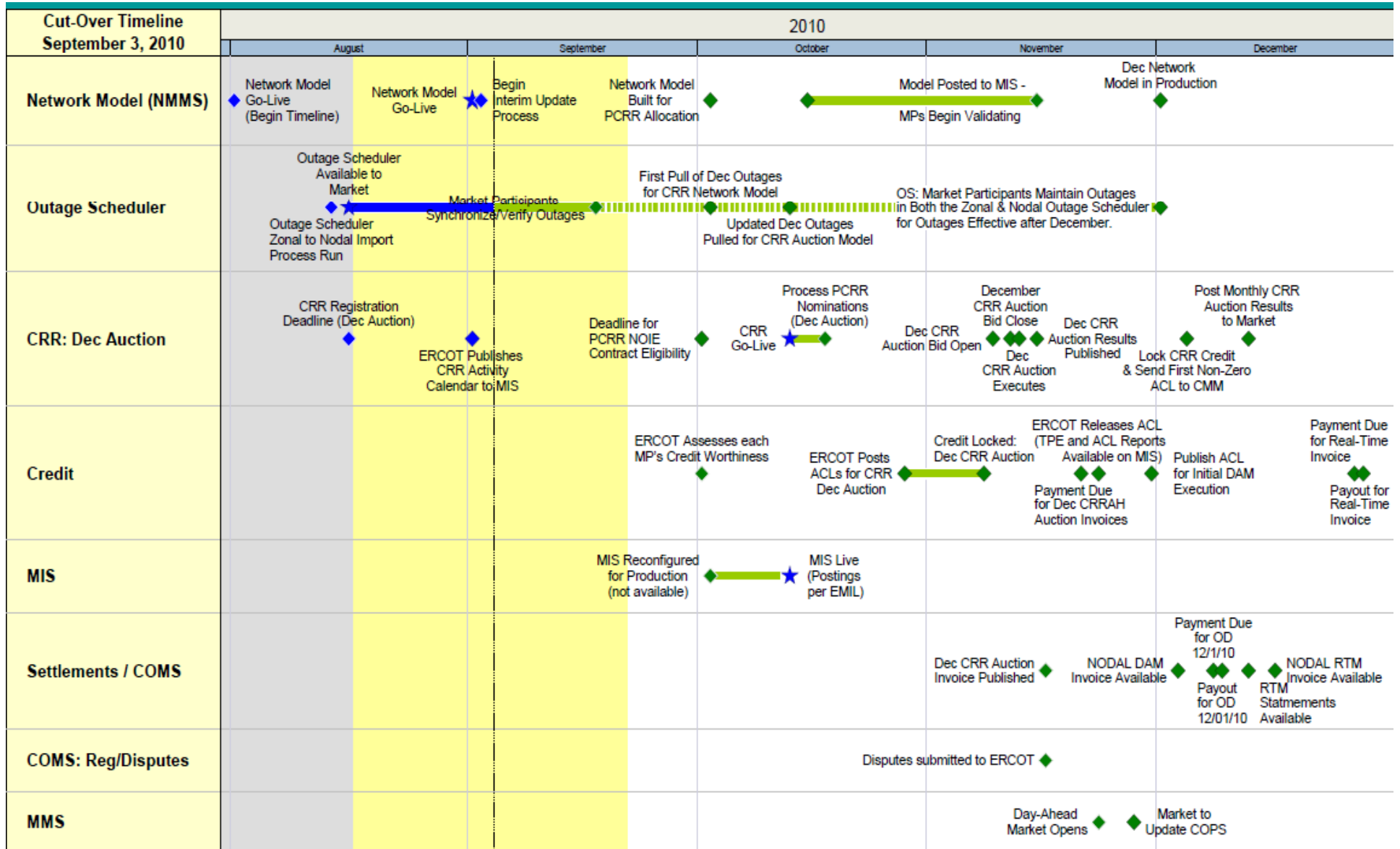
## Integrated Nodal Timeline – Go-Live December 1, 2010



# 2010 Market Trials Timeline – Go-Live December 1, 2010



# 2010 Cut Over Timeline – 5 month outlook



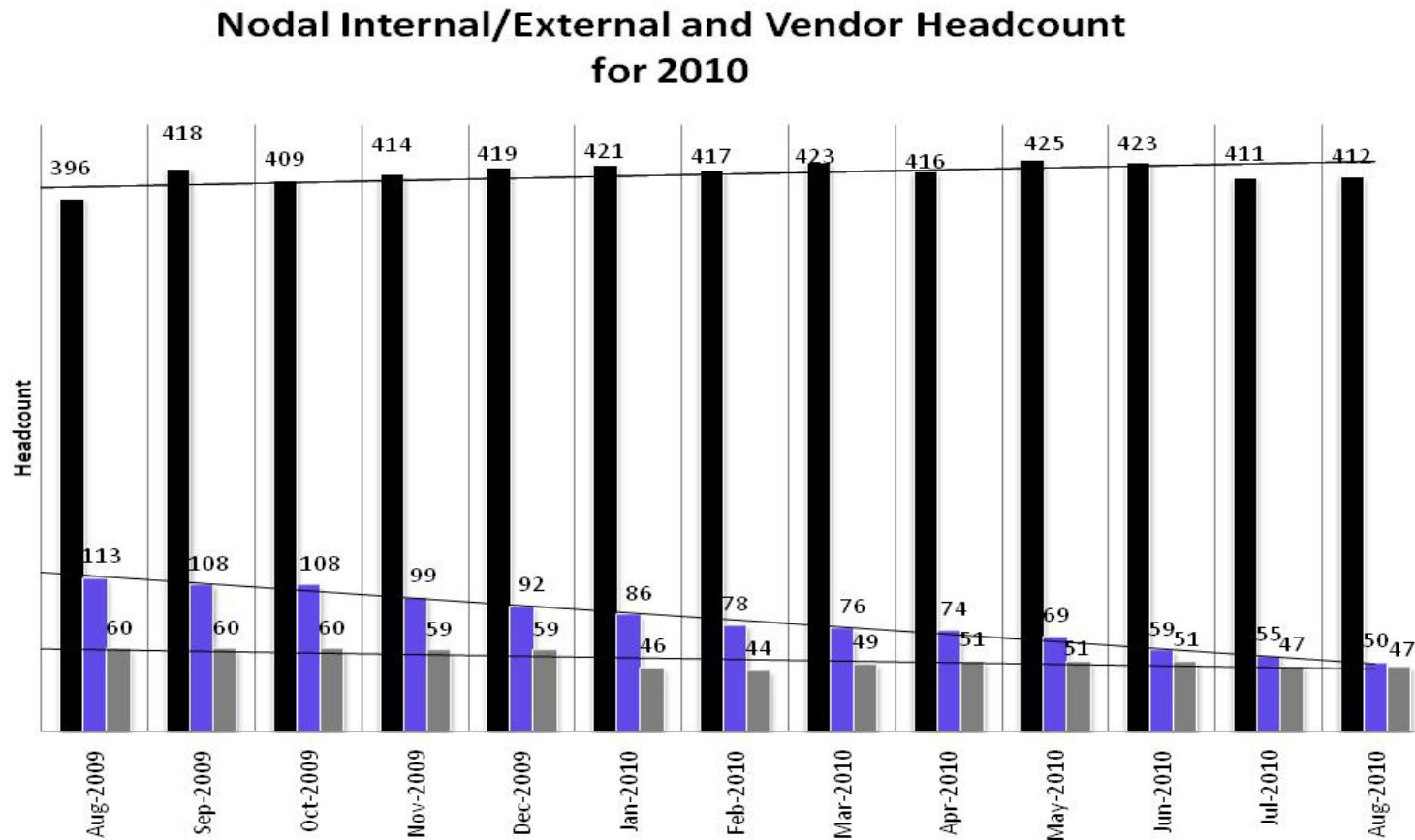
# 70 Days to Go-Live

## Market Trials has been running for 31 weeks

### Upcoming Milestones for Market Trials:

- LFC Tests
  - 36Hr LFC Test date is scheduled for September 28<sup>th</sup>
  - 24Hr LFC Test date is scheduled for October 27<sup>th</sup>
- DAM/RUC/ SASM
  - DAM will run continuously for 7 consecutive days starting on 9/8/2010 through 9/15/2010
    - HRUC ran 24x7 all 7 days
    - DRUC run after each DAM all 7 days
    - WRUC ran twice to exercise internal ERCOT processes
  - ERCOT's focus for DAM and RUC going forward will be on the quality of solution
- CRR
  - September Monthly Auction currently in progress
    - Auction closes on Wednesday, September 22nd
- REP Training/Panel discussion hosted by ERCOT at the MET center in Austin on October 6, 2010
- System Cut-Over / Go-Live
  - Sept/Oct 2010 – Network Modeling, Outage Scheduling
  - October 19, 2010 – Board of Directors Sign Off
  - November 2010 – Go-Live CRR Auction
  - November 30<sup>th</sup> DAM
  - December 1<sup>st</sup> – First Operating Day

# Nodal Internal/External and Vendor Headcount 2010



	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
■ ERCOT Employees	385	396	418	409	414	419	421	417	423	416	425	423	411	412
■ Contingent Labor	121	113	108	108	99	92	86	78	76	74	69	59	55	50
■ Vendor Labor	62	60	60	60	59	59	46	44	49	51	51	51	47	47

# Nodal Program Risks & Issues

Risk/Issue	Impacted Milestone	Target	Category	Probability	Severity	Status
<b>Market Design Assessment</b> <i>•Risk around the protocol traceability project and the market results as each phase of market trials becomes active.</i>	Program	December 2010	Scope / Budget	High	Low	<ul style="list-style-type: none"> <li>Presented for the August board meeting</li> <li>Risk assessment associated with five identified issues that need to be addressed now and after Go-Live                             <ul style="list-style-type: none"> <li>PTP Options in the DAM</li> <li>Ancillary Services</li> <li>CRR Derating</li> <li>Scarcity Pricing</li> <li>Zonal Pricing for All Loads</li> </ul> </li> </ul>
<b>Operational Readiness</b> <i>•Operational readiness of the Nodal systems and business processes are an increasing risk at this point in the program</i>  <i>•DAM</i>  <i>•CRR</i>	Program	September 2010	Scope / Schedule/ Budget	Med	High	<ul style="list-style-type: none"> <li>Organizational capability assessments and improvement recommendations are under review by executive management</li> <li>The PMO has and will continue to identify critical deficiencies and implement mitigation strategies to ensure delivery</li> <li>Analyzing quality of solution with Market Participants</li> <li>Zonal outages workaround is being tested in September CRR Market Trials auction</li> </ul>
<b>DAM CRR PTP Options</b> <i>•Performance issues around DAM performance with PTP options</i>	Program	November 2010	Schedule/ Budget	Med	High	<ul style="list-style-type: none"> <li>ERCOT is analyzing solutions to improve the performance of the DAM market</li> <li>Immediate mitigation strategy involves two possible software fixes and one possible hardware fix</li> <li>Long Term solution is a software change that ERCOT is still scoping</li> </ul>