

Nodal Program Update

Mike Cleary Chief Operating Officer

ERCOT Board of Directors

20 September 2010

- 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

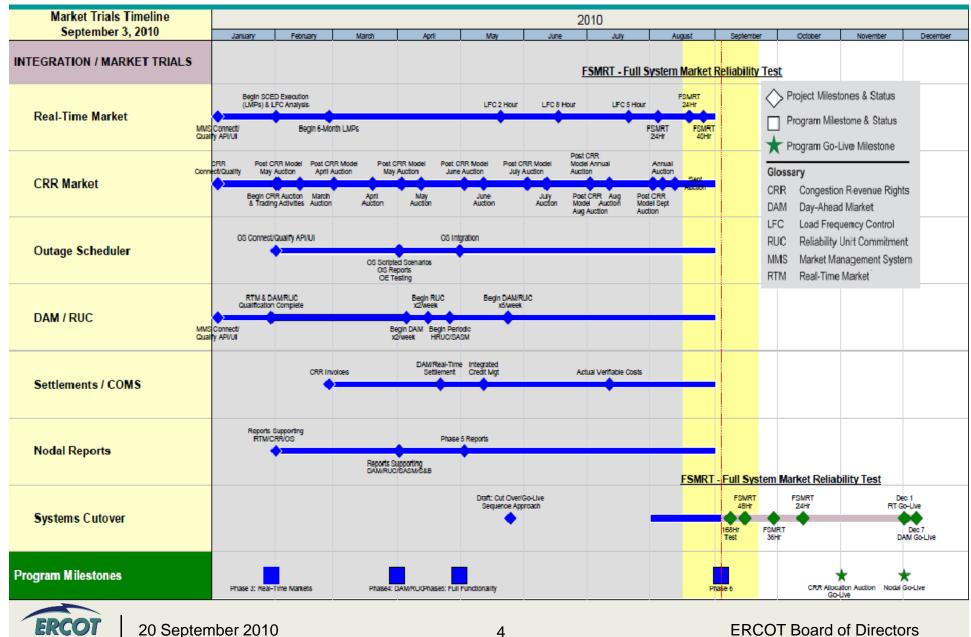


Integrated Nodal Timeline – Go-Live December 1, 2010

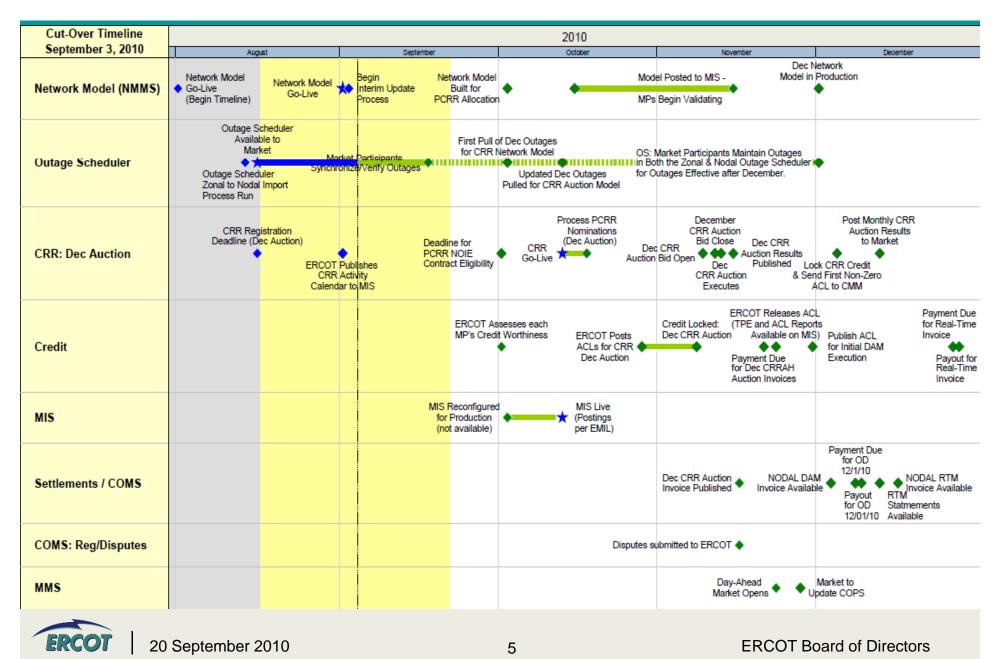
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2010 Market Trials Timeline – Go-Live December 1, 2010



2010 Cut Over Timeline – 5 month outlook



70 Days to Go-Live

Market Trials has been running for 31 weeks

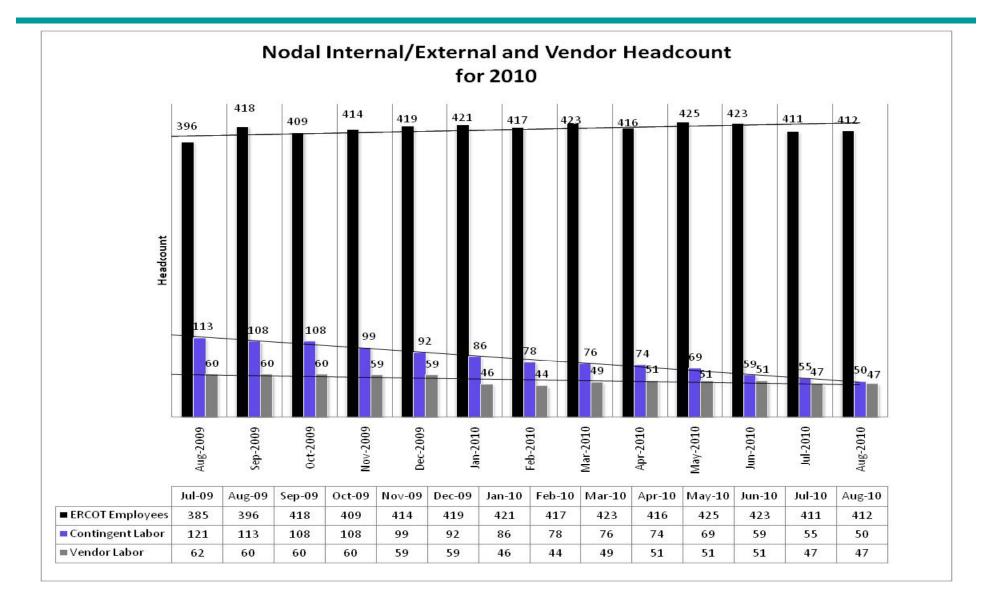
Upcoming Milestones for Market Trials:

- LFC Tests
 - 36Hr LFC Test date is scheduled for September 28th
 - 24Hr LFC Test date is scheduled for October 27th
- 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 30th DAM
 - December 1st First Operating Day



20 September 2010

Nodal Internal/External and Vendor Headcount 2010



Nodal Program Risks & Issues

Risk/Issue	Impacted Milestone	Target	Category	Probability	Severity	Status
Market Design Assessment • Risk around the protocol traceability project and the market results as each phase of market trials becomes active.	Program	December 2010	Scope / Budget	High	Low	 Presented for the August board meeting Risk assessment associated with five identified issues that need to be addressed now and after Go-Live <i>PTP Options in the DAM</i> <i>Ancillary Services</i> <i>CRR Derating</i> <i>Scarcity Pricing</i> <i>Zonal Pricing for All Loads</i>
 Operational Readiness Operational readiness of the Nodal systems and business processes are an increasing risk at this point in the program DAM CRR 	Program	September 2010	Scope / Schedule/ Budget	Med	High	 Organizational capability assessments and improvement recommendations are under review by executive management The PMO has and will continue to identify critical deficiencies and implement mitigation strategies to ensure delivery Analyzing quality of solution with Market Participants Zonal outages workaround is being tested in September CRR Market Trials auction
DAM CRR PTP Options • Performance issues around DAM performance with PTP options	Program	November 2010	Schedule/ Budget	Med	High	 ERCOT is analyzing solutions to improve the performance of the DAM market Immediate mitigation strategy involves two possible software fixes and one possible hardware fix Long Term solution is a software change that ERCOT is still scoping
ERCOT 20 September	2010		8			ERCOT Board of Directors