



# CEO UPDATE

## DECEMBER 14, 2010

Trip Doggett  
President & CEO

# NODAL GO LIVE

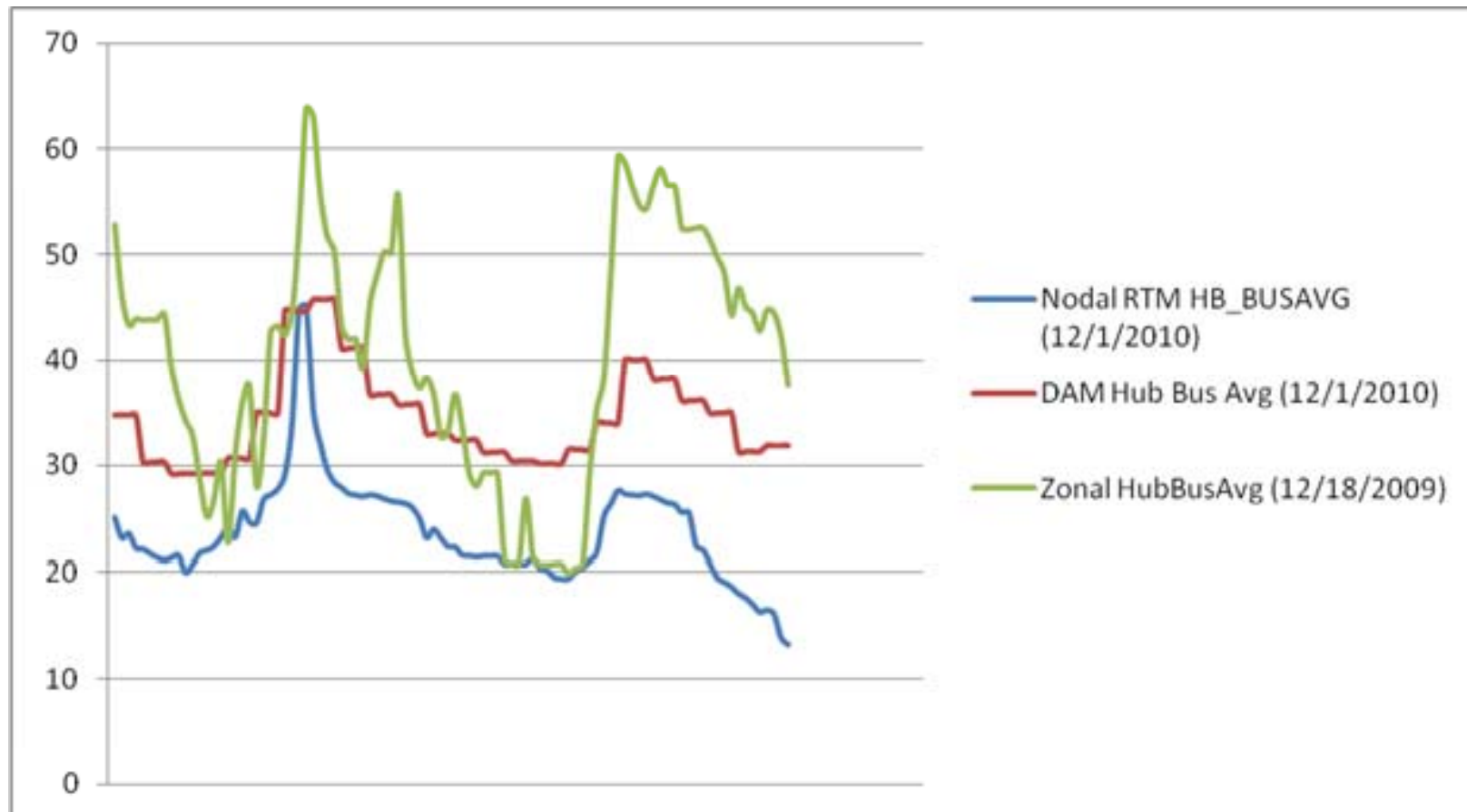
- **Extremely Smooth Transition into Nodal**
  - Mike Cleary noted smoothest he has witnessed
  - Credit to extensive training and testing by ERCOT and MPs
- **Operators Pleased**
  - Better control of Frequency and Congestion
  - CPS scores better than Zonal during steep load ramp on 12/1
  - Fewer manual steps
  - Good Day-Ahead and Hourly Reliability Unit Commitment solutions
  - More transparency into Resources providing Ancillary Services



# ZONAL VS. NODAL PRICES

## Reasonable Market Outcomes

- DAM participation high
- Nodal Day-Ahead prices paralleled Real-Time prices
- Compared to a “proxy day” in 2009, Nodal prices were less volatile, generally lower



## FINANCIAL PERFORMANCE (OCTOBER)

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### YTD BUDGET VS. ACTUAL PERFORMANCE: \$14.9 MILLION FAVORABLE

*Plus \$3.4 Million recovery from The Reserve (one-time event)*

#### REVENUE

\$2.7 Million favorable System Administration Fee  
\$0.5 Million favorable Other, Interest Inc,& Study Fees

#### EXPENSES

\$7.3 Million favorable in Salary & Benefits  
\$2.3 Million favorable in Interest Expense  
\$1.0 Million favorable in Facilities and Other  
\$0.7 Million favorable in Protocol Services  
\$0.6 Million favorable in Outside Services  
\$0.2 Million favorable in Revenue Funded Projects

**PLEASE NOTE: Updated data for November will be available at Board meeting**

## FINANCIAL PERFORMANCE (OCTOBER)

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### YEAR-END PERFORMANCE FORECAST : \$10.8 MILLION FAVORABLE

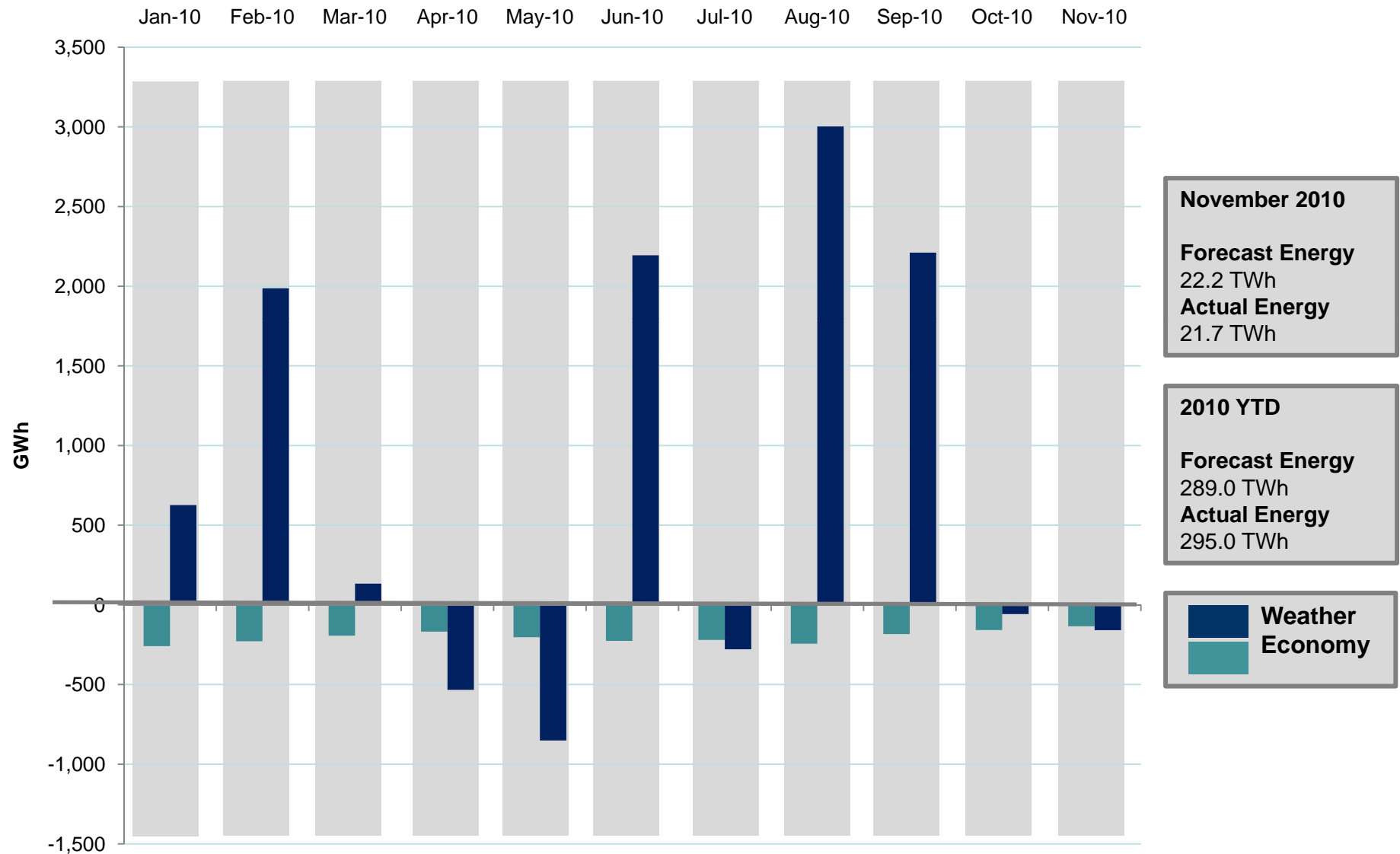
*Plus \$3.4 Million recovery from The Reserve (one-time event)*

**REVENUE**    \$0.9 Million favorable System Administration Fee  
                  \$0.6 Million favorable Other, Interest Inc, WAN & Study Fees

                  \$6.5 Million favorable Salary & Benefits  
                  \$2.8 Million favorable Interest Expense  
**EXPENSES** \$0.7 Million favorable Protocol Services  
                  \$0.4 Million favorable Other, HW/SW Maint., & Outside Svcs.  
                  \$1.0 Million unfavorable Revenue Funded Projects

**PLEASE NOTE:** Updated data for November will be available at Board meeting

# IMPACTS OF ECONOMY & WEATHER



# HEARINGS

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## **DEC 9: KEYNOTE ADDRESS TO THE TEXAS PUBLIC POLICY FOUNDATION**

- Served as keynote speaker and provided update on the transition to Nodal

## **FUTURE HEARINGS:**

- None scheduled at this time

## **OTHER ITEMS:**

- Positive press across-the-board regarding 'go-live'
- Legislators have expressed positive reactions
- 27 days until the 82<sup>nd</sup> Legislative Session begins

## OUT AND ABOUT ERCOT

### October 25<sup>th</sup> – 26<sup>th</sup>: Taylor High School Field Trip

- ERCOT hosted over 90 sophomores from Taylor High School
- Students were taken on a tour of the control room and various locations throughout ERCOT





# OUT AND ABOUT ERCOT

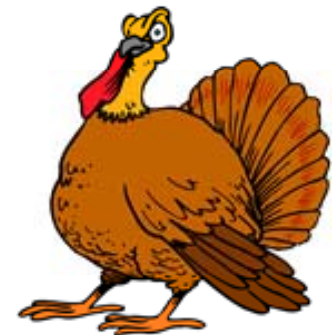


## November 18<sup>th</sup>: Annual ERCOT Thanksgiving Luncheon

- Combined locations and had one large gathering this year
- Over 600 employees, contractors, and family members were served
- Inaugural presentation of the new ERCOT People's Choice Awards



- ❖ Best Always-Willing-to-Help
- ❖ Best Workplace Attitude
- ❖ Best Team Player
- ❖ Best Outside-the-Box Thinker
- ❖ ERCOT Employee of the Year



## SPECIAL RECOGNITION TO: 2010 PEOPLE'S CHOICE WINNERS

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### SUZANNE LESTER – EXECUTIVE ASSISTANT

- ❖ **Best Always-Willing-to-Help** – given to the employee who is always ready, willing and able to assist a co-worker.
- ❖ **Best Workplace Attitude** – given to the employee whose good humor and friendly manner make ERCOT a fun place to work.
  - Suzanne has been with ERCOT for over 3 years
  - Primarily supports the CFO
  - Always willing to pitch in and help, even in chaotic times
  - Mother to one year old twins and accomplished musician who enjoys her often frenetic pace



### AUBREY HALE – APPLICATIONS DEVELOPER

- ❖ **Best Team Player** – given to the employee who makes valuable contributions in a team-work environment.
  - Aubrey has been with ERCOT for 4 years
  - Maintains the collage content management system for our public-facing websites including [www.ercot.com](http://www.ercot.com)
  - Father of two, and aspiring banjo aficionado, Aubrey is known for his friendly and helpful demeanor

# SPECIAL RECOGNITION TO: 2010 PEOPLE'S CHOICE WINNERS

## MIKE LEGATT – PRINCIPAL

- ❖ **Best Outside-the-Box Thinker** – given to the employee who consistently comes up with new and innovative solutions to ERCOT challenges.
  - Has been with ERCOT for over 2.5 years
  - Best known for creating the Macomber Map, which revolutionized the way Control Room operators interact with information
  - Holds a Bachelor's Degree in Psychology, Masters in Clinical Health Psychology, and a PhD in Neuropsychology. And now he's enrolled in the PhD program in Energy Systems at UT



## KAMAL BHATIA – BUSINESS INTELLIGENCE ANALYST

- ❖ **ERCOT Employee of the Year** – given to the employee who best embodies the ERCOT Vision: “To be innovative in providing a world-class, cost-effective, reliable electric grid and efficient electricity markets.”
  - Kamal has been with ERCOT for 3.5 years
  - Key SME in ERCOT data archiving and market data extracts and reports
  - Very interactive with both ERCOT internal groups as well as MPs
  - Goes above and beyond on a daily basis, making himself available for troubleshooting and resolution when there are market issues and taking on additional work assignments during peak times

