



Business Integration Update

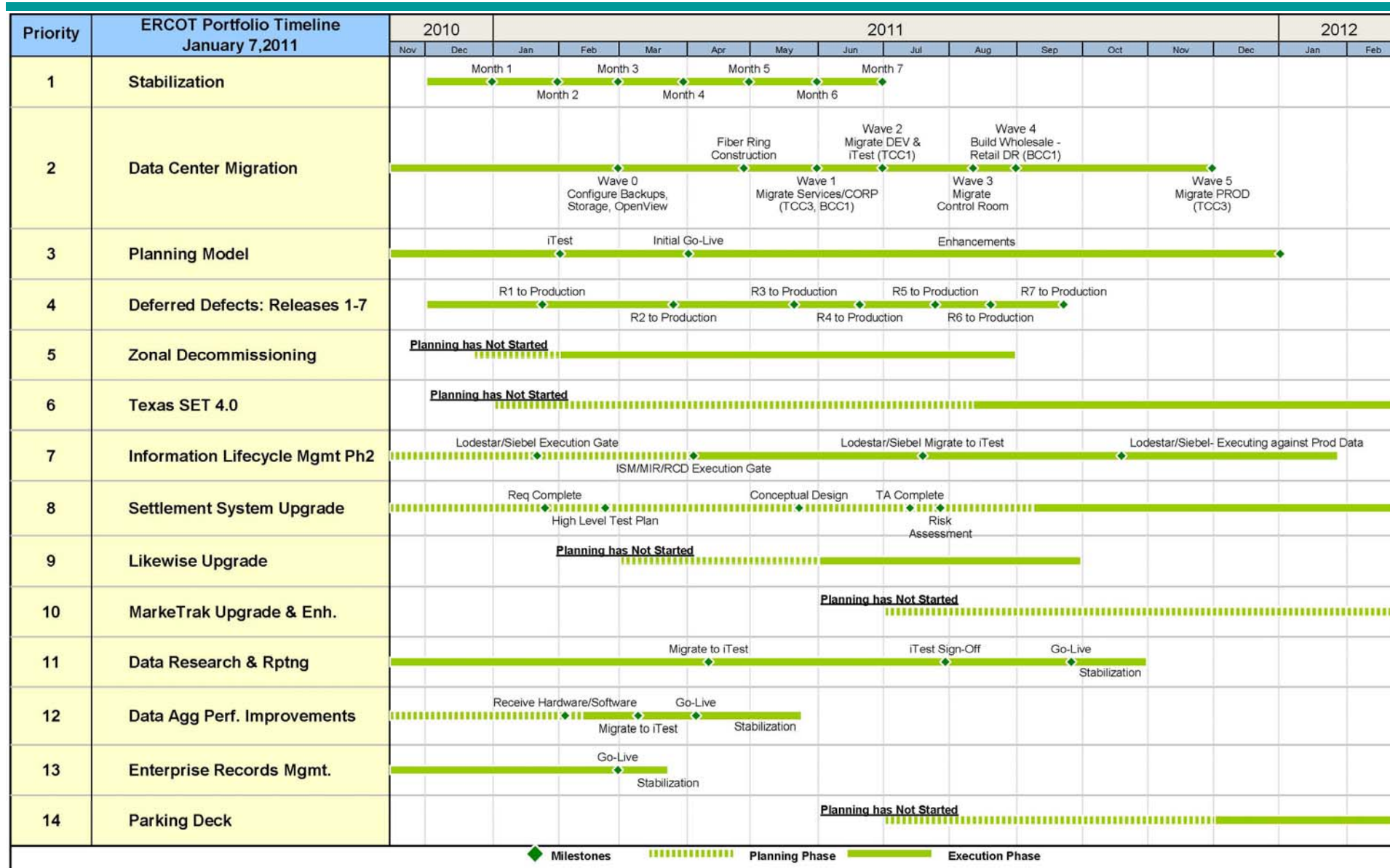
Board of Directors Meeting

18 January 2011

Today's Agenda

- **Project Portfolio Update**
- **Stabilization & Deferred Defects Update**
- **Project Prioritization Update**

ERCOT Portfolio Status Report (Week Ending 01/07/2011)



ERCOT Projects Update

Project Name	Scope	Objectives	Current Status	Issue	Potential Risks	Risk Probability
Stabilization	Evaluate and remediate ERCOT Nodal Operational Issues including higher than normal: production outages, issue analysis, software defect remediation, stakeholder support, and request for information volumes	Maintain Nodal Operational Stability during the first months of System Operations	Defects Resolved 20 Market Facing Defects 70 Internal Defects	None	Issue volumes are higher than expected Complexity of issues is greater than expected System design changes are implemented before systems are fully stabilized	Medium
Deferred Defects	Evaluate and remediate the defects that were deferred from the Nodal Project	Continue to improve the operational efficiency of the Nodal Applications and reduce the impact of workarounds for both ERCOT and Market Participants	Defects Resolved (83) 30 Market Facing Defects 53 Internal Defects Remaining for January (54) 19 Market Facing Defects 35 Internal Defects	None	Resource availability and delivery timelines may be impacted by Stabilization efforts	Medium
Data Center Migration	Replace data center hardware that is approaching end of life and migrate hardware to new Taylor and Bastrop data centers	Reduce level of risk of hardware failure and resulting impact on critical business functions	All hardware due on site by January 14. Begin installing storage and Unix server hardware during week of January 10.	Hardware is arriving several days behind schedule; no major impact on project schedule at this time.	Schedule slip due to storage connectivity to SAN switches is dependent on patch panel solution for 64 port fiber.	Low
Planning Model	Build Annual Planning Models from the NMMS Database also used to build Network Operations Model and models for the Market	Attain much higher level of consistency between Operations and Planning models than experienced in the past	Testing the Topology Processor and Model On Demand applications to retrieve data from NMMS Database to finished Planning model. Go-Live date set for April 1, 2011	None	System and or process changes.	Medium
Zonal Decommission	The complete decommission (hardware, software, network, data, instances) of all systems that will no longer be used after Nodal Go-Live.	Track and coordinate ERCOT assets (hardware, software) as they are being decommissioned or repurposed back into the ERCOT Asset pool.	Planning underway	None	Zonal data retrieval may be requested to be retained beyond the decommissioning project end date.	Medium

ERCOT Projects Update (cont.)

<u>Project Name</u>	<u>Scope</u>	<u>Objectives</u>	<u>Current Status</u>	<u>Issue</u>	<u>Potential Risks</u>	<u>Risk Probability</u>
Information Lifecycle Mgmt Phase 2	Define and implement ERCOT's Information Lifecycle Management (ILM) to a defined group of Commercial System databases.	Free up usable storage quickly and control future growth rates by applying ERCOT ILM standards and policies.	Nearing the end of planning phase for Lodestar and Siebel source databases. Gathering requirements and performing analysis for data warehouse (ISM).	None	Resource availability and delivery timelines may be impacted by Stabilization efforts	Medium
Settlement System Upgrade	Create a custom settlement solution that can be maintained by ERCOT staff. It will include the removal of the Oracle Lodestar Billing Expert application.	Replace all Lodestar proprietary code, data structures and tools with an ERCOT supported solution that does not require a maintenance agreement with an outside vendor.	Completing the business requirements and defining options for a proof of concept.	None	Resource availability and delivery timelines may be impacted by stabilization.	Low
Data Research & Reporting	Deliver a Electric Service Identifier (ESI ID) data research and reporting tool for ERCOT Commercial Operations to provide accurate, complete and efficient reporting and research capabilities using retail transaction data.	The delivery of timely, accurate and supportable reports, creation of a framework to build additional data marts, and the assurance that the transitioned ETS data is designed to be highly reliable and recoverable, with automated auditing and notification.	Business Requirements, Detail Design and Code are complete as scheduled. Team is migrating code to PTest in preparation of testing activities. Testing Scripts are being developed.	None	Resource availability and delivery timelines may be impacted by Stabilization efforts.	Low
Data Agg Performance Improvements	ERCOT has the capability to load and process Advance Metering Systems (AMS) settlement meter data in support of market forecasts for deployment.	To stress test data agg code in an environment with similar resources as production and make any necessary improvements to data agg code to ensure data agg's ability to support the volume of AMS ESIIDS that will come over the next 10 years (Forecasted by ERCOT to be 7.4 million AMS ESIIDS).	Development is currently loading AMS ESIID's to simulate 2011 loads.	None	Performance issues while running 3MM-5MM of simulated AMR ESIID's	Medium
Enterprise Records Mgmt	Define and implement ERCOT strategy for managing email, documents and legal records.	Control growth of email and document archives. Support regulatory compliance activities.	Performing user acceptance testing, developing pilot and training plan.	None	Undiscovered defects arising during training.	Low

Summary Stabilization & Deferred Defect Changes (as of 1/7/11)

	Dec 03 to Jan 07	Jan to Feb	Feb to Mar	Mar to Apr	Apr to May	May to Jun	Jun to Jul
Stabilization defects (changes since last report)							
New Priority 1, 2 Defects	111						
New Deferred Defects	92						
Defects Resolved	90						
Deferred defects (changes since last report)							
Defects Resolved	83						

Summary of Defects by Target Delivery (Stabilization & Deferred) (as of 1/7/11)

System	Stabilization Priority 2 Target 1/2011	Deferred Defects Priority 3								Priority 4 & 5 (Potential Future Work)	Total Defects
		Group 1 * 1/2011	Group 2 3/2011	Group 3 5/2011	Group 4 6/2011	Group 5 7/2011	Group 6 8/2011	Group 7 9/2011	Total		
<i>MMS</i>	14	19	16	21	12	1			69	42	125
<i>EVS</i>	17	11	41	35	36	41	41	42	247	169	433
<i>COMS</i>	1	13	14	21	12	11	3		74	15	90
<i>CMIM</i>	1	15	19	20	5				59	8	68
<i>NMMS</i>	1	0	9	14	10		16		49	8	58
<i>OS</i>	2	16	3	21	17	14			71	53	126
<i>CRR</i>	4	0	3	0	2				5	3	12
<i>MIS</i>	0	2	2	2					6	7	13
<i>CDR</i>	4	4	5						9	2	15
<i>EIS(EDW)</i>	3	0	0	6	5				11	8	22
<i>EIP</i>	2	23	22	10	9				64	17	83
<i>MPIM</i>	0	1	4	3					8	1	9
<i>Planning Model</i>	0	0	6						6	6	12
Total	49	104	144	153	108	67	60	42	678	339	1066

* Group 1 contains DST defects

Parking Deck and New NPPR/SCR Prioritization Effort Underway

- **Phase 1 ERCOT Internal Review For Potential 2011 Work (Impact & Cost Benefit Analysis)**
 - NPPR208:Registration and Settlement of Distributed Generation (DG) Less Than One MW
 - NPPR219:TSPs Must Submit Outages for Resource Owned Equipment and Clarification of Changes in Status of Transmission Element Postings
 - NPPR251:Synchronization of PRR845, Definition for IDR Meters and Optional Removal of IDR Meters at a Premise Where an Advanced Meter Can be Provisioned
 - NPPR285:Generation Resource Base Point Deviation Charge Corrections
 - NPPR290: ERCOT Publication of DAM PSS/E Files
 - NPPR293:Requirement to Post PTP Obligation Quantities Awarded in DAM
 - NPPR302:Correct Fuel Type Language for Mitigated Offer Cap
 - NPPR303:Requirement to Post PTP Options Cleared in DAM or Taken to Real-Time
 - SCR760:Recommended Changes Needed for Information Model Manager and Topology Processor for Planning Models

- **Schedule reminder**
 - January - Market subcommittee review
 - February - Market subcommittee endorsement
 - March - TAC and Board consideration

Questions?

Appendix

Stabilization Priority 1&2 Defects (as of 1/7/11)

Target To Be Resolved by 1/2011

System	24-Nov	30-Nov	3-Dec	7-Jan	Feb	Mar	Apr	May	Jun	Jul	Changes
MMS	0	0	11	14							3
EMS	0	0	1	17							16
COMS	0	1	4	1							(3)
CMM	0	0	0	1							1
NMMS	0	0	0	1							1
OS	0	0	0	2							2
CRR	0	0	0	4							4
MIS (inc MID)	1	1	0	0							0
CDR	0	0	7	4							(3)
EIS (EDW)	0	0	6	3							(3)
EIP	0	0	0	2							2
MPIM	0	0	0	0							0
Planning Model	0	0	0	0							0
Total	1	2	29	49							20

Changes to Priority 1 & 2 Defects Since Last Reporting

New Priority 1, 2 Defects	2	26	111							
Priority 3,4,5 --> Priority 1, 2	0	8	0							
Closed --> Priority 1,2	0	0	0							
Priority 1,2 --> Priority 3,4,5	0	0	(1)							
Priority 1, 2 --> Resolved (Closed or Invalid)	(1)	(7)	(90)							
Total Changes in Period	1	27	20							
Total End of Report Period	2	29	49							

Lower Priority Defects (3, 4, 5) (as of 1/7/11)

System	24-Nov	30-Nov	3-Dec	7-Jan	Feb	Mar	Apr	May	Jun	Jul	Changes
MMS	93	96	93	108							15
EMS	384	385	388	414							26
COMS	78	79	77	82							5
CMM	65	65	67	57							(10)
NMMS	12	29	57	57							0
OS	118	122	123	116							(7)
CRR	7	7	7	8							1
MIS (inc MID)	15	15	18	13							(5)
CDR	11	11	10	11							1
EIS (EDW)	20	16	19	19							0
EIP	71	71	72	62							(10)
MPIM	11	11	13	8							(5)
Planning Model	6	6	14	12							(2)
Total Deferred	891	913	958	967							9
Changes to Priority 3, 4, 5 Defects Since Last Report											
New Priority 3, 4, 5 Defects	16	56	92								
Priority 1, 2 --> Priority 3,4,5	0	0									
Closed --> Priority 3, 4, 5	17	0	0								
Priority 3,4,5 --> Priority 1, 2	0	(8)	0								
Priority 3 --> Resolved (Closed or Invalid)	(11)	(3)	(83)								
Total Changes in Period	22	45	9								
Total End of Report Period	913	958	967								

Unresolved Defect Breakdown by Priority and Severity

(as of 1/7/11)

Unresolved Defect Breakdown by Priority	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Priority 2 - Target 1/2011	29	49						
2 Loss of functionality w/o workaround	11	49						
3 Loss of functionality with workaround	16	0						
4 Partial loss of a feature set	2	0						
Priority 3 - to be resolved in 2011	713	628						
2 Loss of functionality w/o workaround	13	12						
3 Loss of functionality with workaround	353	308						
4 Partial loss of a feature set	301	259						
5 Cosmetic/Documentation error	46	49						
Priority 4 - Deferred	212	320						
2 Loss of functionality w/o workaround	1	35						
3 Loss of functionality with workaround	17	54						
4 Partial loss of a feature set	158	191						
5 Cosmetic/Documentation error	36	40						
Priority 5 - Deferred	33	19						
3 Loss of functionality with workaround	2	1						
4 Partial loss of a feature set	10	9						
5 Cosmetic/Documentation error	21	9						
Total	987	1016						

Risk Probability Definitions

- **Risk Probability**
 - High: Probability to occur is $\geq 90\%$
 - Medium: Probability to occur is between 31% – 89%
 - Low: Probability to occur is $\leq 30\%$