

Report of Feb. 2 Rotating Outages Communications Task Force of the ERCOT Board

March 22, 2011

Task Force Members: Chair: Jean Ryall (Independent Power Marketers segment). Members: Public Counsel Sheri Givens (Residential Consumers segment), Mark Dreyfus (Municipally-Owned Utility segment), Marcie Zlotnik (Independent Retail Electric Provider segment) and Calvin Crowder (Investor-Owned Utilities segment).

Task Force Charge: Work with designated ERCOT staff, other Board members, and key affected stakeholders to assist ERCOT in reviewing and making recommendations for improvements to ERCOT's comprehensive emergency communications plan to present to the Board at the March 2011 meeting.

Goal: A thorough review of ERCOT's emergency communications plan and concise recommendations for enhancements to crisis communications procedures.

The Task Force held two meetings on February 22 and March 9, 2011. During these meetings, members explored the issues listed below that arose during the February 2nd Energy Emergency Alert (EEA) event and how ERCOT can be better prepared during future emergency events. A brief discussion of each issue is below. The Task Force also intends to report to the Board after all outstanding issues are resolved or fully implemented.

Issue 1 – Identify the types of emergencies that ERCOT should be prepared to address

Task Force members identified weather-related events, loss of generation or transmission capability resulting in a negative impact on the bulk grid system, acts of terrorism and cyber security threats.

Issue 2 – Identify target audiences to be reached

Task Force members identified the State Operations Center (SOC), key government officials such as the Public Utility Commission (PUC), the Office of Public Utility Counsel (OPUC), the Texas Railroad Commission (RRC), the Texas Commission on Environmental Quality (TCEQ), the Texas Reliability Entity (TRE), the Independent Market Monitor (IMM), statewide elected officials and their staffs, members of the Texas Legislature and U.S. Congress and their staffs, the Federal Energy Regulatory Commission (FERC), ERCOT Board members, Transmission and Distribution Service Providers (TDSPs) who are on the front lines of rotating outages, Retail Electric Providers (REPs) who are responsible for communicating directly with end-use customers and other Market Participants, the media and the public. The Task Force members discussed the appropriate type and detail of information needed by each group and the best time during an emergency event to contact each group.

Issue 3 – Identify the appropriate communication mechanisms to reach target audiences

Task Force members identified a wide range of mechanisms through which ERCOT may spread the word about grid emergencies. The Task Force also noted that some of these mechanisms may be used during non-emergency events for the dissemination of educational and resource information about ERCOT.

The Task Force discussed which mechanisms are most appropriate for each segment of the target audience and the timeline at which each mechanism should be deployed for each target group.

These mechanisms include:

- Automated Emergency Notification System (ENS) messages for use during grid emergencies
- Social media, including Facebook and Twitter
- Additions to www.ercot.com, including a grid status feature that illustrates demand/peak on a real-time basis
- Targeted market notices to ensure that market participants are receiving updated information
- During-event press availability/conferences

Issue 4 – Identify ERCOT staff who will be responsible for developing and delivering messages

Task Force members agreed that, while communications during grid emergencies is primarily a function of the ERCOT External Affairs group, emergencies by their nature require an “all hands on deck” approach. For this reason, Task Force members encouraged ERCOT staff to develop a crisis communications team that is ERCOT-wide and designed to come together during emergency events. Task Force members noted this team should also be equipped with back-up capability since some team members may be out of the office when an emergency occurs. The members also discussed the importance of appropriate training in crisis management and communications and the need to incorporate this effort into emergency drills.

Issue 5 -- Continue to improve communication between ERCOT and transmission providers

Task Force members acknowledged that specific effective communications techniques are needed for TDSPs during grid emergencies. Because TDSPs are specifically responsible for carrying out rotating outages, communication between the ERCOT Control Room and TDSPs and ERCOT External Affairs and TDSPs must be timely, frequent and concise.

The External Affairs Division will hold a “lessons learned” meeting on April 8, 2011 for all Market Participant Public Information Officers (PIOs), including TDSPs, as well as the other market segments, and PIOs from the PUC and OPC. The goal of the meeting will be to discuss ideas to improve two-way communications between ERCOT External Affairs and the public- and media-facing contacts at the TDSPs and other stakeholders during an emergency event.

Additionally, the Task Force discussed issues that arose on February 2 regarding transmission-dependent distribution companies who do not receive rotating outage requests directly from the ERCOT system operators. Because this issue involves Control Room communications, the Task Force recommends that the Operations Task Force also consider this issue.

Issue 6 – Determine ways in which ERCOT can handle high volumes of requests for information and comments

The Task Force recommends the ERCOT Board direct the ERCOT Executive Team to continue to explore a “phone bank” mechanism that utilizes ERCOT staff not in the External Affairs group to assist with high volumes of calls/emails received during grid emergencies.

Issue 7 – Discuss whether additional resources are needed within ERCOT to support an expanded communication response

The Task Force determined that additional resources may be needed to handle grid emergencies and recommends the ERCOT Board direct the ERCOT Executive Team to explore this issue further.

Issue 8 – Determine whether ERCOT should consider the use of an outside communications/media firm

The Task Force recommends the ERCOT Board direct the ERCOT Executive Team to consider hiring an outside crisis communications management firm to assist with emergency events. The Task Force also directed the External Affairs Director to create a list of crisis communications firms.

Issue 9 – Determine timing for ongoing review of Crisis Communications Procedure manual and twice-yearly emergency drill

The ERCOT Crisis Communications Procedure manual already calls participation in the System Operations annual storm drill, which alternates yearly between a hurricane and winter storm drill. The Task Force recommends holding this drill twice a year once prior to hurricane season and once prior to the winter months as well as broadening this drill to include more participation from Market Participants and government entities. The Task Force recommends the ERCOT Board direct the ERCOT Executive Team to investigate the logistics of holding two drills annually.

Issue 10 – Review and update the ERCOT Crisis Communications Procedures manual

Task Force members reviewed and suggested changes to the existing ERCOT Crisis Communications Procedures manual. The manual is attached to allow for a full Board review. Additionally, the Task Force agreed that, anytime there is a change in ERCOT staff that comprises the Crisis Communications Team, the manual shall be updated as soon as practicable. The Task Force also recommends an annual Board review of the Crisis Communications Procedure.

Issue 11 – Review and update existing templates for key messages during a crisis

Task Force members reviewed and suggested changes to existing messaging templates. These templates are included in the ERCOT Crisis Communications Procedures manual that is attached to allow for a full Board review.

Following are major improvements that have already been made by ERCOT as well as those improvements which are in progress. The Task Force has been made aware by ERCOT staff that ERCOT is targeting April 15, 2011 for completion.

In effect immediately:

1. Automation of direct alerts from control room through the Emergency Notification System (ENS) – ERCOT Staff has worked with PUC Staff to add a PUC-approved list of contacts who should receive all ENS notices at their earliest release.
2. Additionally, the State Operations Center (SOC), Media, and Market Participants' media contacts have been added to the automated ENS list and will receive immediate notice of ENS alerts.
3. "Lessons Learned/Best Practices" meeting with all Market Participant media and public information officer contacts is planned for 10 a.m. on April 8, 2011 at the ERCOT Met Center.
4. ERCOT External Affairs Director is working with Regina Chapline, Infrastructure Policy Analyst & Emergency Management Coordinator for the PUC on presentation to Emergency Management (TDEM) Conference in San Antonio on April 27th. The Conference brings together emergency management coordinators from across the state.

Short Term Improvements:

1. Determine logistics of placing ERCOT staff inside SOC during emergency events.
2. Add a 'grid status/conservation' feature to www.ercot.com similar to those on other ISO homepages.
3. Utilize Twitter/Facebook for outreach (currently working through Security issues to unblock these pages at ERCOT).
4. Continue to improve communication between ERCOT and TDSPs and transmission-dependent distribution companies

Longer Term Improvements:

1. Determine a process for twice-annual grid emergency drills, which will include government entities as well as industry and other affected parties.
2. Develop a crisis communications team structure that extends the reach of ERCOT External Affairs to capable staff from across ERCOT. Develop and implement a training plan for those functions and incorporate into emergency drill.
3. Configure a phone-bank made up of ERCOT internal staff to respond to overflow calls.