



# CEO UPDATE JULY 19, 2011

Trip Doggett  
President & CEO

# FINANCIAL PERFORMANCE (UPDATED THROUGH JUNE)

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## YTD BUDGET VS. ACTUAL PERFORMANCE: \$10.4 MILLION FAVORABLE

### REVENUES

\$3.6 Million favorable System Administration Fee  
\$3.2 Million favorable 2010 Carry Forward  
\$0.3 Million unfavorable Grant Funding

### EXPENSES

\$2.5 Million favorable in Revenue-Funded Projects  
\$0.7 Million favorable in Facilities & Equipment Cost  
\$0.3 Million favorable in Salary & Benefits  
\$0.2 Million favorable Outside Services  
\$0.2 Million favorable Interest & Other

# FINANCIAL PERFORMANCE (UPDATED THROUGH JUNE)

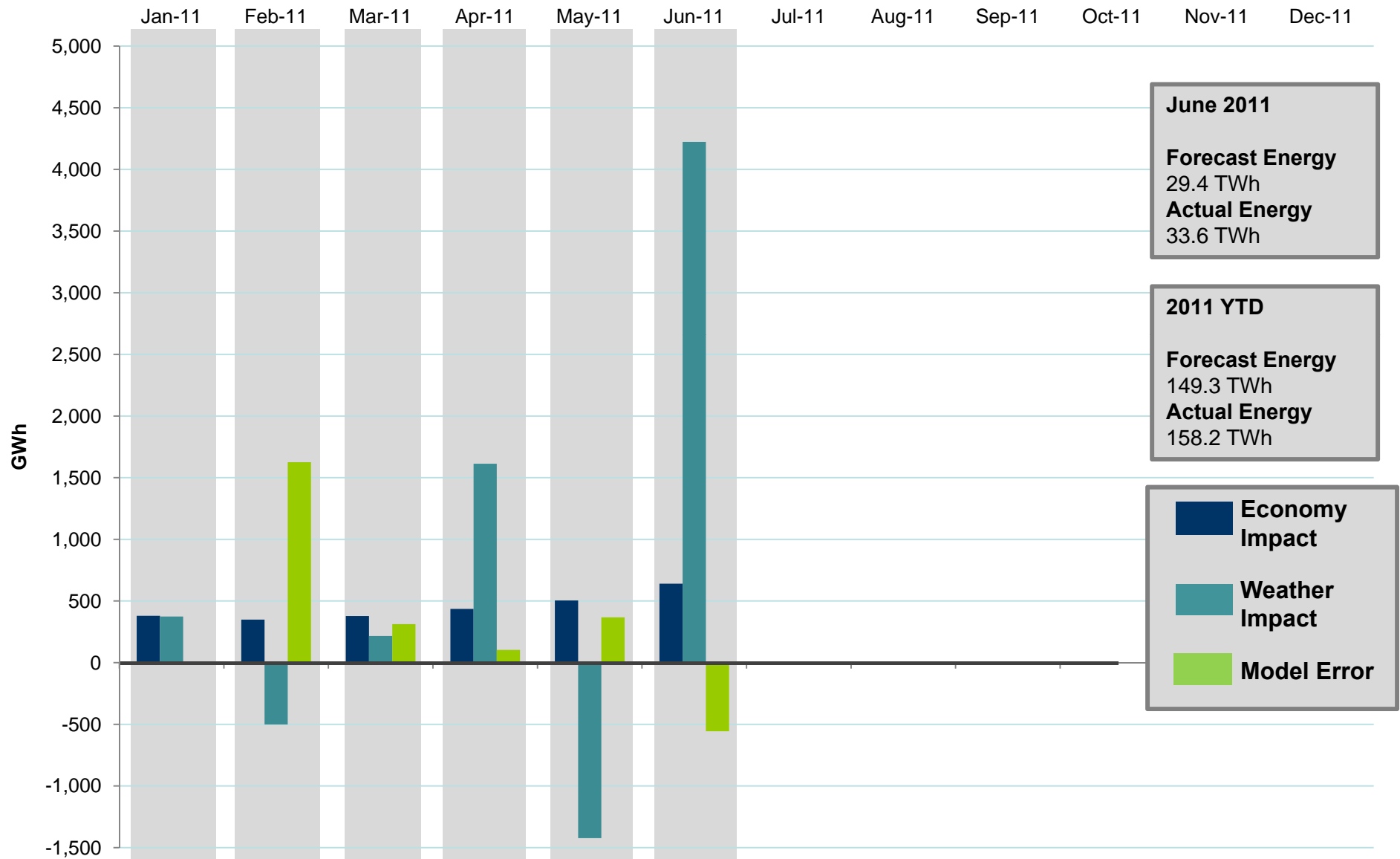
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## YEAR-END PERFORMANCE FORECAST: \$12.0 MILLION FAVORABLE

**REVENUES** \$4.0 Million favorable System Administration Fee  
\$3.2 Million favorable 2010 Carry Forward

**EXPENSES** \$4.0 Million favorable Revenue-Funded Projects  
\$0.9 Million favorable Outside Services  
\$0.2 Million favorable Hardware/Software Maint. & Licenses  
\$0.3 Million unfavorable Salary & Benefits

# IMPACTS OF ECONOMY & WEATHER – 2011



# DEPARTMENTAL UPDATES

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## IT/FACILITIES

### **Data Center Migration**

- Current: 41.9% complete, 16.6% in progress
- Previous: 26.9% complete, 15.52% in progress
- Wave 1 (Corporate and Infrastructure support servers)
  - 66.5% complete (235 servers), 118 in progress
  - Primarily email and monitoring systems
- Wave 1.5.1 – VMWare Corporate is 100% complete
- Wave 1.5.2 – VMWare Development is 87.11% complete
- Wave 2 (Development and Test servers)
  - 47.1% complete (308 servers)
- Wave 4 – 87 Servers in flight (100%)
- Wave 5 – 6 Servers in flight (1.4%). Wave 5 started 8 weeks early.

### **Met Center Lease**

- Negotiations continuing for sublease of data center and control room

# BASTROP CONTROL CENTER – JULY 12, 2011



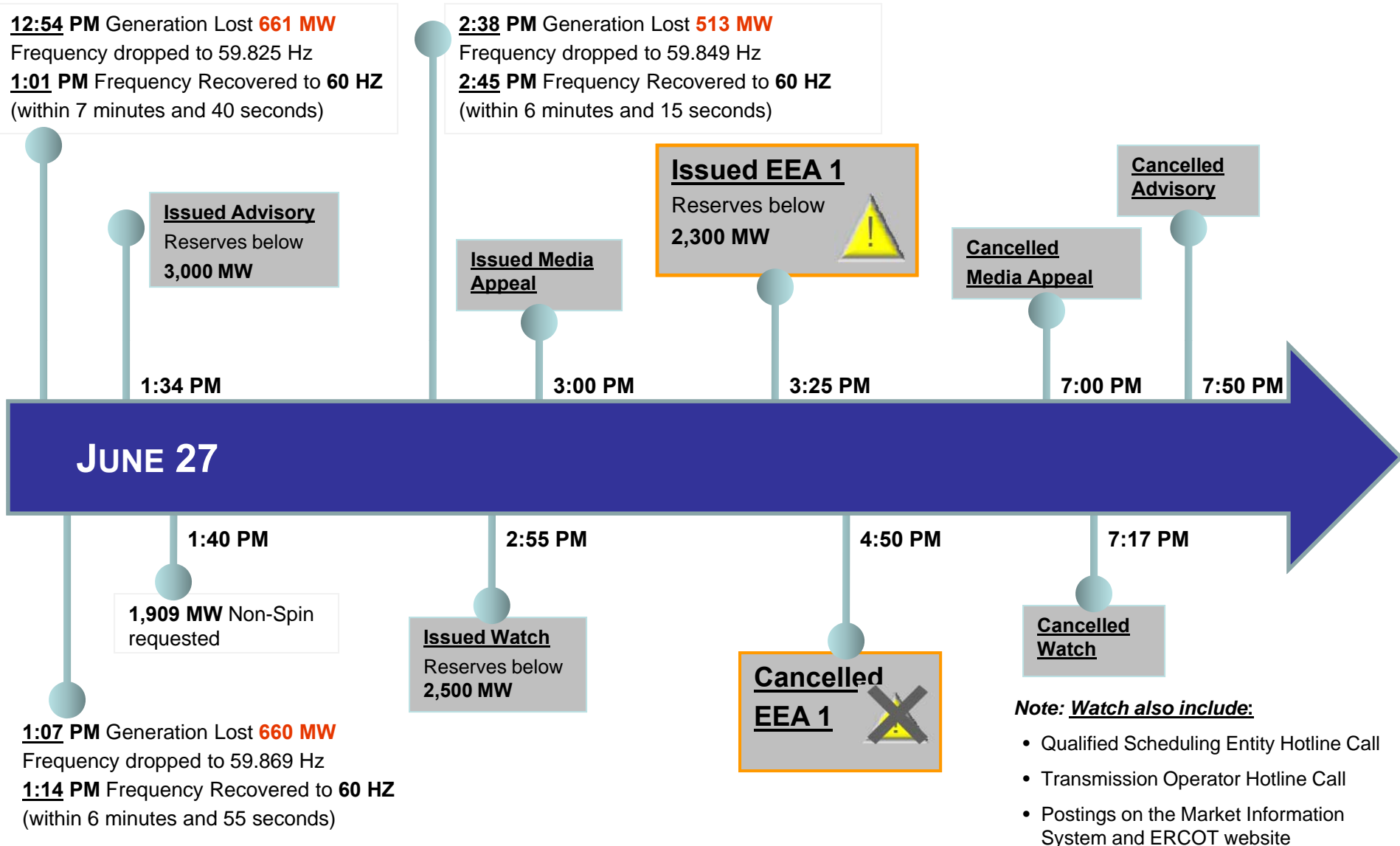
# DEPARTMENTAL UPDATES (CONT.)

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## **SYSTEM OPERATIONS**

- Mike Legatt spoke at a Texas Society of Professional Engineers forum in Austin about emerging trends in the electric industry.
- Woody Rickerson spoke at the Midwest Reliability Organization in Minneapolis about ERCOT's innovative modeling initiatives.
- Black Start Simulator Training scheduled for July – August
  - Provides training for transmission and generation operators on grid restoration procedures
  - Black Start training will be attended by almost 500 participants across Texas
  - For the first time, ERCOT used automatically-generated breaker-to-breaker one-line diagrams for Black Start Training – much better than the Zonal one-lines used previously.
  - Board, PUC, and Capitol staff will be attending various sessions

## ENERGY EMERGENCY ALERT LEVEL 1 — JUNE 27, 2011





## DEPARTMENTAL UPDATES (CONT.)

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### **FINANCE**

- Grady Roberts attended the annual ISO/RTO Council (IRC) Procurement Roundtable hosted by the California ISO

### **BUSINESS INTEGRATION**

- ERCOT held a workshop with Market Participants to discuss detailed issues related to NPRR 357 (12-month rolling CRR auction). As a result of the workshop, it was decided to delay the rolling auction format and focus on revisions that would enable ERCOT to go ahead with the annual CRR auctions as planned.

### **LEGAL**

- The ISO/RTO joint application to the CFTC for an exemption under the Commodities Exchange Act is in process and expected to be filed soon. ERCOT is currently engaged in discussions with the CFTC to address issues related to the scope of the exemption. ERCOT is expecting to continue to press ahead with becoming a central counterparty. NPRRs to begin addressing the expected terms of the exemption will be filed shortly, along with more detailed proposals with respect to participant attestation and verification requirements.

## COMPLIANCE, SECURITY AND LEGAL STAFF VISIT WITH FERC

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- Specifically Recognized Frequency Response, LAARs, (2) Control Centers
- Complimented ERCOT for Openness, Participation on February 2, 2011 Review
- Impressed by Section 8 Protocol Requirement
- FERC conducted Classified Debriefing on Security Threats/Issues
- Excellent Dialogue
- Appreciated Specific Compliance Examples

## EXTERNAL RELATIONS

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- ✓ Special Legislative Session ends – No ERCOT impact
- ✓ Participated in the Taylor Economic Development Summit with Secretary of State Andrade
- ✓ Participated in and provided resource information at PUC generation adequacy workshops
- ✓ Coordinated with the TCEQ on outreach to generators regarding drought issues

### **FUTURE:**

- Continue outreach to legislative contacts, including tours (of Taylor, Met and Bastrop Control Centers) and briefings
- Continue stakeholder outreach for Long Term Study
- Assist legislative staff with interim study topics and research
- Continue education on summer capacity and grid status concerns

# CONGRATULATIONS, BETTY DAY – VP, BUSINESS INTEGRATION

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**BETTY DAY**

**VICE PRESIDENT, BUSINESS INTEGRATION**

Started at ERCOT: July 1<sup>st</sup>, 2000



Betty began working for ERCOT on July 1, 2000 as Manager, Load Profiling and was instrumental in the zonal market go-live. She took on additional responsibilities of Data Aggregation and Settlement Metering in 2002 and was later promoted to Director, Commercial Operations in September 2005. In this role she had responsibilities for Retail Customer Choice, Settlement Metering, Data Aggregation, Settlements & Billing, and Data Integrity & Administration. During my role as Interim CEO, Betty managed many of my former COO responsibilities. During 2010, she was the ERCOT business lead on Mike's management team for nodal implementation.

Betty resides in Taylor with her husband, John, and their daughter, Jennifer. In her spare time, she enjoys gardening and all things equestrian.