



2011
ERCOT KEY PERFORMANCE INDICATOR MATRIX
4th Quarter Reporting Period

	YTD	4th Quarter Performance		3rd Quarter Performance		2nd Quarter Performance		1st Quarter Performance			
		B	G	Y	R	Green	Red	Green	Red	Green	Red
25%	TRANSMISSION SYSTEM OPERATION										
		SYSTEM PLANNING									
		TRANSMISSION CONNECTION MANAGEMENT									
		GRID SECURITY MANAGEMENT / REAL-TIME SYSTEM CONTROL / SCHEDULING & DISPATCH									
		OUTAGE COORDINATION/PLANNING									
		FORECASTING									
		COMPLIANCE MONITORING & REPORTING									
15%	RETAIL OPERATION										
		CUSTOMER SWITCHING/REGISTRY									
		MARKET INFORMATION									
		DISPUTE MANAGEMENT									
20%	WHOLESALE SPOT/CASH MARKET OPERATION										
		BIDDING, SCHEDULING AND PRICING									
		WHOLESALE METERING, DATA COLLECTION AND DATA AGGREGATION									
		SETTLEMENT & BILLING									
		MARKET INFORMATION									
		CRR/FTR MANAGEMENT									
		DISPUTE MANAGEMENT									
5%	RENEWABLE ENERGY CREDITS										
		DETERMINE REC OBLIGATIONS AND VERIFY COMPLIANCE									
10%	CUSTOMER CARE										
		ACCOUNT MANAGEMENT									
15%	INFORMATION TECHNOLOGY										
		IT APPLICATION SERVICES									
		IT STRATEGY & PLANNING									
10%	OTHER SUPPORT & MANAGEMENT FUNCTIONS										
		STRATEGY & BUSINESS PLANNING									
		INTERNAL AUDIT									
		FINANCE									
		HUMAN RESOURCES									
		FACILITIES/SECURITY									
		EXTERNAL AFFAIRS									
		PROJECT/PROGRAM MANAGEMENT									

COLOR KEY	
Stretch metric met YTD	
Target metric met YTD	
Conscious business decision that prevented meeting defined metric	
Metric not met YTD	



2011
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Transmission System Operation
4th Quarter Reporting Period

		TARGET		STRETCH		PERFORMANCE
SYSTEM PLANNING						
Trans 1	Saathoff	Regional Planning project Review performance	At least 90% of project review studies completed on time without substantive errors	At least 95% of project review studies completed on time without substantive errors		4th Quarter = 100% YTD = 100%
TRANSMISSION CONNECTION MANAGEMENT						
Trans 2	Saathoff	Generation Interconnection Request (GIR) review performance	At least 90% of GIR screening studies completed on time without errors	At least 95% of GIR screening studies completed on time without errors		100% in 4th Quarter 96.6 % for YTD
GRID SECURITY MANAGEMENT / REAL-TIME SYSTEM CONTROL / SCHEDULING & DISPATCH						
Trans 3	Saathoff	Control Performance Standard 1 (CPS1) frequency control performance	Rolling 12 month CPS1 score > 135	Rolling 12 month CPS1 score > 150		Rolling 12 month score for the year was 148.914. December score was all-time high of 162.009
Trans 4	Saathoff	Interconnection Reliability Operating Limit (IROL)	No IROL exceedance longer than 30 minutes	No IROL exceedances longer than 15 minutes		No IROL exceedances longer than 15 minutes for the year.
OUTAGE COORDINATION/PLANNING						
Trans 5	Saathoff	Outage Coordination performance	At least 95% of outage requests approved or denied within timeline and with mitigation plans developed if required	At least 97% of outage requests approved or denied within timeline and with mitigation plans developed if required		Above 97% for 4th quarter. 99.36% for the year.
Trans 6	Saathoff	Network model update frequency	No more than two instances of models not being provided for scheduled and supplemental data base loads and no more than 4 emergency database loads due to staff error	All models provided for scheduled and supplemental data base loads and no more than 2 emergency database loads due to staff error		One emergency database load due to staff error in first quarter. None in second, third or fourth quarter. No instances of models not being provided on time for 4th quarter or year.
FORECASTING						
Trans 7	Saathoff	Operations Load Forecast performance - Mean Average Percent Error (MAPE)	Monthly average day ahead load forecasts used for DRUC MAPE all less than 4.0%	Monthly average day ahead load forecasts used for DRUC MAPE all less than 3.5%		Highest average day ahead MAPE was April at 3.55%. All other months less than 3.5%.
Trans 8	Saathoff	Wind forecast performance - MAPE based on installed wind capacity	Monthly average day ahead wind forecasts used for DRUC MAPE all less than 20%	Monthly average day ahead wind forecasts used for DRUC MAPE all less than 15%		Highest monthly MAPE was 10.2%. Average for year was 9.9%.
COMPLIANCE MONITORING & REPORTING						
Trans 9	Saathoff	Required Planning Report performance	No more than two reports required by PUCT Rule, DOE project, NERC or State law filed late or with error	100% of reports required by PUCT Rule, DOE project, NERC or State law completed on time without errors.		4th Quarter = 100%
Trans 10	Manning	Achieve full compliance with NERC/FERC planning and operating standards, OPS, Protocols (this measurement will be monitored by HR&G and adjusted as directed)	No more than 1 high severity and no more than 5 total exceptions from NERC Standards as found in a NERC Compliance Audit excluding current registration mitigation plan regarding TOP	No exceptions from NERC Standards as found in a NERC Compliance Audit.		No exceptions reported to date.
Trans 11	Manning	Assure property, personnel, and cyber assets are protected (cyber and physical) in accordance with NERC CIP Standards and SAS70 Controls.	No more than 1 high severity and no more than 5 total alleged violations from NERC Standards as found in a NERC or TRE initiated CIP CMEP in 2011. SAS70 - No more than 1 exception in logical or physical security controls and an unqualified opinion in logical or physical security controls.	No alleged violations from NERC Standards as found in a NERC or TRE initiated CIP CMEP in 2011. SAS70 - Unqualified opinion and no noted exceptions.		SSAE16 Audit Report for 2011 resulted in an Unqualified Opinion and no noted exceptions for logical and physical security.
Trans 12	Manning	Achieve compliance with ERCOT Protocols and Operating Guides	No more than 3 operating related exceptions from ERCOT Protocols and Operating Guides as found in Protocol Compliance Audit	No operating related exceptions from ERCOT Protocols and Operating Guides as found in Protocol Compliance Audit		No exceptions reported to date.
Trans 13	Manning	Ensure ERCOT ISO compliance with protocol Section 8 and operating guide Section 9 requirements (include in aggregate above)	Ensure ERCOT ISO is 95% compliant with responsibilities (shalls) and reliability requirements in Protocols Section 8 and Operating Guides Section 9. Results based on PUCT and Reliability Monitor 2011 audit (Self Reports excluded).	Ensure ERCOT ISO is 100% compliant with responsibilities (shalls) and reliability requirements in Protocols Section 8 and Operating Guides Section 9. Results based on PUCT and Reliability Monitor 2011 audit (Self Reports excluded).		No audits or exceptions reported.



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Retail Operation
4th Quarter Reporting Period

			TARGET	STRETCH	PERFORMANCE
CUSTOMER SWITCHING/REGISTRY					
RO 1	Goodman	Retail Market Operation: Conduct retail transaction processing per Protocol timelines	98%	99%	99.69%
RO 2	Goodman	Retail Market Operation: End use customer switch notifications processed per PUCT rules	99%	99.9%	100%
MARKET INFORMATION					
RO 3	Day	Retail Market Operation: Retail extracts available per Protocol timelines	90%	95%	99.16%
DISPUTE MANAGEMENT					
RO 4	Goodman	Retail Market Operation: Manage retail transaction issues and disputes within defined timelines	96%	98%	98.10%



2011
ERCOT KEY PERFORMANCE INDICATOR MATRIX
Wholesale Spot / Cash Market Operation
4th Quarter Reporting Period

		TARGET		STRETCH		PERFORMANCE
BIDDING, SCHEDULING AND PRICING						
WO 1	Dumas	DAM executions completed and posted successfully	% of days with successful DAM solution is 97-99 % of time	% of days with successful DAM solution is > 99 % of time		100%
WO 2	Dumas	DAM executions completed in acceptable timeframe	% of days with posting solution before 1600 is 97-99 % of time	% of days with successful DAM solution posted by 1600 is > 99 % of time		100%
WO 3	Dumas	DAM quality of solution as measure with price corrections	% of hourly prices requiring DAM price correction is 1-3 % of time	% of hourly prices requiring DAM price correction is < 1 % of time		0.639%
WO 4	Dumas	DRUC results posted by 18:00	# of solved DRUCs posted past 18:00 per month is 2 - 5	# of solved DRUCs posted past 18:00 per month is < 2		0
WO 5	Dumas	DRUC solution is solved and posted	% of hours the forecasted demand and ancillary services requirements are satisfied is 97 - 99 %	% of hours the forecasted demand and ancillary services requirements are satisfied is > 99 %		100%
WO 6	Dumas	HRUC executed every hour(5.5.3)	% of completed HRUCs per month, including the ones missed due to database loads and site failover, is 95 - 97 %	% of completed HRUCs per month, including the ones missed due to database loads and site failover, is > 97 %		99.82%
WO 7	Dumas	HRUC solution is solved and posted	% of hours the forecasted demand and ancillary services requirements are satisfied is 97 - 99 %	% of hours the forecasted demand and ancillary services requirements are satisfied is > 99 %		99.95%
WO 8	Dumas	SCED executes at least every five minutes (6.3.2.2)	% of missed SCED intervals per month, excluding intervals during database loads and site failovers is < =2 %. No more than 2 days per month with more than 12 consecutive missed SCED intervals	% of missed SCED intervals per month, excluding intervals during database loads and site failovers is < =1% with no more than 12 consecutive missed SCED intervals		0.008%
WO 9	Dumas	SCED solution is solved and posted	% of 15-Minute Settlement Interval prices where price corrections are performed is 1 3 %	% of 15-Minute Settlement Interval prices where price corrections are performed is < 1 %		0.060%
WHOLESALE METERING, DATA COLLECTION AND DATA AGGREGATION						
WO 10	Goodman	AMS interval data is loaded into ERCOT systems by final settlement from the MRE in accordance with Protocols for data loading.	99%	99.75%		99.94%
WO 11	Goodman	IDR meter data is loaded into ERCOT systems by true-up settlement from the MRE in accordance with Protocols for settlement.	99%	99.75%		99.90%
WO 12	Goodman	EPS meter data is accurate and complete as measured by the percent of data that doesn't change after an initial settlement	99%	99.9%		100.00%
SETTLEMENT & BILLING						
WO 13	Goodman	Timely settlements per Protocol timelines.	99%	99.90%		100.00%
WO 14	Goodman	Accurate settlements as measured by number of resettlements due to manual data errors	2%	1%		0.0%
MARKET INFORMATION						
WO 15	Day	Wholesale extracts available per Protocol timelines	90%	95%		99.73%
CRR/FTR MANAGEMENT						
WO 16	Dumas	CRR auctions are performed according to Nodal Protocols Requirements (7.5.1)	By end of month	Auction takes less than 5 days to complete and post		100% - All 3 monthly auctions completed within 5 days, and 2-year annual auction posted within 16 days.
WO 17	Dumas	Monthly de-ratings of CRRs are within acceptable tolerances	80%	95%		92%
DISPUTE MANAGEMENT						
WO 18	Goodman	Process disputes within protocol timelines	95%	98%		97.5%



2011
ERCOT KEY PERFORMANCE INDICATOR MATRIX
Renewable Energy Credits
4th Quarter Reporting Period

			TARGET	STRETCH	PERFORMANCE
DETERMINE REC OBLIGATIONS AND VERIFY COMPLIANCE					
Renew 1	Goodman	Fulfill the protocol obligations for RPS mandate calculations and reporting on time and accurately	99%	99.9%	100%



2011
ERCOT KEY PERFORMANCE INDICATOR MATRIX
Customer Care
4th Quarter Reporting Period

			TARGET	STRETCH	PERFORMANCE
		ACCOUNT MANAGEMENT			
CC 1	Goodman	Establish and Maintain Targeted Account Plans and execute per guidelines and schedule.	90%	95%	100%
CC 2	Goodman	Create, distribute and post Market Notices per the COPS Communication Guide, Section 5, Appendix A.	95%	98%	100%
CC 3	Goodman	Retail and Wholesale Client Service Staff respond/acknowledge MP account management inquiries no later than COB the next Business Day of receipt for those inquiries not involving disputes.	95%	100%	99.5%



2011
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Information Technology
4th Quarter Reporting Period

IT APPLICATION SERVICES			TARGET	STRETCH	PERFORMANCE
IT 1	Dreyer	Retail Processing Availability - Bus. Hours and Non bus. hours (Business hours availability under review)	99.2% Bus Hrs 99% Off Hrs	99.5% Bus Hrs 99.2% Off Hrs	4th Quarter: 99.94% Bus Hrs 100% Off Hrs YTD: 99.91% Bus Hrs 99.96% Off Hrs
IT 2	Dreyer	Texas Market Link Availability	99%	99.5%	4th Quarter: 100 % YTD: 99.94%
IT 3	Dreyer	Texas Market Link Report Explorer Availability	99%	99.5%	4th Quarter: 100 % YTD: 99.85 %
IT 4	Dreyer	Retail API Availability	99%	99.5%	4th Quarter: 100% YTD: 99.88 %
IT 5	Dreyer	MarkeTrak Availability	98%	99.5%	4th Quarter: 99.90% YTD: 99.88 %
IT 6	Dreyer	Congestion Revenue Rights (CRR) Availability	98%	99%	4th Quarter: 100 % YTD: 99.97 %
IT 7	Dreyer	Market Information System (MIS) Availability	99%	99.5%	4th Quarter: 99.84% YTD: 99.87 %
IT 8	Dreyer	Market Management System Aggregate Availability	98%	99.5%	4th Quarter: 99.99 % YTD: 99.93%
IT 9	Dreyer	Energy Management System Aggregate Availability	99%	99.5%	4th Quarter: 99.99% YTD: 99.98%
IT 10	Dreyer	Security Constrained Economic Dispatch (SCED) Availability No outages greater than 30 consecutive minutes No more than 12 outages per year	99.932%	n/a	4th Quarter: Availability = 99.99% Outages greater than 30 minutes = 0 Number of Outages = 2 YTD: Availability = 99.929% Outages greater than 30 minutes = 4 Number of Outages = 23 Trend: First half of 2011 had numerous unplanned outages due to Nodal stabilization. The last 4 months of 2011 exceeded SLA target. SCED target was lowered for 2012 to align with actual business requirements.
IT 11	Dreyer	Load Frequency Control (LFC) Availability No outages greater than 30 consecutive minutes No more than 12 outages per year	99.932%	n/a	4th Quarter: Availability = 99.993% Outages greater than 30 minutes = 0 Number of Outages = 1 YTD: Availability = 99.98% Outages greater than 30 minutes = 0 Number of Outages = 10
IT 12	Dreyer	Outage Scheduler Availability	99%	99.5%	4th Quarter: 100% YTD: 99.94 %
IT 13	Dreyer	Network Model Management System (NMMS) Availability with no more than 2 unplanned outages per month	97%	99%	4th Quarter: Availability = 99.99% Number of Unplanned Outages = 0 YTD: Availability = 99.99% Number of Unplanned Outages = 5
IT STRATEGY & PLANNING					
IT 14	Dreyer	Data Center Relocation and Asset Replacement Strategy implemented on time and on budget	W0 - Equipment Feb W1 - Supp & Corporate May FR - Comm Bastrop Control Center June W2 Development Systems June W3 Austin Control Room / EMMS Aug W4 DR cap Aug W5 TCC1 Prod December	System and Control Room relocated - October	Migrated Retail , Wholesale and EIS systems successfully into the T3 data center. Used both the Taylor and Bastrop data center for production operations for the first time. Migrated Grid and Market systems into the T3 data center. Successfully completed a combined disaster recovery test of the Retail, Wholesale and Market Data Transparency systems.



2011
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Other Support and Management Functions
4th Quarter Reporting Period

		TARGET	STRETCH	PERFORMANCE
STRATEGY & BUSINESS PLANNING				
OSM 1	Ruane	Begin program to integrate risk analysis into all major ERCOT cost/benefit, impact analysis, strategic planning, budget preparation and control assessment activities. * Appointment VP of Risk * Structure Risk Organization * Review current risk profile	n/a	* Appointment VP of Risk (complete) * Structure Risk Organization (complete) * Review current risk profile (complete)
INTERNAL AUDIT				
OSM 2	Wullenjohn	Execute the 2011 Internal Audit Plan as approved by the Finance and Audit Committee, and complete the plan by December 31, 2011.	100% completion by year end	106% completion by year end Stretch Goal Achieved: 106.1% completed (35 out of 33) through 4th Q.
FINANCE				
OSM 3	Petterson	Manage spending to be equal to or less than the board-approved expenditure budget for 2011.	Between 0 - 5 percent favorable variance	Greater than 5 percent favorable variance Fiscal Year 2011 Expenditures (including portfolio projects) were favorable \$12.8M or 6.7%. (based on preliminary 2011 financial data)
OSM 4	Petterson	Management recommended and board-approved budget filed with the Public Utility Commission of Texas (PUCT)	Fee filing made with PUCT as instructed by the BOD	n/a 2012 Budget Approved by Board in August and filed with PUCT in September (PUCT Project #38533). PUCT Order #38533 approving 2012 Budget issued December 13, 2011.
OSM 5	Ruane	SSAE16 audit (Type 2)	Unqualified opinion of all control activities	Unqualified opinion of all control activities with no exceptions noted The examination report was accepted by the Board of Directors at the December meeting. The opinion on the report was unqualified, no exceptions noted. There was a disclosure for 3 controls that were not exercised during the examination period and a disclosure for one control that changed during the examination period.
HUMAN RESOURCES				
OSM 6	Ierullo	Retain top talent (Lose no more than 3% of top talent population annually).	3%	0% No top talent resignations for the 4th quarter. YTD final number 0.16% (2 Top talent employees were rehired in Q4).
OSM 7	Ierullo	Percent of targeted managers to complete management certificate program annually.	90%	100% 100%
OSM 8	Ierullo	Number of E-learning courses utilized (assuming average staff level of 600)	1200	1800 2,213 courses completed
OSM 9	Ierullo	Percent of employees (identified on succession plans) who have completed annual development training	90%	95% 90%
OSM 10	Ierullo	Percent of critical positions with named successors.	90%	100% 100%
OSM 11	Ierullo	Identification and review of top talent process.	Completed by end of June	Completed by end of April Completed in April
OSM 12	Ierullo	Percent of position filled through college campus recruiting	10%	20% 12.5% (5 college graduates recruited)
OSM 13	Ierullo	Manage training program to enhance career development and skill improvement through the development of Individual Development Plans (IDPs) for the population.	90%	95% 90%
FACILITIES/SECURITY				
OSM 14	Dreyer	Operate data centers providing availability consistent with data center designed objectives	99.982% Met Center-99.75% No unplanned outages	100% 100% No Unplanned Outages
OSM 15	Dreyer	Update Strategic Facilities Plan	Updated Strategic Facilities Plan completed by July 30th, 2011	Updated Strategic Facilities Plan completed by June 30th, 2011 Completed and approved (June)
OSM 16	Dreyer	Detail plan for disposition of the MET Center Facility approved and ready for execution per approved schedule.	No later than September 30, 2011	No later than August 31, 2011 Completed and approved (November)
OSM 17	Manning	Maintain ERCOT ISO's security posture against cyber and physical security threats.	No more than one Stage 2 or Stage 3 cyber or physical security Incident as defined in the Incident Security Response Plan.	No cyber or physical security Incidents as defined in the Incident Security Response Plan. No cyber or physical security incidents year to date
EXTERNAL AFFAIRS				
OSM 18	Gage	Annually, respond to media queries within 24 hours.	95%	100% 98%
OSM 19	Gage	Annually, provide timely, thorough and accurate news releases on all ERCOT board meetings, major reports and filings, board and officer changes, and other newsworthy events.	95%	100% 98%



2011
ERCOT KEY PERFORMANCE INDICATOR MATRIX
Other Support and Management Functions
4th Quarter Reporting Period

			TARGET	STRETCH	PERFORMANCE
OSM 20	Gage	Annually, ensure postings of current information, reports , and presentations on the ERCOT website and maintain accurate information about ERCOT executives, board members, and general organizational profile.	100%	100%	100%
OSM 21	Gage	Annually, ensure the completion of an annual report and concise fact sheets for use with external constituents as needed.	100%	100%	95% Conscious business decision to not allocate resources to develop a 2011 annual report.
PROJECT/PROGRAM MANAGEMENT					
OSM 22	Day	Deliver projects on-time	n/a	Projects meet planning and execution completion dates. Schedule Metric-Variance between target date and forecast date subject to change control.	100% on schedule
OSM 23	Day	Deliver projects within budget	n/a	Projects will have a 0% budget variance subject to change control.	0% budget variance
OSM 24	Day	Deliver projects within scope	n/a	100% of scope, requirements and objectives are delivered subject to change control.	100% within scope