Business Integration Update

Board of Directors Meeting

February 21, 2012

Summary

- **Project Management Update:**
  - New Project Dashboard to highlight status of projects (budget/schedule)
    - In general, good performance overall on project schedules and total budgets
    - Some projects have 2012 calendar year metrics red due to timing of carry-forward forecasts; however most of these projects have overall metrics that are green
  - Data Center relocation:
    - Final in-scope cleanup and equipment complete
    - Small remaining activities transition to O&M
  - Other Projects:
    - Release 1 (R1) February 22-26 currently in testing
      - System Change Requests (SCR)761, SCR764
      - Nodal Protocol Revision Requests (NPRR)326 and NPRR355
    - Taylor Facility Remodel completed
- **Market Rules Update:**
  - 11 new Revision Requests were filed in January
    - 6 NPRRs
    - 2 SCRs
    - 3 Market Guide revisions

ERCOT Portfolio Stoplight Report (as of 2/13/2012)

Project Number	Project Name	Phase	Baseline Phase Start	Baseline Phase Finish	Scheduled Phase Finish	Schedule Status		2012 Budget	2012 Forecast Spend	2012 Variance		Total Budget	Total Forecast Spend	Total Variance	
PROJECTS IN FLIGHT (Count = 38)								**$10.25M**	**$11.06M**		**-8%**	**$66.53M**	**$65.03M**		**2%**
017_01	Oracle 11g Upgrade	Initiation	11/16/2011								-1%				0%
TBD	ITRON Load Forecast	Initiation	2/1/2012								0%				0%
NPRR348	Generation Resource Start-Up and Shut-Down Process	Initiation	2/1/2012								0%				0%
NPRR354	Revisions to Non-Spin Performance Criteria Language and Provision for ICCP Telemetry of Non-Spin Deployment	Initiation	2/1/2012								0%				0%
001_43	Enterprise DW Platform Transition	Planning	7/13/2011	12/2/2011	2/15/2012	1	-53%				0%				50%
006_01	SAGE (System Administrator Gateway Environment)	Planning	6/6/2011	12/7/2011	4/6/2012	2	-66%			1	-281%				-7%
011_01	ERCOT Mobile	Planning	11/17/2011	2/23/2012	2/23/2012		0%				0%				1%
014_01	Implementation of NPRR347 and NPRR400	Planning	12/7/2011	3/28/2012	3/30/2012		-2%				0%				1%
016_01	ADP-IDM Interface	Planning	11/16/2011	3/9/2012	3/9/2012		0%				0%				-4%
019_01	ERCOT Website Enhancements - 2012	Planning	1/25/2012	3/7/2012	3/8/2012		-2%				8%				7%
020_01	CIM Upgrade for NMMS	Planning	2/2/2012	5/30/2012	5/30/2012		0%				-1%				-1%
021_01	Incremental Update Capability - Phase 1	Planning	2/2/2012	3/14/2012	3/14/2012		0%				0%				1%
023_01	Quality Training Database	Planning	1/11/2012	4/5/2012	4/5/2012		0%				18%				18%
026_01	Support for New Resource Types in ERCOT Systems	Planning	1/4/2012	3/28/2012	3/28/2012		0%				0%				0%
10052_01	Settlement System Upgrade	Planning	9/20/2010	1/18/2012	1/25/2012		-1%				0%			4	-12%
NPRR357	Revisions to Collateral Requirements Concerning CRR Auctions	Planning	2/8/2012	3/28/2012	3/28/2012		0%				0%				0%
NPRR359	Monthly TDSP Load Report	Planning	2/15/2012	3/7/2012	3/7/2012		0%				0%				0%
NPRR365	Change in Resource Outage Approvals from 8 to 45 Days	Planning	1/26/2012	4/25/2012	4/25/2012		0%				0%				0%
NPRR395	CRR Auction Offer Award Disclosure	Planning	1/12/2012	2/15/2012	2/15/2012		0%				0%				0%
001_47	RARF Upgrade for Wind, Solar, and Storage Resources	Execution	9/7/2011	4/30/2012	4/30/2012		0%			5	-15%				-2%
004_01	Secure Remote Access Management (SRAM)	Execution	12/5/2011	3/7/2012	3/16/2012		-10%			6	-105%				28%
005_01	Endpoint Security Phase 1	Execution	12/15/2011	4/25/2012	4/13/2012		9%				34%				35%
009_01	Compliance Software Tool	Execution	12/1/2011	2/29/2012	2/28/2012		1%			6	-27%				16%
010_01	MarkeTrak Enhancements for 4.0	Execution	10/26/2011	7/27/2012	6/18/2012		14%			5	-28%				16%
012_01	SCED Look-Ahead Step 1: Pricing	Execution	1/25/2012	7/31/2012	8/1/2012		-1%				-3%				3%
013_01	MMS 2012 Release 1: NPRR321/NPRR326/NPRR355	Execution	12/14/2011	2/23/2012	2/23/2012		0%				34%				54%
015_01	Outage Capacity Calculation Tool	Execution	1/4/2012	4/30/2012	4/30/2012		0%				3%				3%
025_52	HP Openview Upgrade	Execution	11/1/2011	12/29/2011	4/1/2012	3	-162%				0%				-7%
029_01	Capital Efficiencies and Enhancements	Execution	1/1/2012	12/31/2012	12/31/2012		0%				0%				0%
11002_01	Texas SET 4.0 / NPRR294/NPRR403/RMGRR100	Execution	7/6/2011	7/13/2012	7/16/2012		-1%			7	-30%				2%
90006_02	Information Lifecycle Mgmt	Execution	4/22/2011	12/4/2013	12/4/2013		0%				14%				5%
NPRR361	Real-Time Wind Power Production Data Transparency	Execution	1/11/2012	5/3/2012	5/4/2012		-1%				-7%				-7%
SCR760	Recommended Changes Needed for Information Model Mgr and Topology Processor for Planning Models	Execution	8/25/2011	2/28/2013	2/28/2013		0%				6%				7%
SCR761	Provide Price Republication Notifications via API and Provide Price Corrections via XML	Execution	10/5/2011	3/2/2012	2/29/2012		1%			5	-197%				9%
SCR764	Public Access to Select MIS Dashboards	Execution	7/24/2011	12/9/2011	2/17/2012	1	-51%			5	-13%				-3%
99911	Minor Cap - Critical - 2012	Execution	1/1/2012	12/31/2012	12/31/2012		0%				0%				0%
007_01	Taylor Facility Remodel	Closing	1/26/2012	2/29/2012	2/29/2012		0%			6	-999%				7%
11000_01	Data Center Buildout	Closing	2/1/2012	2/22/2012	2/22/2012		0%			8	-58%				3%

Footnotes

1	Change in design approach resulted in more funding and/or time required for delivery
2	Planning phase took longer than expected, resulting in more funding and/or time required
3	Vendor unable to complete work planned for 2011
4	Pending Board approval of Execution budget and schedule
5	Labor hours planned for 2011 to occur in 2012
6	Purchased items planned for 2011 arrived in 2012
7	Contract labor replaced FTE labor (2 instances)
8	Invalid assumption for 2011 accounting related to treatment of prepaids and hardware installation

ERCOT Portfolio Stoplight Report (as of 2/13/2012)

Project Number	Project Name	Phase	Baseline Phase Start	Baseline Phase Finish	Scheduled Phase Finish	Schedule Status	2012 Budget	2012 Forecast Spend	2012 Variance	Total Budget	Total Forecast Spend	Total Variance
PROJECTS NOT YET STARTED (Count = 34)							**$ 8.90M**	**$ 7.25M**		**$ 8.90M**	**$ 8.90M**	
NPRR207	Unit Deselection	Not Started							0%			0%
NPRR222	Half Hour Start Unit RUC Clawback	Not Started							0%			0%
NPRR260	Providing Access to MIS Secure Area to MIS Registered Users	Not Started							0%			0%
NPRR272	Definition and Participation of Quick Start Generation Resources	Not Started							0%			0%
NPRR313	Updating the Term Resource Plan to Current Operating Plan / Availability Plan	Not Started							0%			0%
NPRR314	Requirement to Post Generation Resources Temporal Constraints	Not Started							0%			0%
NPRR322	Real-Time PTP Option Modeling	Not Started							0%			0%
NPRR360	Summary Report of HDL and LDL	Not Started							0%			0%
NPRR377	Alternate Inputs to Base Point Deviation Charge	Not Started							0%			0%
NPRR379	EILS Dispatch Sequence & Performance Criteria Upgrades	Not Started							0%			0%
NPRR382	Verbal RUC Committed or Decommitted Resources Rpt	Not Started							0%			0%
NPRR383	Unconfirmed Trades Reports	Not Started							0%			0%
PRR830 NPRR269	Reactive Power Capability Requirement	Not Started							0%			0%
SCR756	MarkeTrak Upgrade and Enhancements (Phase 2)	Not Started							0%			0%
TBD	CMS and MIR Replacement	Not Started							0%			0%
TBD	Contingency Functionality Enhmts.	Not Started							0%			0%
TBD	CTFC Compliance	Not Started							0%			0%
TBD	Data Center Growth & Asset Replacement - 2012	Not Started							0%			0%
TBD	EMS Upgrade	Not Started							0%			0%
TBD	Endpoint Security Phase 2	Not Started							0%			0%
TBD	Facilities Project	Not Started							94%			0%
TBD	IGRID Implementation	Not Started							0%			0%
TBD	Macomber Map NERC SA/Compliance Enhancements	Not Started							0%			0%
TBD	Malware Analysis Infrastructure	Not Started							0%			0%
TBD	MP Communications Tool	Not Started							0%			0%
TBD	MP Online Data Entry - Ph 1	Not Started							0%			0%
TBD	NMMS Upgrade	Not Started							0%			0%
TBD	OA Grid Health Operator View	Not Started							0%			0%
TBD	Planning Site Transition to MIS	Not Started							0%			0%
TBD	Siebel Upgrade 8.x	Not Started							0%			0%
TBD	SMTNET Improvements	Not Started							0%			0%
TBD	TSAT Wind Model	Not Started							0%			0%
TBD	UC4 (AppWorx) Automation Upgrade v8	Not Started							0%			0%
TBD	Vulnerability Management	Not Started							0%			0%
PROJECTS COMPLETED IN 2012 (Count = 0)							**$ -**	**$ -**		**$ -**	**$ -**	
	None											

2012 Release Targets – Board-Approved NPRRs/SCRs

Source	Release 1 2/2012	Release 2 4/2012	Release 3 6/2012	Release 4 8/2012	Release 5 10/2012	Release 6 12/2012	TBD
Market / PUCT	**SCR760(b)** SCR761 SCR764(e)	NPRR313 NPRR314 NPRR359 NPRR361 NPRR395	**NPRR294** NPRR351 NPRR357 NPRR382 NPRR383 NPRR403 **SCR756(a)** **SCR760(c)**	NPRR322 NPRR354	**NPRR207** **NPRR222** **NPRR272** NPRR360		SCR756(b)
ERCOT	**NPRR326** NPRR355			NPRR348 NPRR365	NPRR379		NPRR347 NPRR377 NPRR400
Counts	5	5	8	4	6	0	4

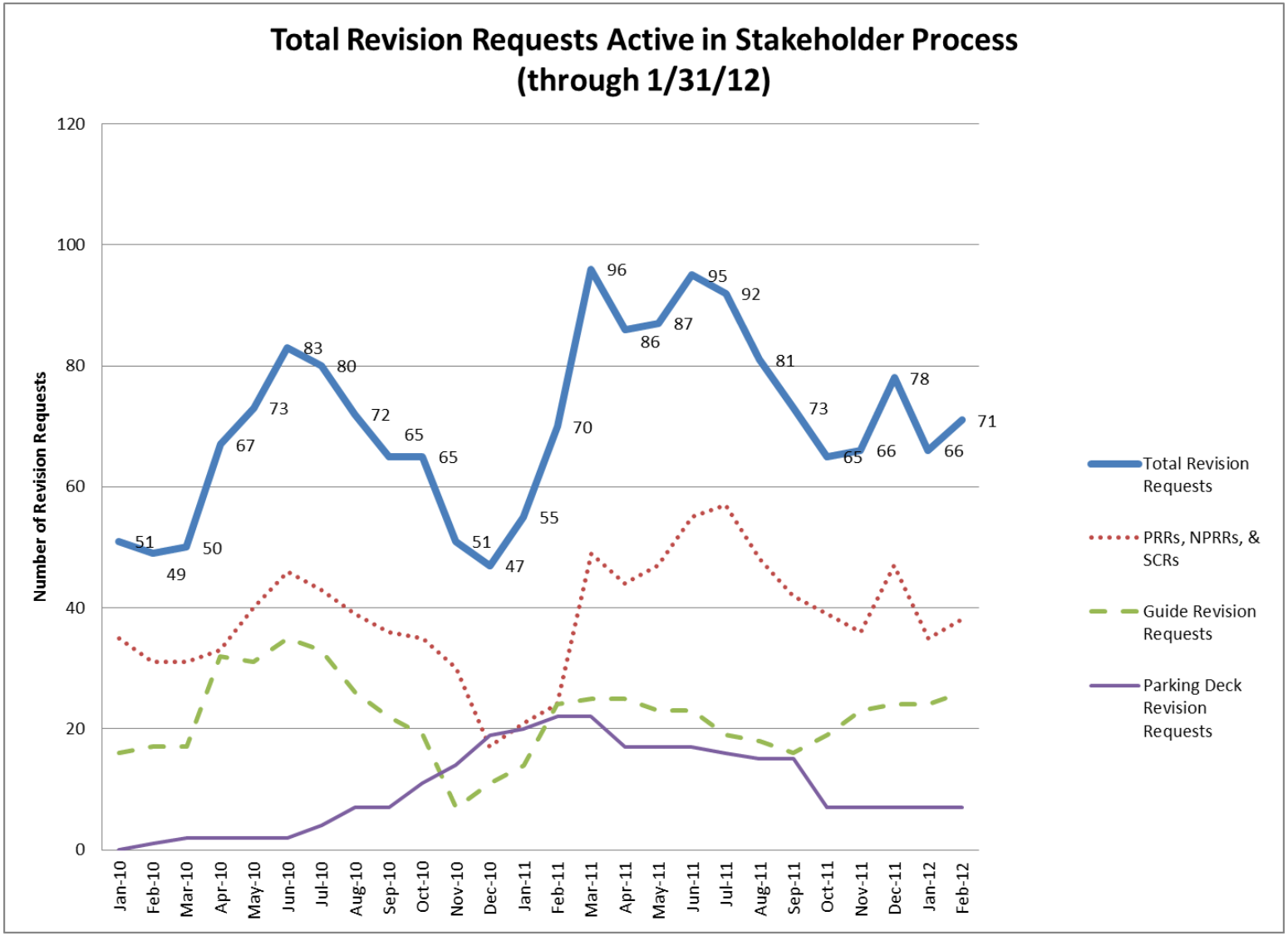
Note 1: Bold indicates inclusion in the original Board-approved 2012 PPL

Note 2: Underline indicates new/revised release targets

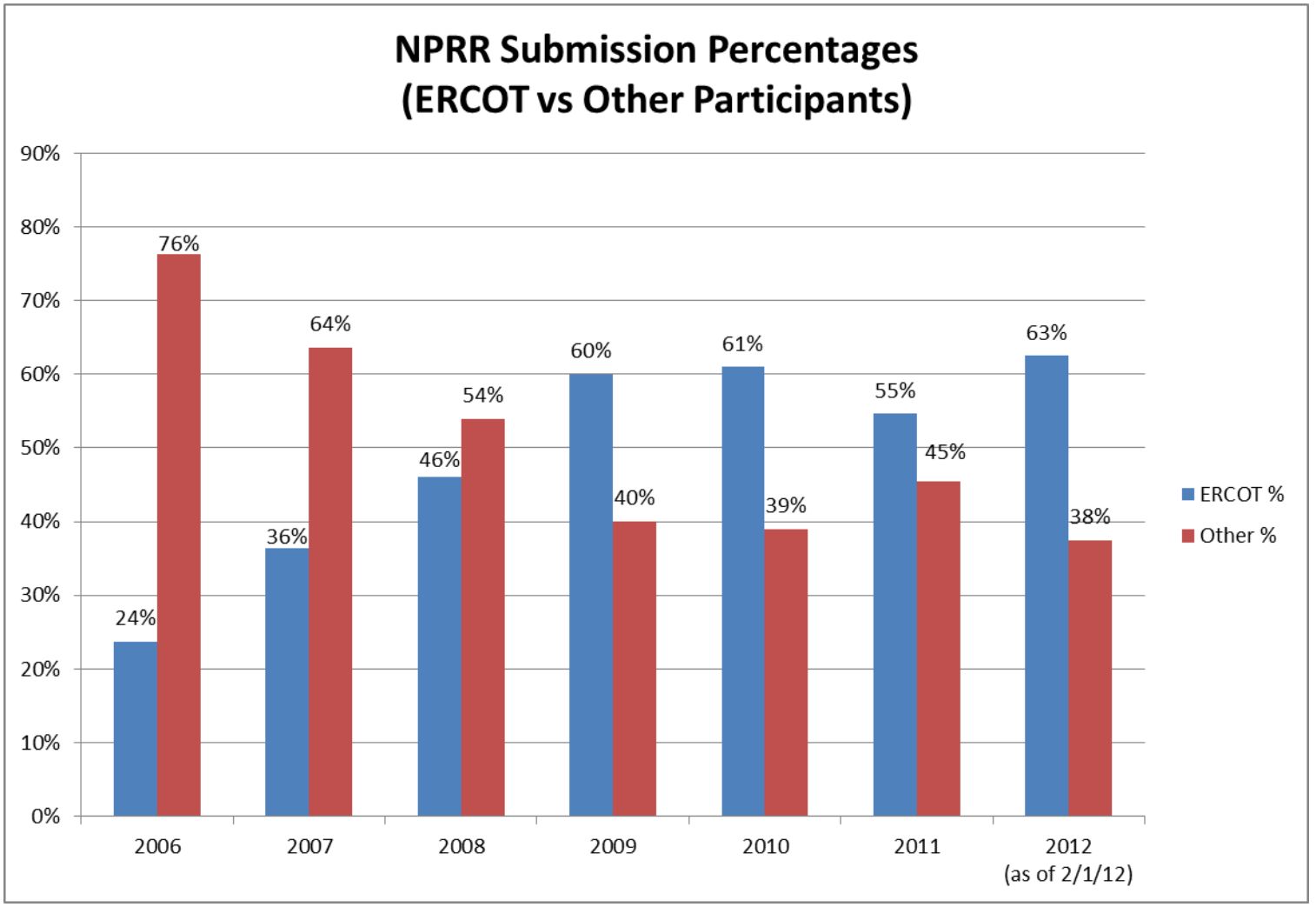
Note 3: (a), (b), etc. indicates multiple release phases

Note 4: Release targets are subject to change

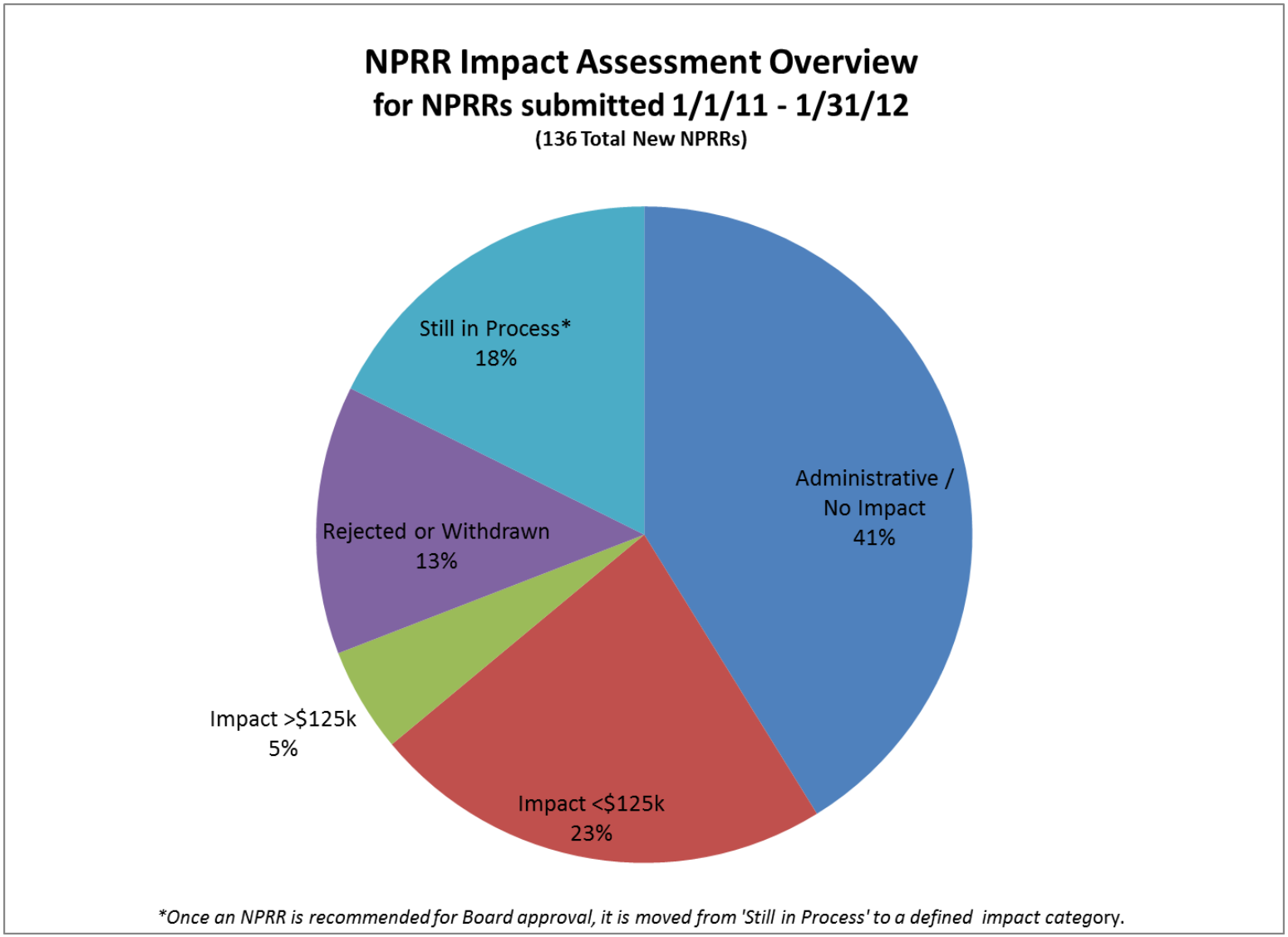
Market Rules Update



Market Rules Update



* The 2006-2007 stats are deceiving as ERCOT staff was often taking NPRRs to the Transition Plan Task Force to get their endorsement and then TPTF would submit the NPRR.
This helped to speed the process as PRS was sending all NPRRs through TPTF prior to considering the language.


NPRR Impact Assessment Overview
for NPRRs submitted 1/1/11 - 1/31/12
(136 Total New NPRRs)
Still in Process*
18%
Administrative /
No Impact
41%
Rejected or Withdrawn
13%
Impact >$125k
5%
Impact <$125k
23%
*Once an NPRR is recommended for Board approval, it is moved from 'Still in Process' to a defined impact category.

ERCOT Staffing Impacts due to Market Rule Changes

Summary of FTE Impact of Revision Requests By Department

--- Board Approved ---			Incremental Labor Impact of Change	Net ERCOT Staffing Impact		
Revision Request	Division	Department Name	Labor Effort (in FTEs*)	Additional FTEs Required	Budget Impact	Status / Comments
SCR760	Operations	Network Modeling	2.20	0	$0	Absorbed in 2012 budget and staffing plan
NPRR286	Corporate	Credit	0.50	0	$0	Absorbed in 2012 budget and staffing plan
NPRR365	Operations	Outage Coordination	2.00	2	$240k-$260k	Board approved - 9/20/2011
NOGRR054	Compliance	Compliance	1.00	0	$0	Absorbed in 2012 budget and staffing plan
	Board-Approved Items		**5.70**	**2**		

--- In-Flight at Board/TAC ---						
NPRR327	Operations	Operations Support	1.00	1	$120k-$130k	To be considered at 3/1/2012 TAC
NPRR393	Operations	Operations Support	1.00	1	$120k-$130k	To be considered at 2/21/2012 Board
NPRR408	Operations	Resource Integration	0.10	0	$0	To be considered at 2/21/2012 Board
NPRR421	Operations	Operations Analysis	1.00	1	$120k-$130k	To be considered at 2/21/2012 Board
	Operations	Wholesale Client Svs	0.25	0	$0	
	In-Flight at TAC		**3.35**	**3**		

Total of All Items	**9.05**	**5**

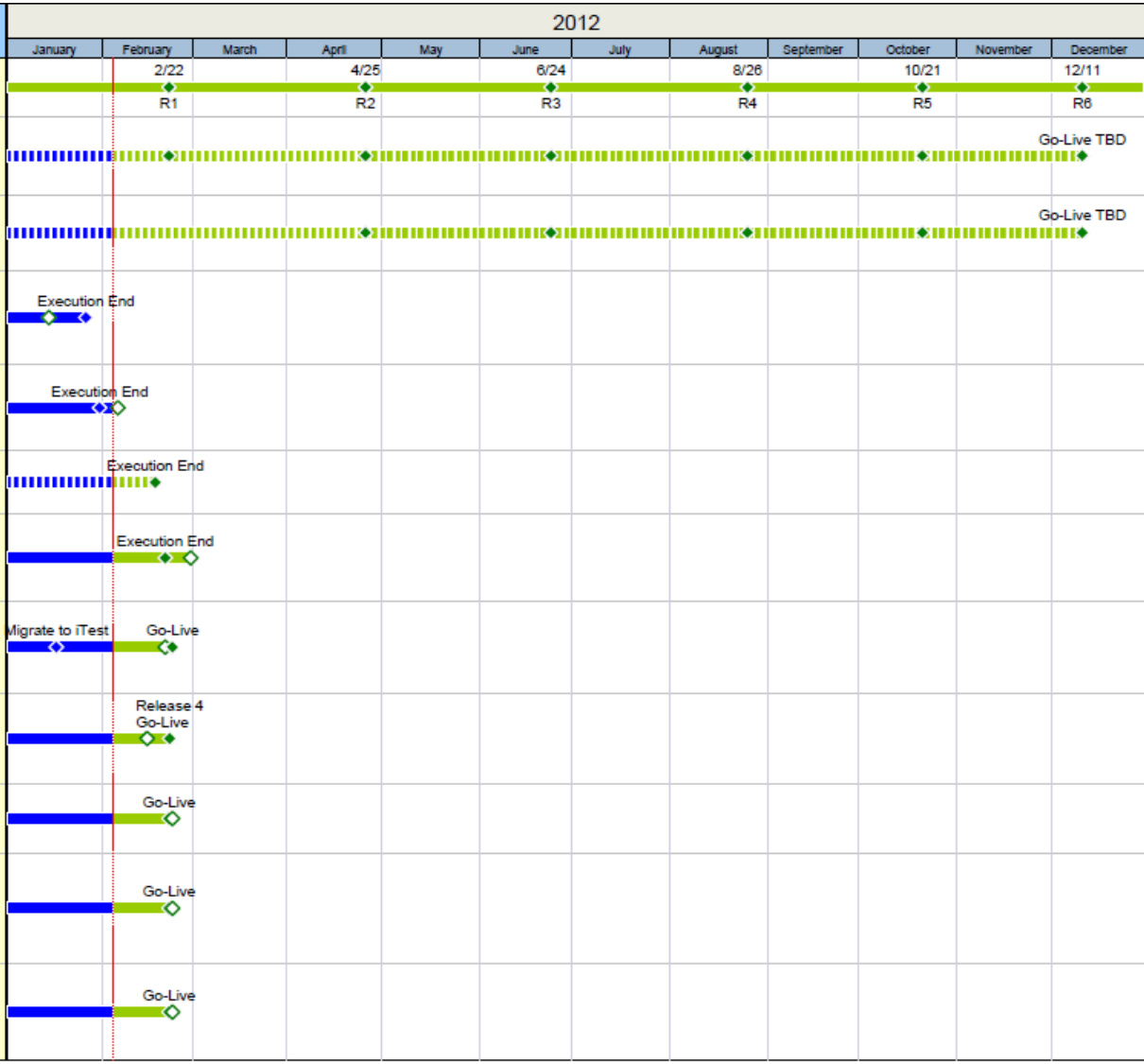
*FTE = Full Time Equivalent Staff

This slide documents additional staff required to support ongoing ERCOT operations activities

Appendix

ERCOT Portfolio Status Report (as of 2/03/2012)

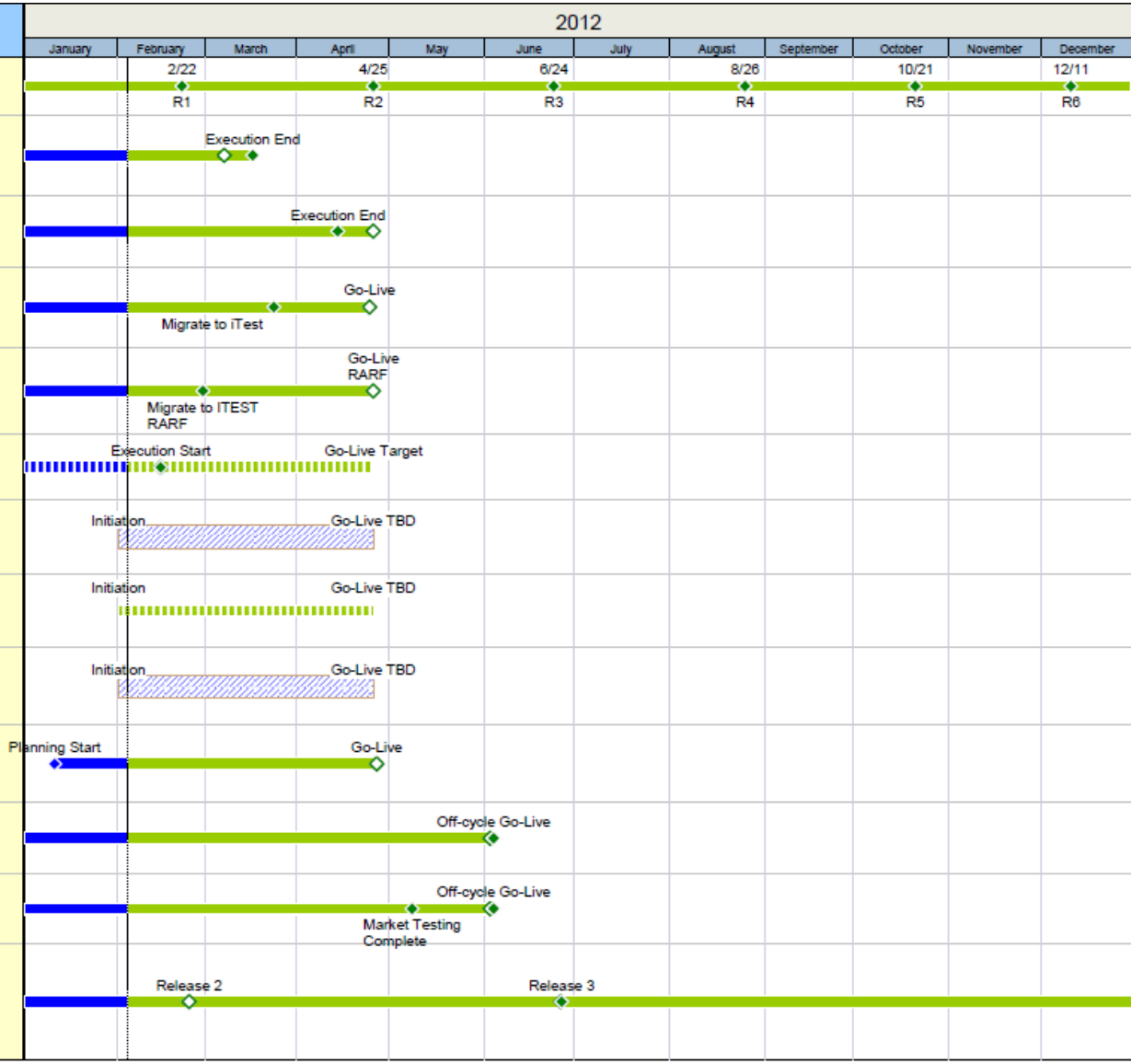
Project Category	ERCOT Portfolio Timeline February 3, 2012
	2012 Release Schedule
Efficiencies / Enhancements	ERCOT Website Enhancements 2012
Technical Foundation	Oracle 11g Upgrade
Efficiencies / Enhancements	Taylor Facility Remodel
Technical Foundation	Data Center Migration
Stabilization	EDW Platform Transition
Regulatory	Security and Reliability Compliance Business Enterprise Tracking and Support Software
Stabilization	SCR761 - Provide Price Republication Notifications via API and Provide Price Corrections via XML
Business Strategy	SCR764 - Public Access to Select MIS Dashboards
Business Strategy	NPRR326 - Adjust RT SPP Calc.
Business Strategy	NPRR321 - Allow Change to Energy Offer Curve MW Amounts in the Adjustment Period for Qualifying Facilities
Business Strategy	NPRR355 - Adjust the Calculation of the Real-Time Settlement Point Price for a Load Zone



Milestone | Baseline | Initiation or Planning Phase | Execution Phase | Past Effort | Effort Not Started

ERCOT Portfolio Status Report (as of 2/03/2012)

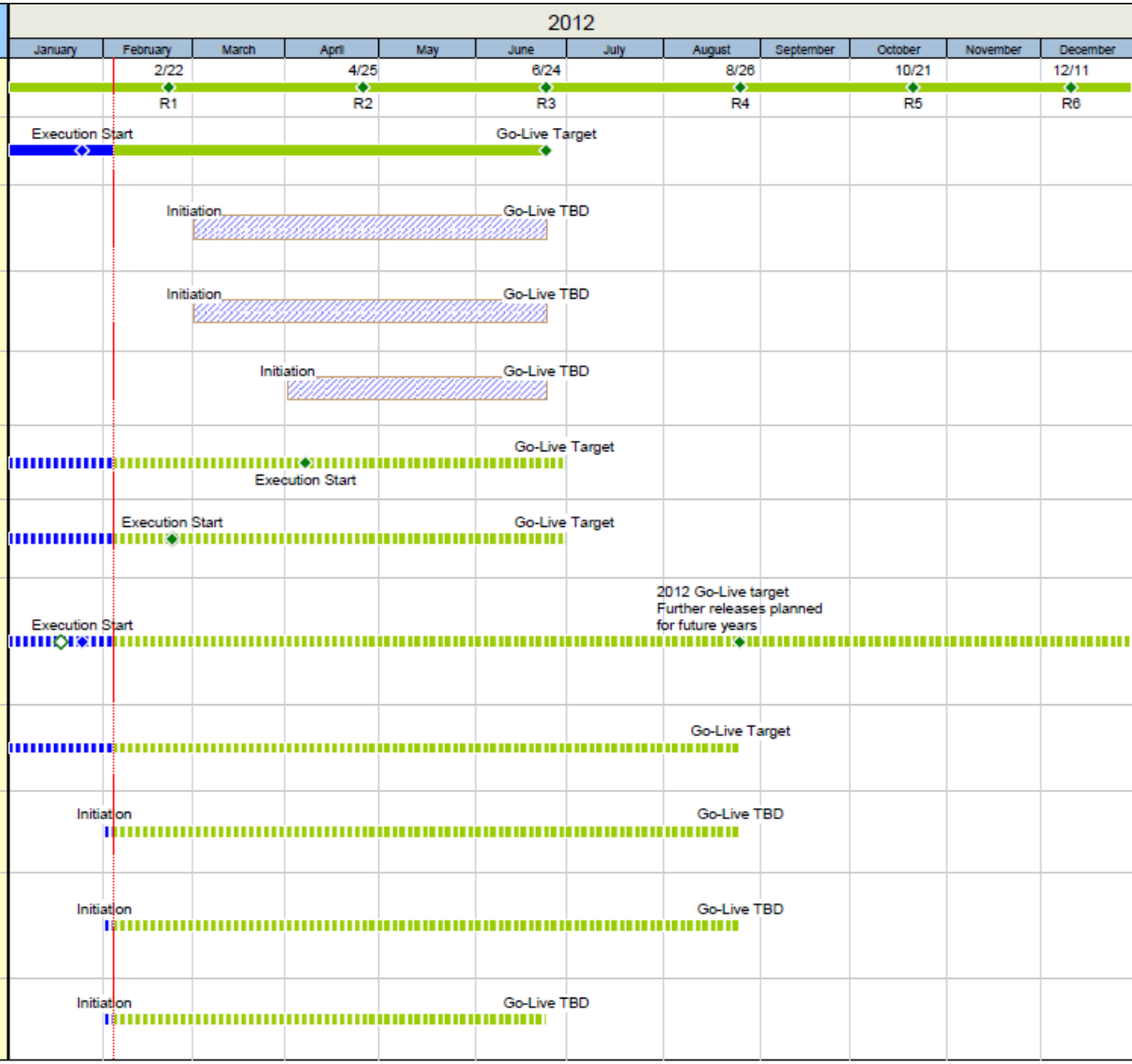
Project Category	ERCOT Portfolio Timeline February 3, 2012
	2012 Release Schedule
Efficiencies / Enhancements	Cyber Security Project #3
Business Strategy	Cyber Security Project #2
Efficiencies / Enhancements	Outage Capacity Calculation Tool
Stabilization	RARF Upgrade for Wind, Solar and Storage Resources
Business Strategy	NPRR395 - CRR Auction Offer Award Disclosure
Business Strategy	NPRR314 - Requirement to Post Generation Resources Temporal Constraints
Business Strategy	NPRR359 - Monthly TDSP Load Report
Business Strategy	NPRR313 - Updating the Term Resource Plan to Current Operating Plan / Availability Plan
Business Strategy	NPRR361 - Real-Time Wind Power Production Data Transparency
Business Strategy	MarkeTrak Upgrade & Enh./ SCR756
Business Strategy	Texas SET 4.0 / NPRR294 / NPRR403/ RMGRR100
Stabilization	SCR760 - Recommended Changes Needed for Information Model Manager and Topology Processor for Planning Models



Milestone | Baseline | Initiation or Planning Phase | Execution Phase | Past Effort | Effort Not Started

ERCOT Portfolio Status Report (as of 2/03/2012)

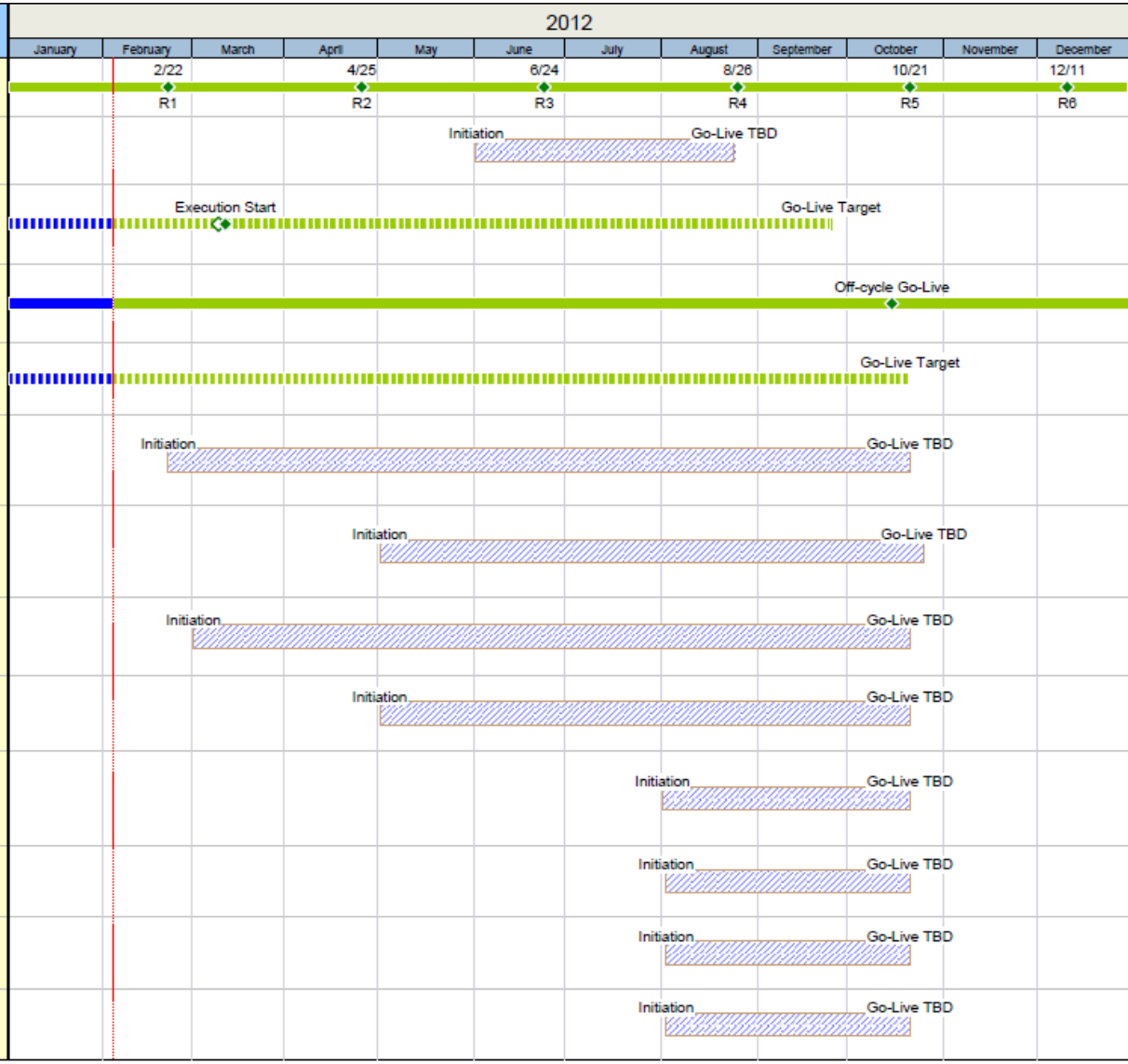
Project Category	ERCOT Portfolio Timeline February 3, 2012
	2012 Release Schedule
Business Strategy	Look-Ahead SCED Phase 1 / NPRR351
Business Strategy	NPRR382 - Verbal RUC Committed or Decommitted Resources Report
Business Strategy	NPRR383 - Unconfirmed Trades Reports
Business Strategy	Cyber Security Project #6
Business Strategy	Cyber Security Project #1
Efficiencies / Enhancements	ERCOT Mobile Phase 1
Technical Foundation	Settlement System Upgrade
Business Strategy	NPRR365 - Change in Resource Outage Approvals from Eight to 90 Days
Business Strategy	NPRR348 - Generation Resource Start-Up and Shut-Down Process
Business Strategy	NPRR354 - Revisions to Non-Spin Performance Criteria Language and Provision for ICCP Telemetry of Non-Spin Deployment
Business Strategy	NPRR357 - Revisions to Collateral Requirements Concerning CRR Auctions



Milestone | Baseline | Initiation or Planning Phase | Execution Phase | Past Effort | Effort Not Started

ERCOT Portfolio Status Report (as of 2/03/2012)

Project Category	ERCOT Portfolio Timeline February 3, 2012
	2012 Release Schedule
Business Strategy	NPRR322 - Real-Time PTP Option Modeling
Efficiencies / Enhancements	ADP-IDM Interface
Technical Foundation	Information Lifecycle Mgmt Ph2
Business Strategy	CIM Upgrade for NMMS
Efficiencies / Enhancements	SMTNET Improvements
Efficiencies / Enhancements	MAI Conversion to iGrid
Business Strategy	NPRR260 - MIS Secure Access
Business Strategy	NPRR360 - Summary Report of HDL and LDL
Business Strategy	NPRR379 - EILS Dispatch Sequence and Performance Criteria Upgrades
Business Strategy	NPRR207- Unit Deselection
Business Strategy	NPRR222 - Half Hour Start Clawback
Business Strategy	NPRR272 - Quick Start Resources



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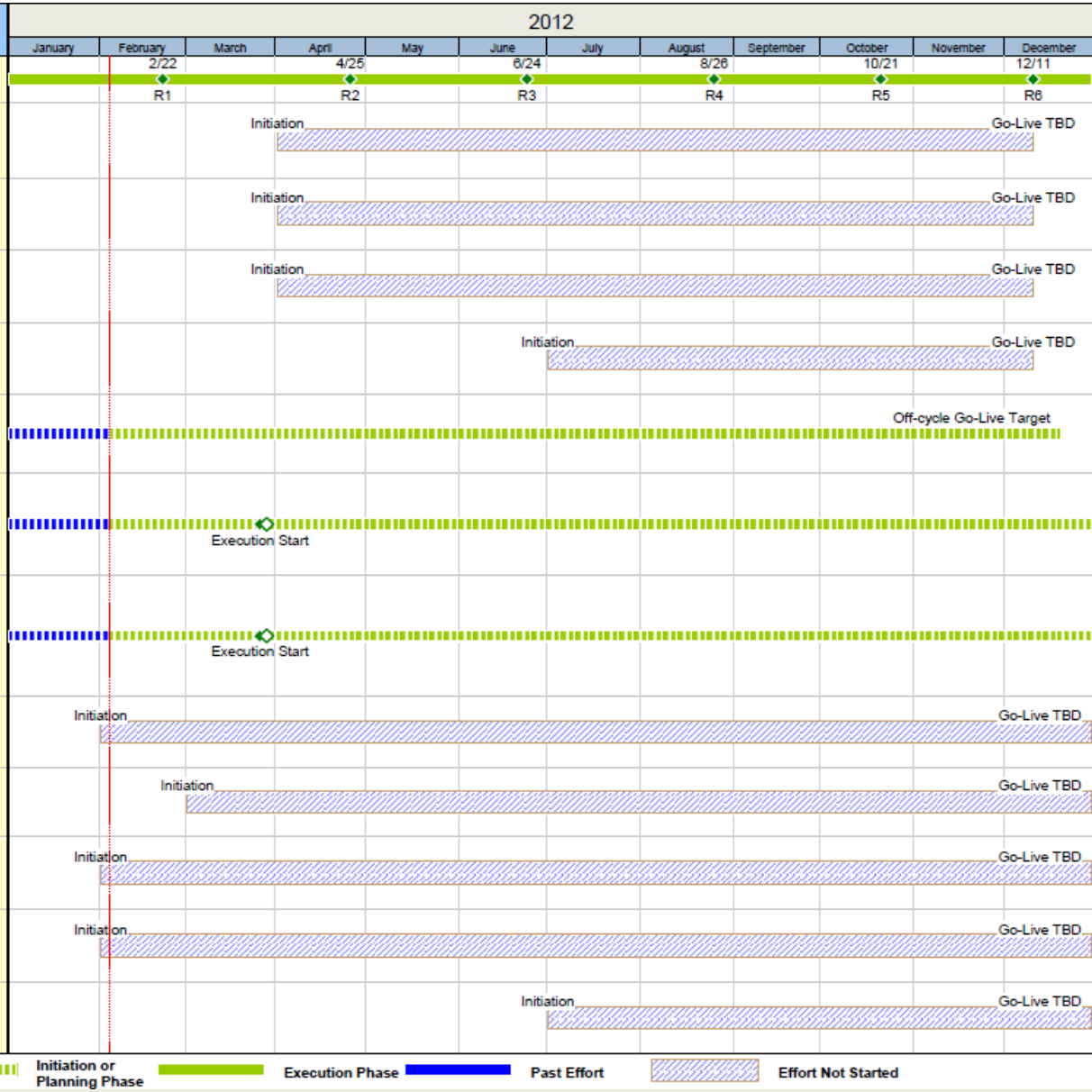
Project Category	ERCOT Portfolio Timeline February 3, 2012
	2012 Release Schedule
Business Strategy	TSAT Wind Model
Business Strategy	Cyber Security Project #5
Business Strategy	Cyber Security Project #4
Business Strategy	Planning Site Transition to MIS
Efficiences / Enhancements	Incremental Update Capability Phase 1
Regulatory	NPRR400 - Eliminate Unsecured Credit for CRR Auctions and for Future Credit Exposure and Eliminate Netting of FCE with CCE
Regulatory	NPRR347 - Single Daily Settlement Invoice and Updates to Credit Calculations, including addition of a Minimum Collateral Exposure Component
Technical Foundation	NMMS Upgrade
Business Strategy	MP Online Data Entry Phase 1
Efficiencies / Enhancements	CMS and MIR Replacement
Efficiencies / Enhancements	Macomber Map NERC SA/Compliance Enhancements
Efficiencies / Enhancements	OA Grid Health Operator View