CEO UPDATE
BOARD OF DIRECTORS MEETING
APRIL 16-17, 2012

Trip Doggett
President & CEO

Financial Performance (Updated through March)

YTD Budget vs. Actual Performance: $3.7 Million Favorable

Revenues

$5.1 Million favorable 2011 Carry Forward

$1.0 Million unfavorable System Administration Fee

Expenses

$1.4 Million unfavorable Outside Services

$0.4 Million favorable Salary & Benefits

$0.4 Million favorable Revenue-Funded Portfolio Expenditures

Financial Performance (Updated through March)

Year-End Performance Forecast: $4.4 Million Favorable

Revenues

$5.1 Million favorable 2011 Carry Forward

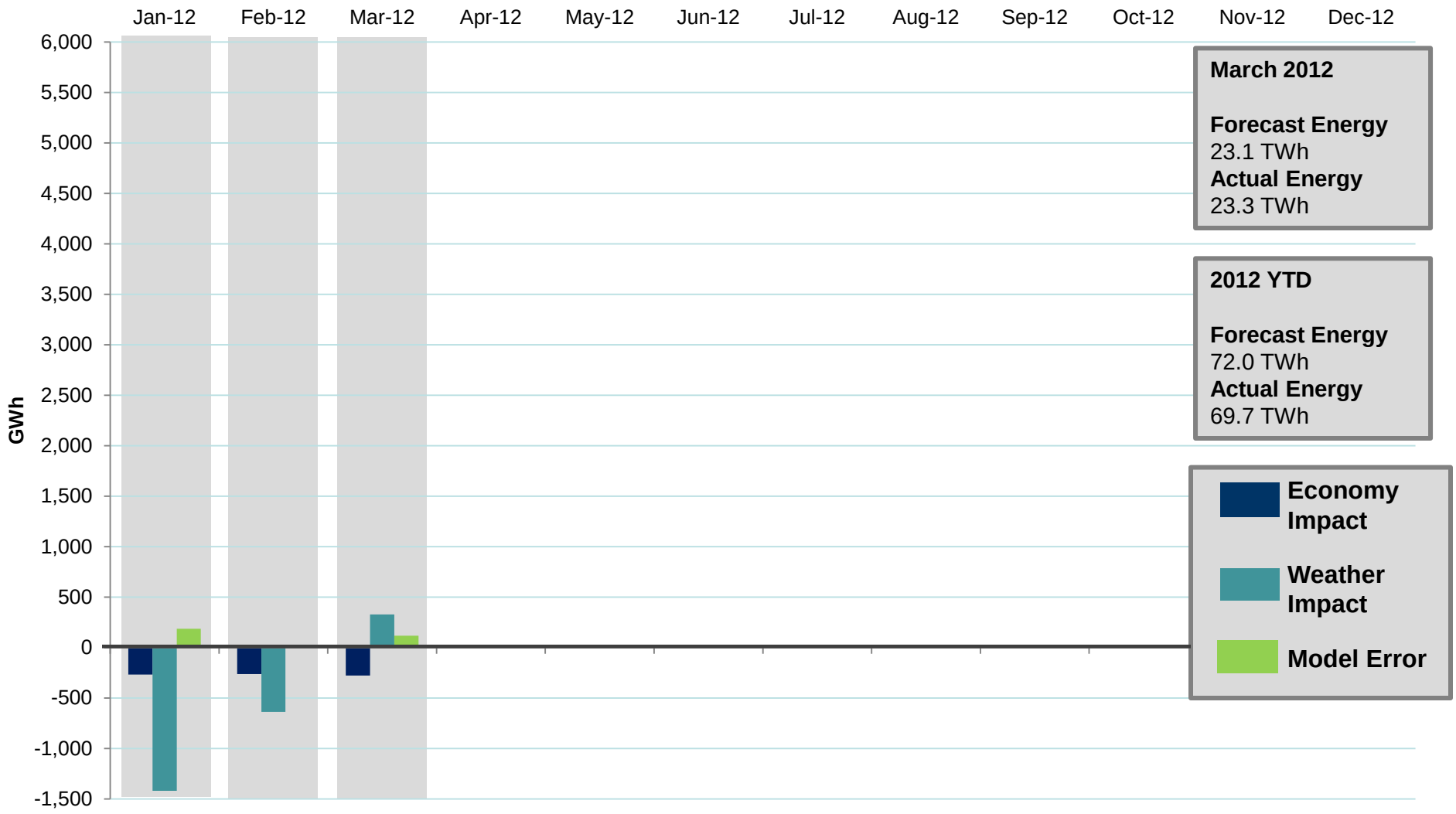
Expenses

$4.5 Million unfavorable Outside Services

$3.6 Million favorable Salary & Benefits

$0.2 Million favorable Hardware/Software Maint & Licenses

IMPACTS OF ECONOMY & WEATHER – 2012

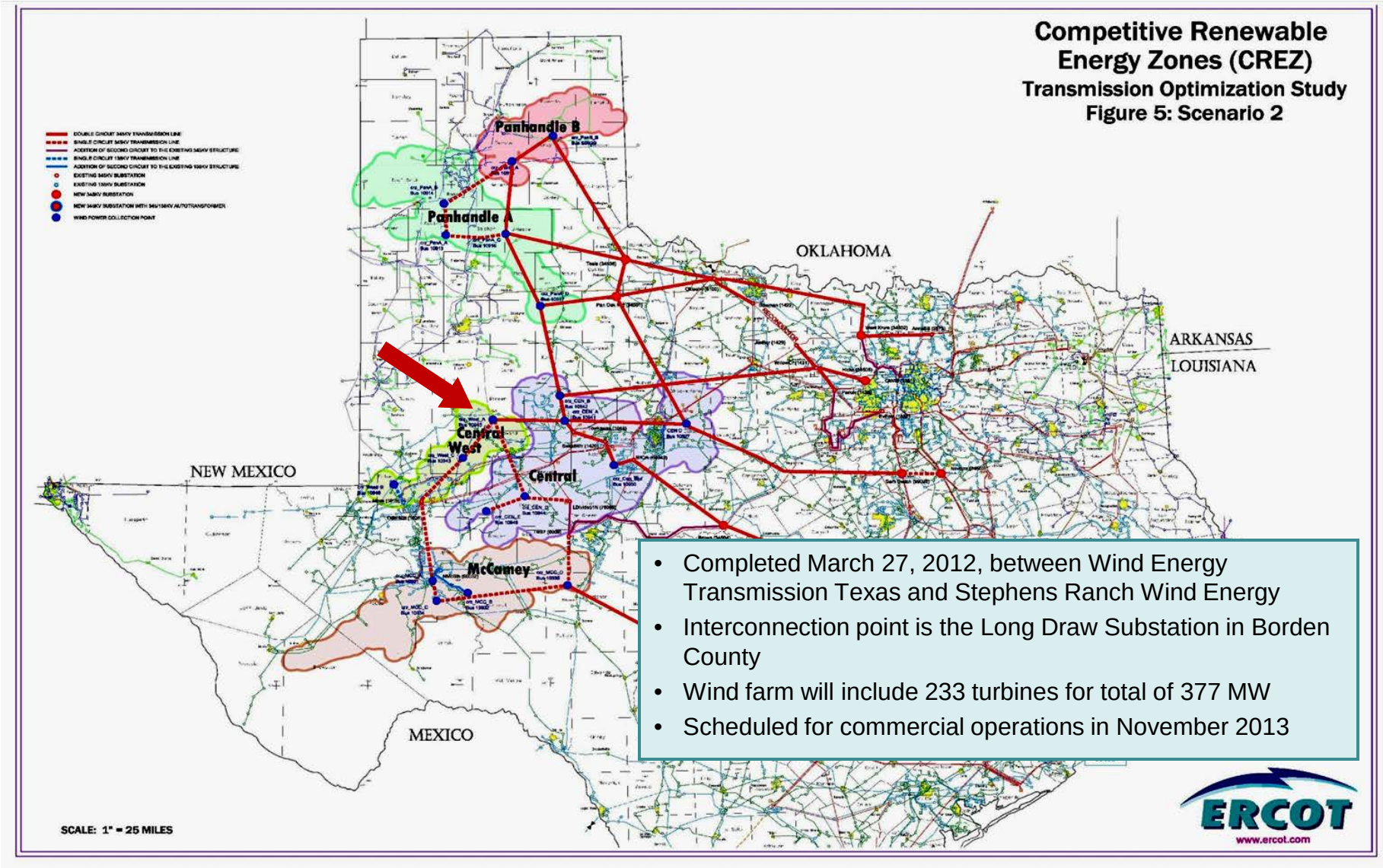


Seasonal Assessment of Resource Adequacy (SARA) Release Schedule

SARA	Preliminary Release	Final Release
Spring – Mar, Apr & May	November 1st	March 1st
Summer – Jun, Jul, Aug & Sep	March 1st	May 1st
Fall – Oct & Nov	May 1st	September 1st
Winter – Dec, Jan & Feb	September 1st	November 1st

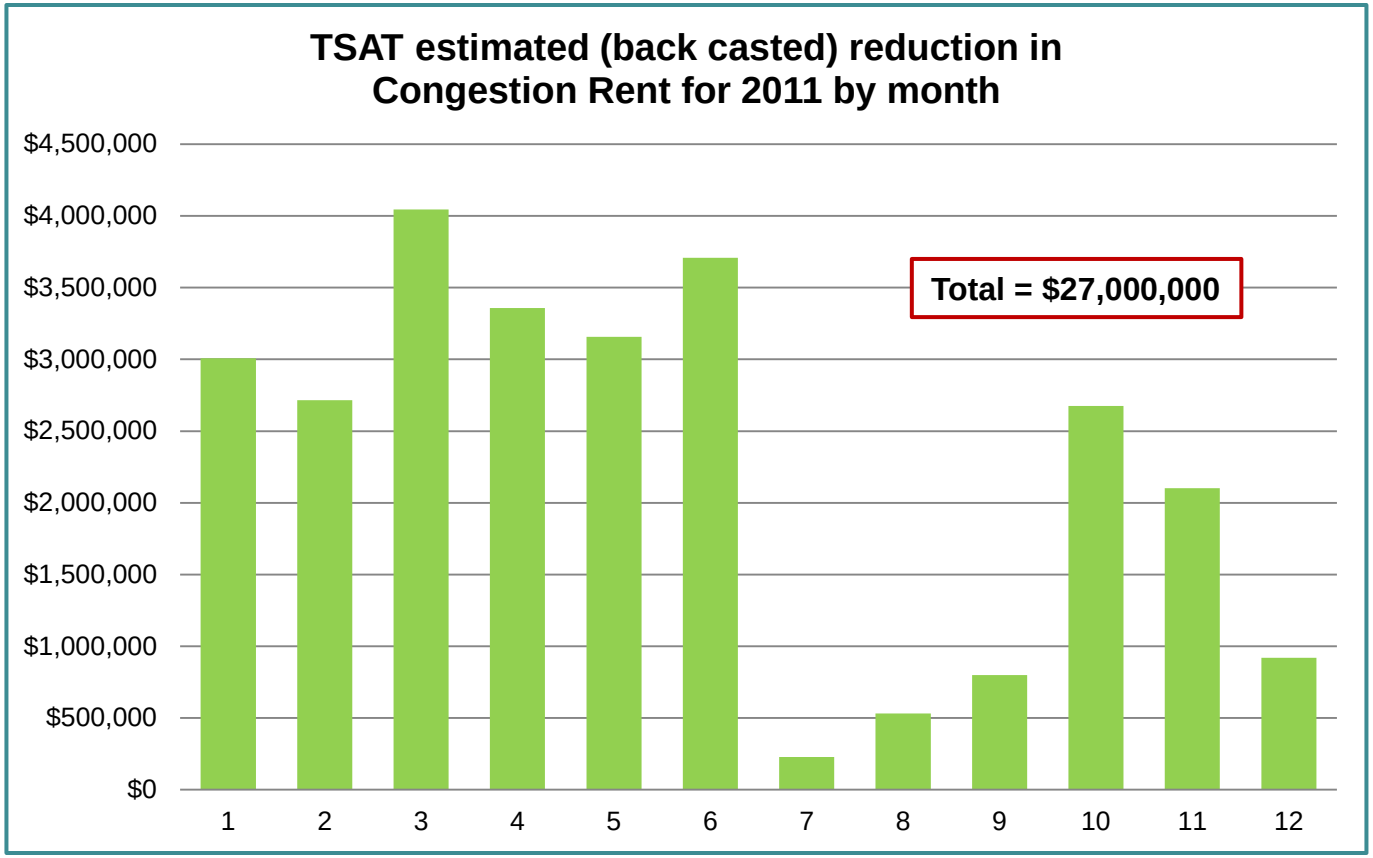
- Release date of final SARA for upcoming season and preliminary SARA for the following season would be aligned
- Release date of final SARA for Summer and Winter seasons would be one month prior start of season (May 1 and November 1, respectively)
- This results in only four releases per year and sets those dates as March 1, May 1, September 1 and November 1

First Interconnection Agreement for a CREZ Substation



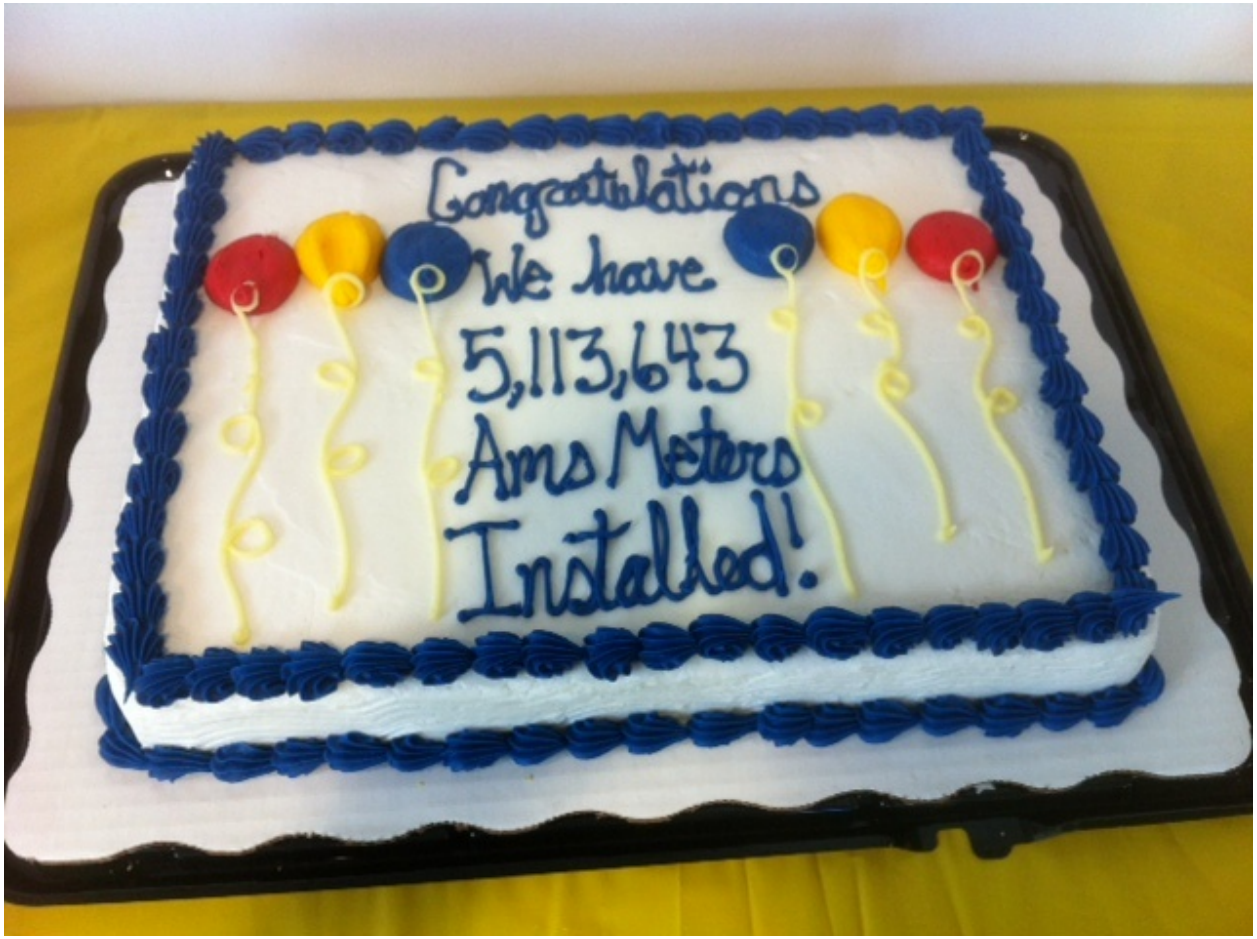
- Completed March 27, 2012, between Wind Energy Transmission Texas and Stephens Ranch Wind Energy
- Interconnection point is the Long Draw Substation in Borden County
- Wind farm will include 233 turbines for total of 377 MW
- Scheduled for commercial operations in November 2013

BENEFITS OF REAL-TIME TRANSIENT STABILITY ANALYSIS TOOL (TSAT)



- Actual testing showed between 200 and 500 MW improvements in West to North transfers
- Estimated benefit was calculated using 200 MW as the maximum improvement and using average shadow prices and average limits for each hour
- IMM reported actual Congestion Rent for West to North constraint in 2011 was $95,000,000

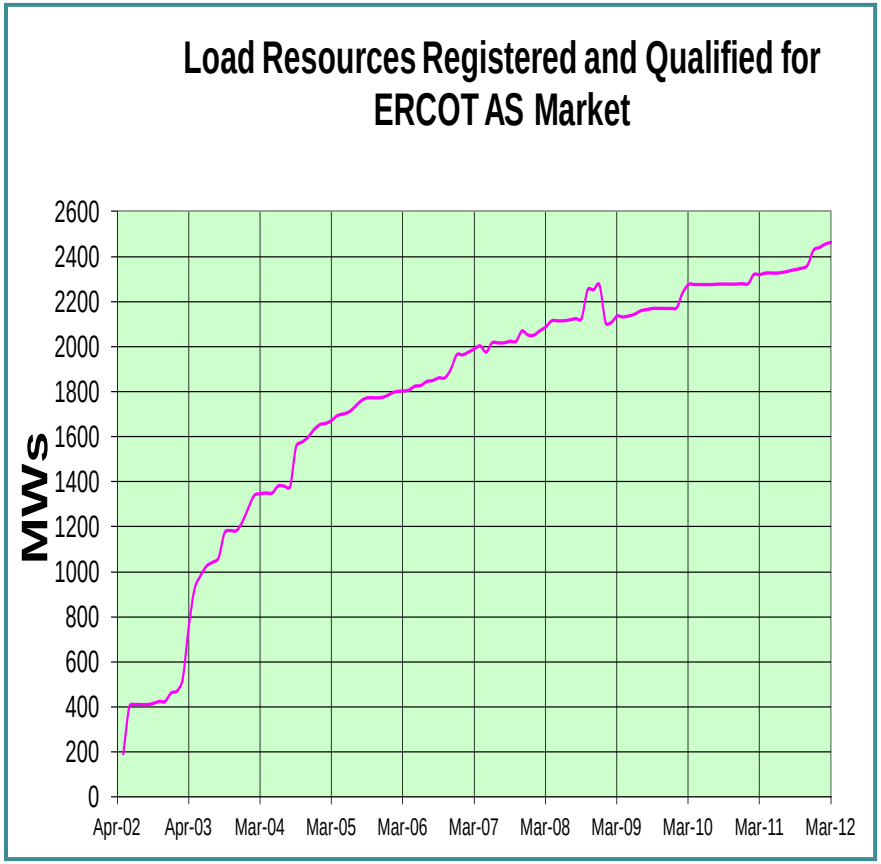
Over 5 Million AMS Meters Installed



Currently settling over 4.7 million – expect to settle 5.0 million by early May 2012

LOADS PARTICIPATING IN ERCOT AS MARKETS – 10TH ANNIVERSARY

- April 1st marked the 10th Anniversary for Loads participating in ERCOT AS markets
- Many had participated as "high-set interruptible loads" to meet part of area Responsive Reserve obligations before ERCOT started operations as a single control area
- 200 Load Resources from 60 companies located at 150 substations
- Recent changes in RRS procurement will allow up to 250 MW of additional capacity to participate in RRS

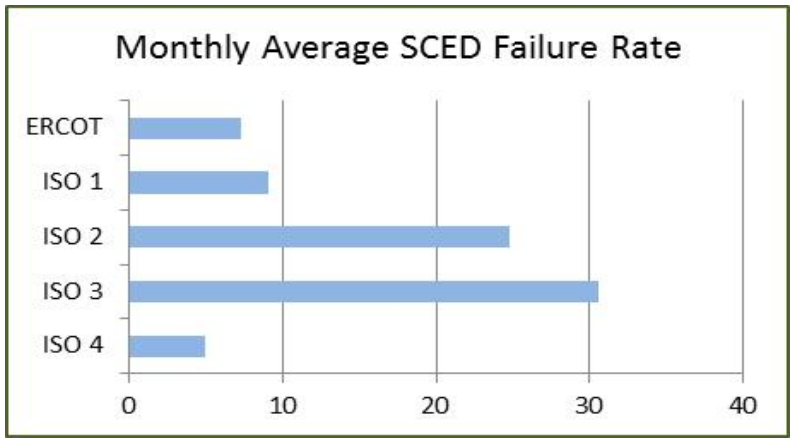


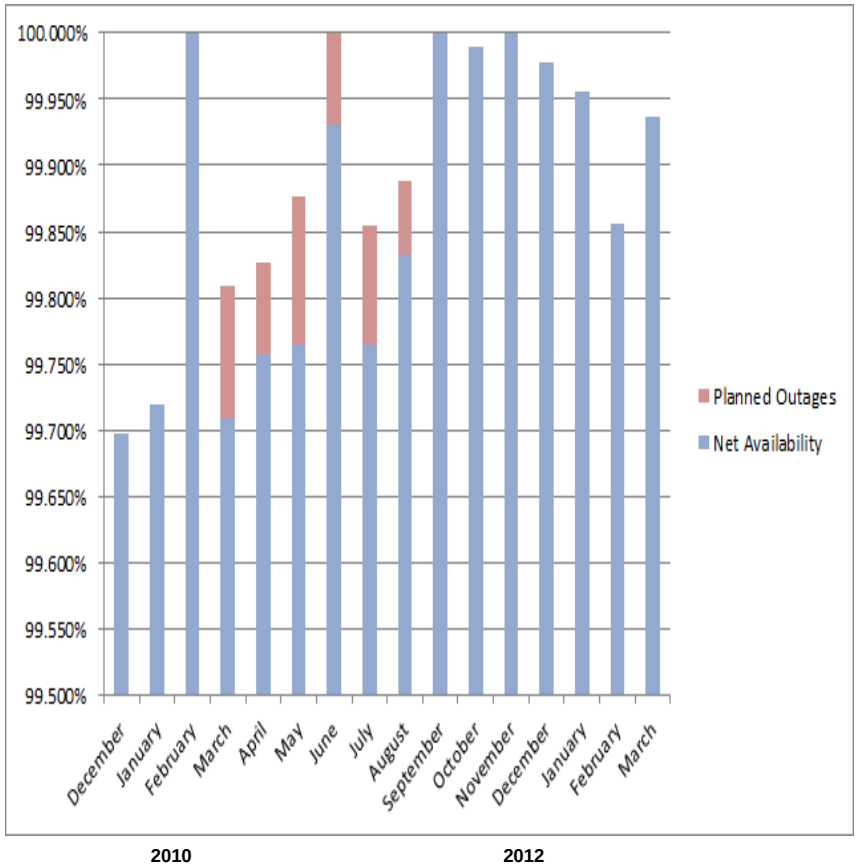
SCED Performance since Market Launch (12/10 – 03/12)

Security Constrained Economic Dispatch (SCED)

- Since the Nodal Market launch **134,208** SCED solutions have been scheduled to complete
- There have been **23** unplanned incidents resulting in **107** SCED solutions not completing
- 2012 Availability target revised: 99.9% (“outstanding”) with a stretch goal of 99.95% (“best in class”)

Root Cause	Number of Incidents	Number Resolved
Hardware	**10**	**10**
Software	**13**	**13**
Total	**23**	**23**

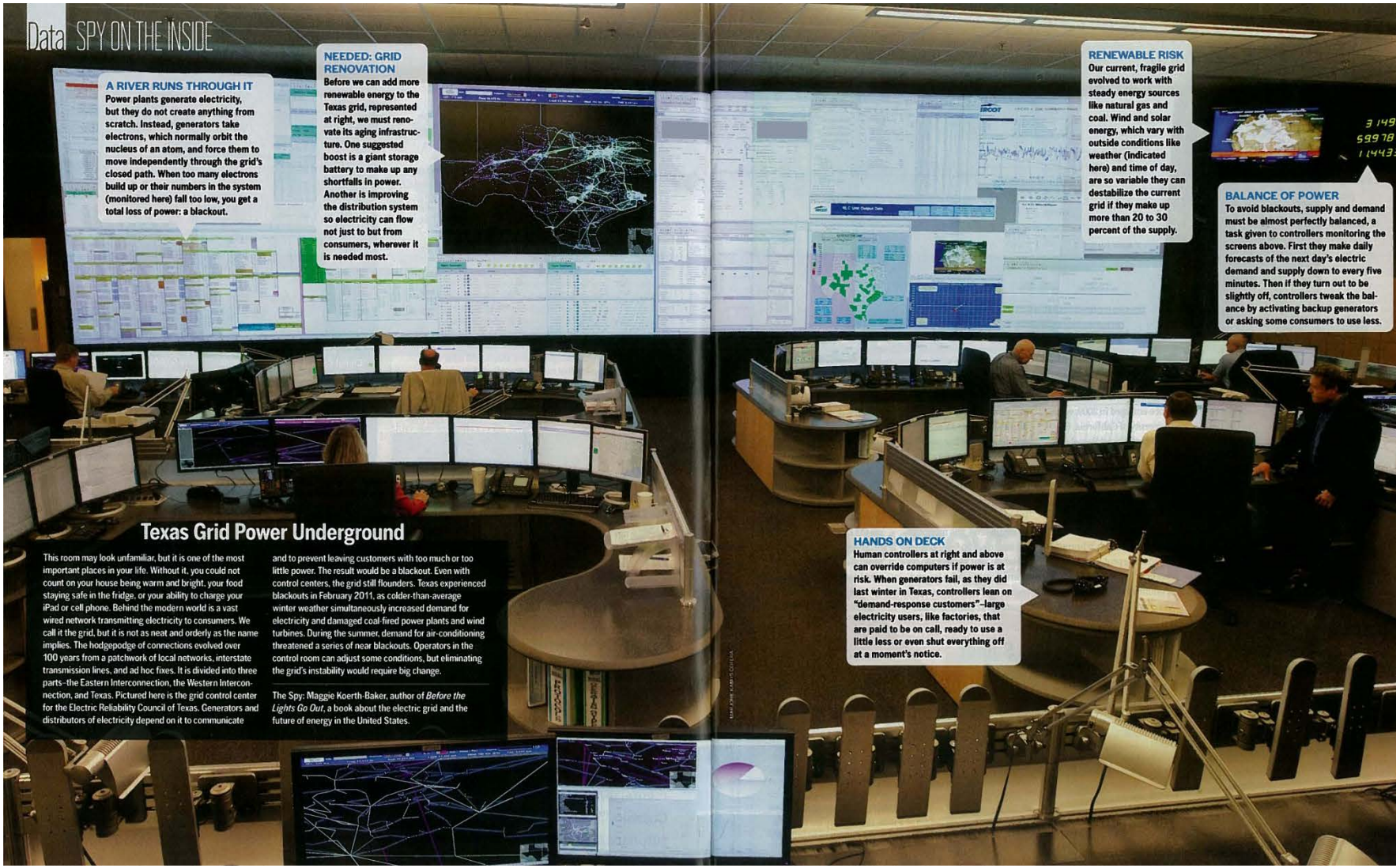




GOVERNOR PERRY TOUR OF TAYLOR FACILITY – MARCH 14

- Toured the control room, black start training facility, and data center
- ERCOT briefing on resource adequacy and cyber security

‘Texas Grid Power Underground,’ Discover Magazine April 2012



SPOTLIGHT ON: DOTTIE ROARK

Dottie Roark

Manager, Corporate Communications

Hired: January 6, 2003

- **Wrote more than 200 news releases from 2005-present**
- **Responded to more than 6,000 media requests from 2005-present**

JOINT BOARD / IRC CONFERENCE

Please join us for the
2012 Annual IRC Joint Board Conference

LOCATION: Dallas
DATE: May 23rd (full day) & May 24th (half day)
RESERVATION CUT-OFF: April 23rd

IRC
ISO/RTO Council

Once your reservation has been made, please contact Kerry Wariner at (512) 248-3973 or kwariner@ercot.com to confirm your attendance at the conference