



CEO UPDATE

Trip Doggett
President & CEO

ERCOT Public
July 17, 2012

FINANCIAL PERFORMANCE (UPDATED THROUGH JUNE)

YTD BUDGET VS. ACTUAL PERFORMANCE: \$4.6 MILLION FAVORABLE

REVENUES

\$5.1 Million favorable 2011 carry forward
\$0.4 Million favorable other revenues

EXPENSES

\$2.9 Million unfavorable outside services
\$1.3 Million favorable salary & related benefits
\$0.5 Million favorable facility & equipment costs
\$0.4 Million favorable hardware & software maintenance or
licensing
\$0.4 Million favorable revenue-funded project expenditures

FINANCIAL PERFORMANCE (UPDATED THROUGH JUNE)

YEAR-END PERFORMANCE FORECAST: \$4.2 MILLION FAVORABLE

REVENUES

\$5.1 Million favorable 2011 carry forward

\$0.8 Million favorable system administration fees

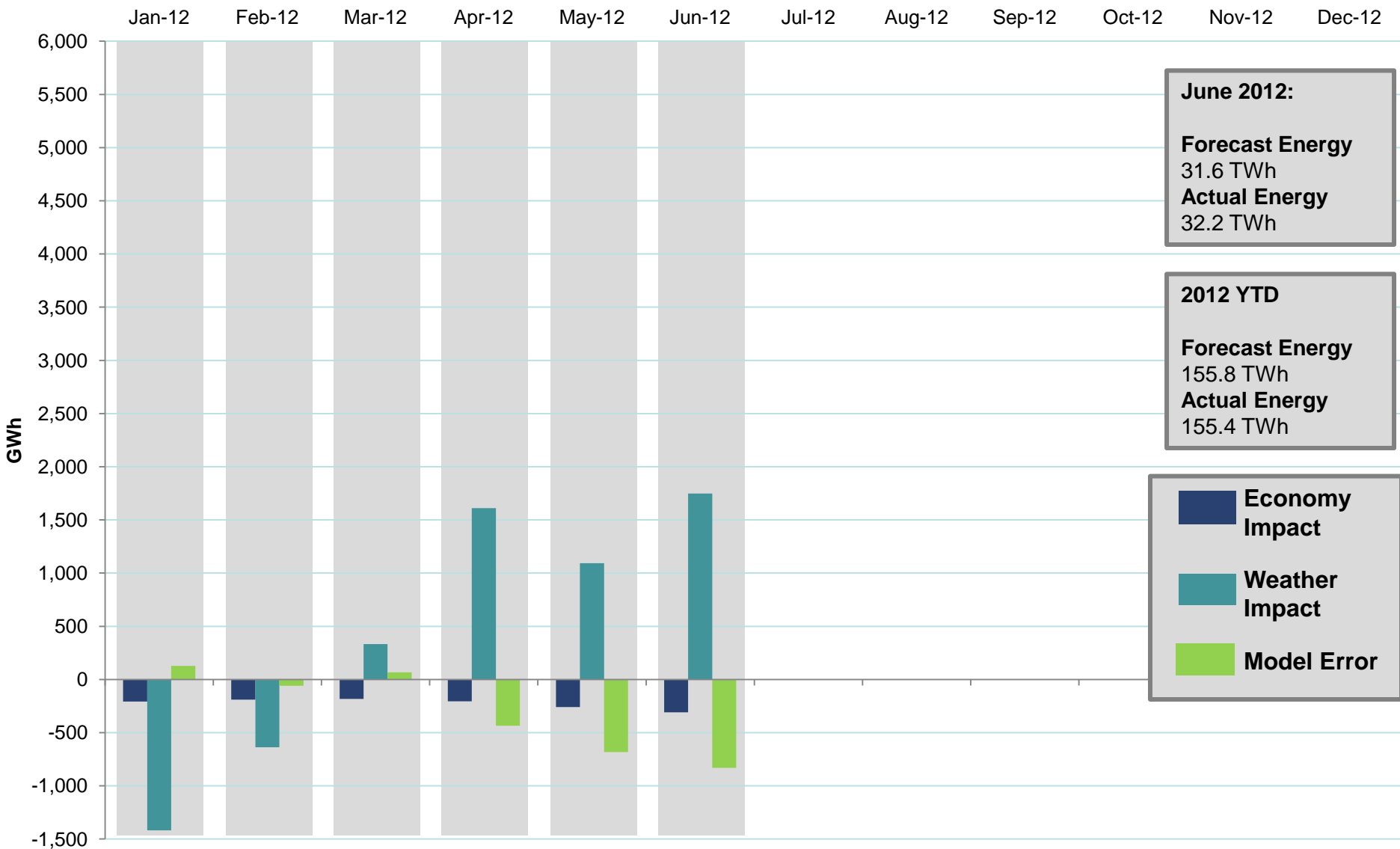
EXPENSES

\$4.9 Million unfavorable outside services

\$2.8 Million favorable salaries & related benefits

\$1.0 Million favorable facility & equipment costs

IMPACTS OF ECONOMY & WEATHER – 2012



RECORD PEAK DEMAND IN JUNE

- **On June 25, 26 and 27 Texas had high temperatures in the low to mid 100 degrees over virtually the entire state. Austin high temperature was 109 on June 26**
- **Peak Demand (Hourly Integrated) those days were 65,047 MW, 66,583 MW and 66,002 MW respectively**
- **The Peak Demand in June 2011 was 63,102 MW, the previous all-time peak demand for June, and ERCOT's all-time peak demand is 68,379 MW set in August 2011**
- **Minimum Physical Responsive Reserves during the period was 2,754 MW on June 26**
- **On June 25, 26 and 27 wind generation during the peak hour was 461 MW, 350 MW and 1,141 MW respectively**
- **No Energy Emergency Alerts declared and Non-Spinning Reserves were not deployed by ERCOT operators**

Current record of 8,368 MW occurred on June 19, 2012 at 19:25. Previous instantaneous value that was surpassed of 7,925 MW was set on April 13, 2012.

Record Statistics (06/19/2012)

- **Non-Coastal Wind = 7,381 MW (86.0% of installed capacity)**
- **Coastal Wind = 987 MW (69.5% of installed capacity)**
- **Wind was supplying 17.64% of the 47,452 MW load**

Previous Record Statistics (04/13/2012)

- **Non-Coastal Wind = 6,885 MW (79.9% of installed capacity)**
- **Coastal Wind = 1,040 MW (85.5% of installed capacity)**
- **Wind was supplying 20.08% of the 39,466 MW load**

2012 RESOURCE ADEQUACY ACTIONS COMPLETED

- **Online Non-Spin standing deployment & offer floor**
- **Offline Non-Spin offer floor**
- **Responsive Reserve & Regulation Up offer floor**
- **Institutionalized the process to recall mothball units for capacity**
- **Pricing of energy for Reliability Unit Commitment (RUC) units deployed for capacity at System Wide Offer Cap**
- **Expansion of Responsive Reserve with a corresponding reduction in Non-Spin**
- **Coordination of Load Management initiatives**
- **EILS service expanded to Emergency Response Service (ERS)**
- **Brattle Group Study**
- **Posting non-binding near real-time forward prices**
- **ERS 30-min Demand Response pilot**
- **System Wide Offer Cap raised to \$4500 (effective Aug 1, 2012)**

2012 ERCOT SUMMER INTERNS

Name	College	Department
Derrick Richards	Prairie View A&M University	Information Systems Security
Jackie Yu	University of Texas at Austin	IT Strategic Services & Asset Mgt
James Schue	St. Mary's Law School	General Counsel
Jason Terrell	Texas A&M University	Contract Admin & Procurement
Jingjie Xiao	Purdue University	Model Administration
Jorden Sliva	Texas State University	Facilities & Site Development
Luis Hinojosa	University of Texas at Austin	Operations Engineering
Madhu Mohan Mareddy	Texas A&M University	Enterprise Information Services
Magie Annab	St. Edward's University	Credit Administration
Mandar Bhide	University of Minnesota	Model Administration
Matt Folks	Texas State University	Treasury

2012 ERCOT SUMMER INTERNS (CONTD)

Name	College	Department
Matt Sutter	University of Texas at San Antonio	Data Center Management
Megan Germann	University of Texas at Austin	Model Administration
Meichen Chen	Texas A&M University	Mid Term Planning
Natalia Rivera Mack	University of Texas at Austin	External Affairs
Nicole Hughes	University of Texas at Austin	System Planning
Nikhita Garg	University of Texas at Austin	Settlements Metering
Reed Malin	University of Texas at Austin	Wholesale Client Services
Shreyanshu Pavas	Texas A&M University	Release Management
Subhadarshi Sarkar	Iowa State University	Advanced Network Applications
Yezhou Wang	University of Texas at Austin	Market Analysis



Ron Berry

Physical Security Manager

Hired: May 31, 2005

- **Rebuilt the Physical Security Department to a best of class operational organization**
- **Established a safe and secure work environment for ERCOT staff and visitors**
- **Ran his first marathon at the age of 55**



Susan Munson

Retail Market Liaison

Hired: February 24, 2003

- **A key developer for the NAESB standards needed to support programs for customer choice and retail standards**
- **Supported documenting model business practices that have been adopted and published as industry standards**

SPOTLIGHT ON: **COMMUNITY INVOLVEMENT**



John Jarmon
Sr. Outage Coordinator
Hired: 04/23/2001

- **Founder of the THS BLADE Club**
- **Student Mentor with Taylor ISD since 2009**



Jonathon Rose
Resource Planning Eng.
Hired: 1/7/2008

- **Student mentor with THS BLADE Club**
- **Student mentor at Pasemann Elementary**
- **Math Tutor at Taylor High School**



Jim Rudd
Retail Account Manager
Hired: 11/14/2005

- **Student mentor with Taylor ISD since 2005**
- **Student mentor with THS BLADE Club**

BLADE - Beginners Learning Alternative Designs for Energy

TAYLOR HIGH SCHOOL BLADE PROGRAM



ERCOT employees meet with THS students after school coaching them on electrical fundamentals and how to build solar panels.



Students remove the insides of a donated van to build their alternative energy vehicle.



Students working hard to mount racks for their solar panels.

TAYLOR HIGH SCHOOL BLADE PROGRAM (CONTD)



The THS BLADE Club wins 1st Place at the 2012 IEEE PV HS Competition!

Sean Bullock explains the club project to one of the judges



The THS B.L.A.D.E. Club offer free video gaming and movies in community parks.



SUCCESSFUL “PLANNING GO-LIVE”

NMMS database now used to build both the Steady-State Planning Models and Network Operations Models

- Completed on May 19, 2012
- Culmination of a joint six-year TSP and ERCOT coordinated effort
- Required approximately 18-thousand ERCOT and TSP man-hours and over 100 Stakeholder conference calls and meetings

Achieves consistency between Network Operations and Planning Models

- Operations and Planning models use a common database with common names and values
- Custom-built topology processor completed to translate between models
- Gives ERCOT the capability to compare Operational and Planning studies

ERCOT is an industry leader in this initiative and is thus far, unique in this effort

Business Integration

- Release 3 implemented in June 2012
 - NPRR351 – *SCED Look-Ahead Step 1: Pricing - Calculate Non-Binding Prices and Basepoints*
 - NPRR354 – *Revisions to Non-Spin Performance Criteria Language and Provision for ICCP Telemetry of Non-Spin Deployment*
 - NPRR360 – *Summary Report of HDL and LDL*
 - NPRR379 – *EILS Dispatch Sequence and Performance Criteria Upgrades*
 - NPRR437 – *Allow Aggregation of Multiple Generators Into A Single Resource For Market and Engineering Modeling*
 - SCR760 (delivery of SCR760-2b, 2c and SCR760-5) – *Recommended Changes Needed for Information Model Manager and Topology Processor for Planning Models*
 - RARF project
 - Capital Efficiencies & Enhancements (internal changes)

External Affairs

- Testified on the interplay between water and electric issues at the House Natural Resources Committee on June 28
- Testified on ERCOT protocols at the Senate Business and Commerce Committee on July 10