



## **Item 4.1: CEO Update**

**H.B. “Trip” Doggett**

**President & Chief Executive Officer**

**Board of Directors Meeting**

**ERCOT Public**

**March 19, 2013**

# Financial Performance (Updated through February)

## YTD BUDGET VS. ACTUAL PERFORMANCE: \$0.1 MILLION FAVORABLE

**REVENUES** \$1.1 Million unfavorable 2012 carry forward  
\$0.7 Million unfavorable system administration fees

**EXPENSES** \$1.1 Million favorable principal repayment  
\$0.7 Million favorable hardware & software maintenance & licensing

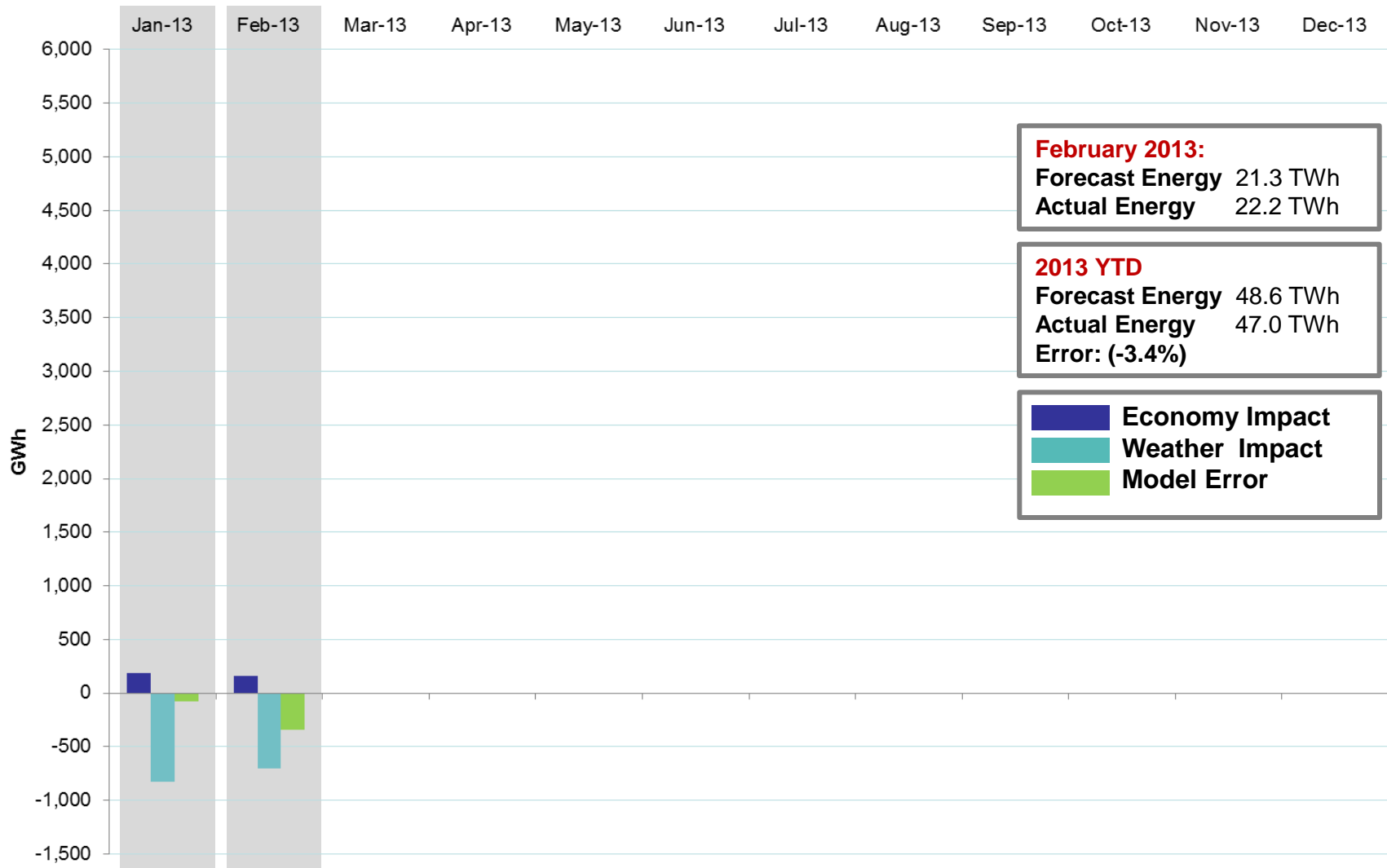
# Financial Performance (Updated through February)

## YEAR-END PERFORMANCE FORECAST: \$0.1 MILLION FAVORABLE

**REVENUES** \$1.1 Million unfavorable 2012 carry forward

**EXPENSES** \$1.1 Million favorable principal repayment

# Impacts of Economy & Weather – 2013



## 2013 Summer SARA (*preliminary*)

Item	Summer 2013	Forecasted Season Peak Load	Extreme Load/Typical Generation Outages	Extreme Load/Extreme Generation Outages
1	Total Resources	73,708		
2	Peak Demand	67,998		
3	Uses of Reserve Capacity	3,109	5,425	7,336
4	Capacity Available for Operating Reserves* (1-2-3)	2,601	285	-1,626

- Significant chance that ERCOT will need to issue Energy Emergency Alerts and appeal to consumers to reduce their energy use on some days
- Current trends call for a summer that is hotter and drier than normal – conditions similar to 2010
- Prolonged heat waves like those in 2011 are not expected

\*Less than 2300MW indicates risk of EEA1

# Loss of Load Probability (LOLP) Study Update

## Study results will inform setting the Target Reserve Margin

### Discussed at

- GATF on Jan 17
- WMS on Feb 13 and Mar 13
- PUCT on Mar 14

### Scheduled to be discussed at

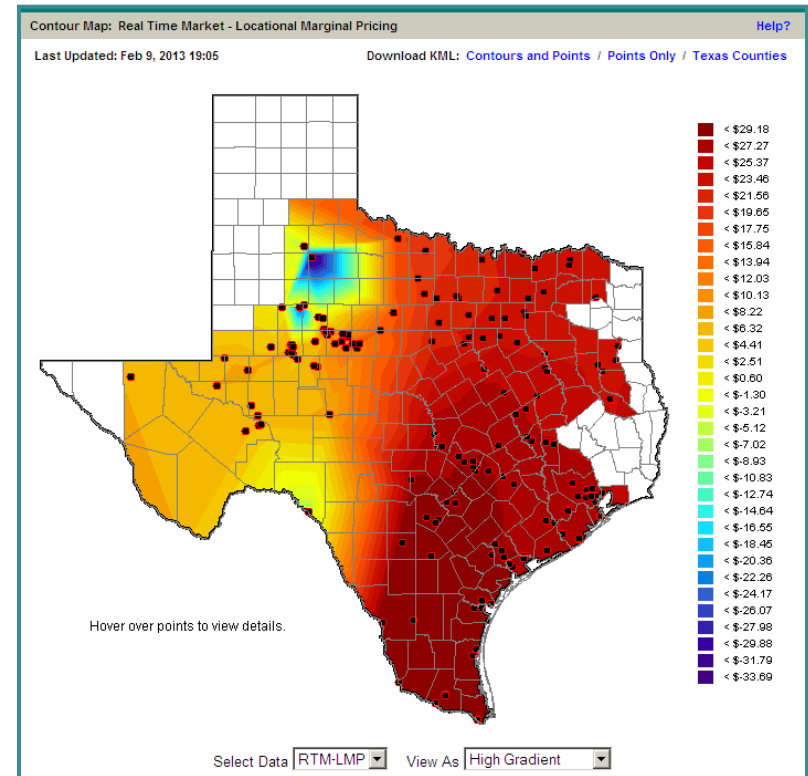
- GATF on Mar 22
- ROS on Apr 11
- WMS on Apr 12
- TAC on May 2
- Board of Directors on May 14



# New Wind Record

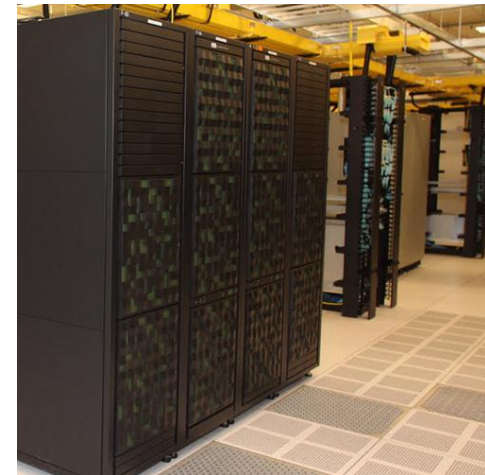
- A new wind record of 9481 MW occurred on February 09, 2013 at 7:08 pm
  - Non-Coastal Wind = 7,861 MW
  - Coastal Wind = 1,620 MW
  - Wind was supplying 27.82% of the 34,082 MW load
- Previous wind record was 8,638 MW on December 25, 2012 at 3:11pm

## 5-min SCED LMPs at 19:05pm, Feb 9, 2013



# Business Integration Update

- Successfully implemented Release 1 (2013) and Release 6 (2012) during the week of February 11-14, 2013
- Included nearly 300 changes across all major application areas
- Implemented 9 NPRRs/SCRs and Fast-Responding Regulation Service (FRRS) pilot
  - NPRR260, NPRR313, NPRR322 , NPRR377, NPRR397, NPRR407, NPRR464, NPRR469 and SCR768
- Improvements to key areas included
  - Load Forecasting
  - Congestion Revenue Rights
  - Credit
  - Ancillary Services
  - Market Data Transparency





# 2013 Black Start Training

- Over 700 TO, QSE, Generator, and ERCOT Operators
- Special guests from NERC Situational Awareness Group, NERC Critical Infrastructure Protection, Department of Energy, Texas Department of Public Safety and US Navy
- Seven regular weekly sessions beginning the week of Feb 4<sup>th</sup>
- Last session will be a “Special Session” – purpose will be to determine the time to restore the ERCOT Grid to 90%
- Each session consists of three days of training (Tue – Thu)
- Three hours of restoration theory and a total of 15 hours of simulation on the ERCOT Simulator
- Each participant performs the actions they would perform in a Black Out event and follow their Black Start Plans
- ERCOT Executive, Business Continuity and System Operations Management Teams participated in a special 1-day training session

# Engineering Development Program (EDP)



**Woody Rickerson**  
**Director, Grid Coordination**  
**Hired: September 1, 2000**



*EDP Visiting Comanche Peak Nuclear Plant*

**A 12-month training program for new engineers that provides fundamental engineering training and exposure to the 18 different engineering departments at ERCOT**

- Allows for proactive hiring of top quality engineers
- Focuses ERCOT staff's recruiting efforts on the EDP screening and hiring process
- Provides a pool of ready-to-work entry-level engineers
- Provides feedback to future Hiring Managers on the skills of each engineer

Graduating from EDP in 2013

- Chris Azeredo, MSEE Texas A&M
- Luis Hinojosa, BSEE UT Austin
- Marcus Schaffer, MSEE Arizona State

Four additional engineers starting in Spring 2013

- Arizona State
- Clarkson University
- UT Austin (2)