



Item 8.1: CEO Update

H.B. "Trip" Doggett

President & Chief Executive Officer

Board of Directors Meeting

ERCOT Public

February 11, 2014

2013 ERCOT Financial Summary*

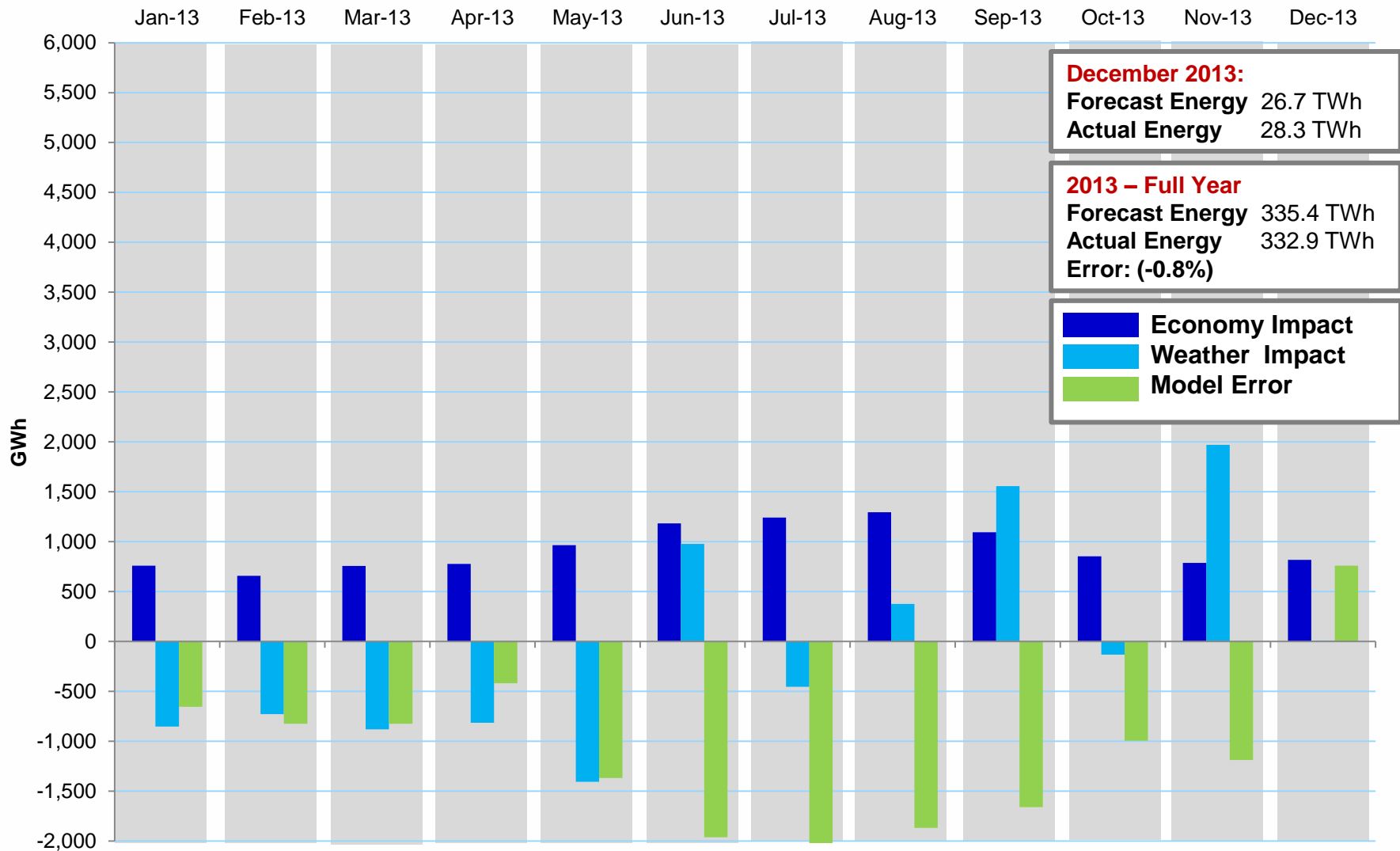
2013 BUDGET VS. ACTUAL PERFORMANCE: NO VARIANCE

Revenues	\$1.3 M unfavorable 2012 carry forward
	\$1.2 M unfavorable system administration fees
	\$0.7 M favorable other revenue
Expenses	\$2.5 M unfavorable outside services
	\$0.6 M unfavorable other expenses
	\$0.5 M unfavorable salaries and related benefits
	\$0.2 M unfavorable revenue-funded project expenditures
	\$0.1 M unfavorable interest expense
	\$2.1 M favorable facility and equipment cost
	\$1.8 M favorable hardware/software maintenance & licensing
	\$1.8 M favorable principal repayment

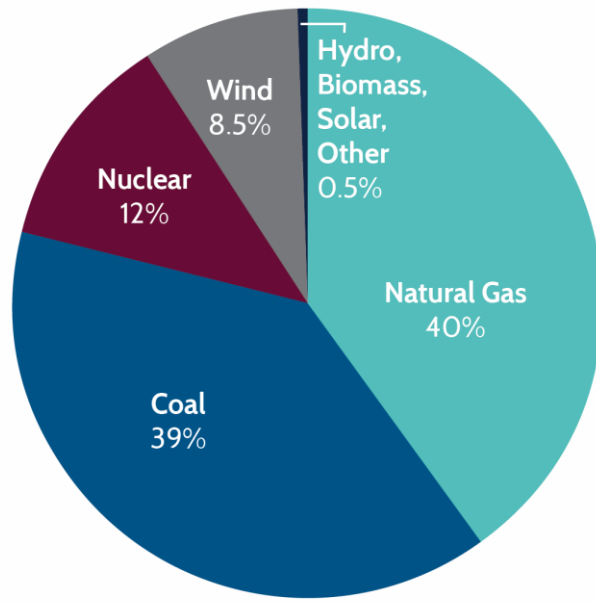
* In Millions, as of Dec 31, 2013



Impacts of Economy & Weather 2013

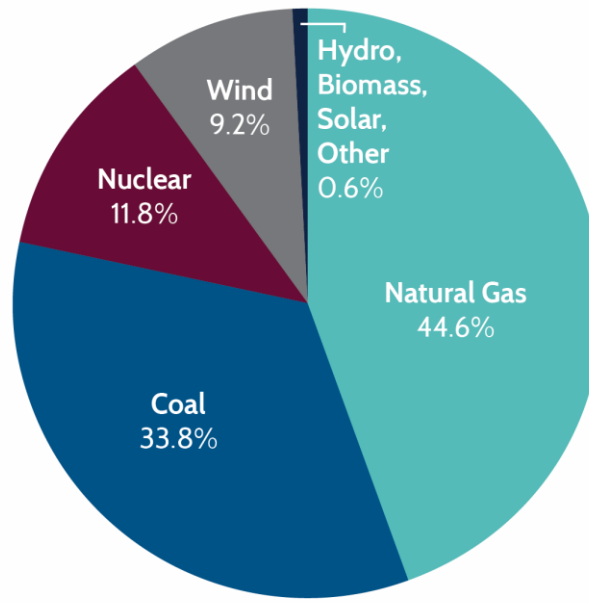


Energy Use Comparison



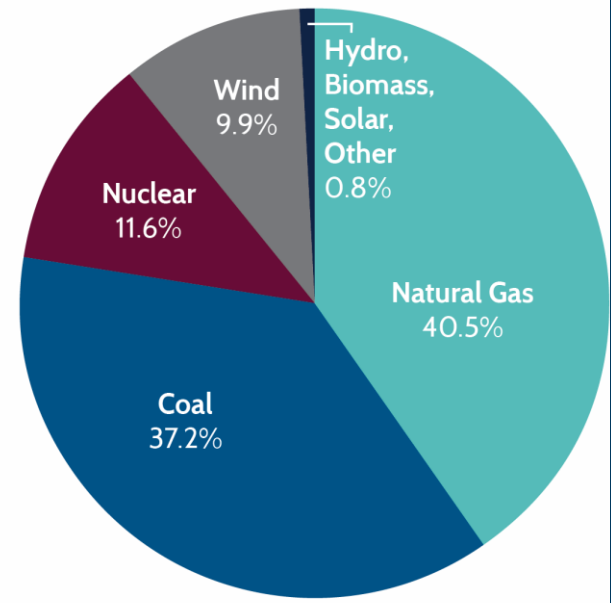
Energy Use 2011

Total energy consumed:
333,885,158 MWh



Energy Use 2012

Total energy consumed:
324,859,701 MWh



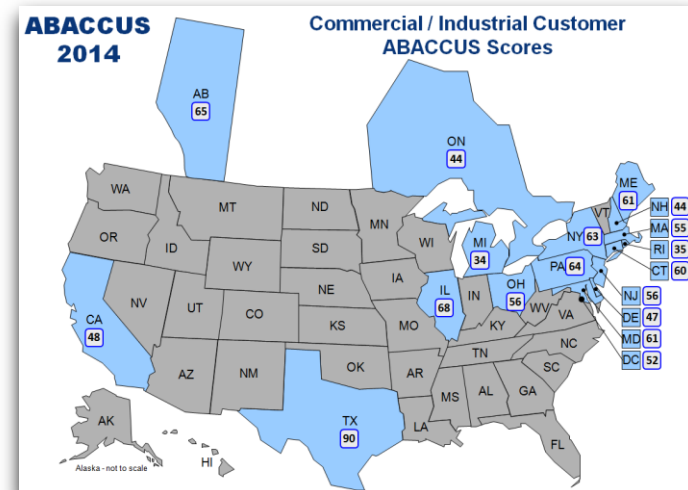
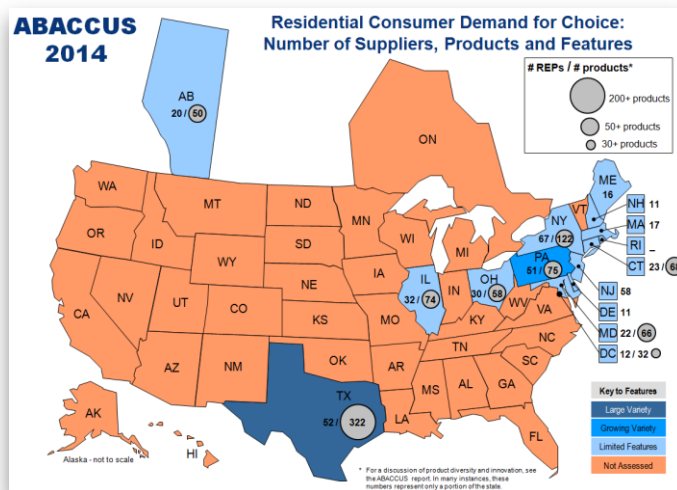
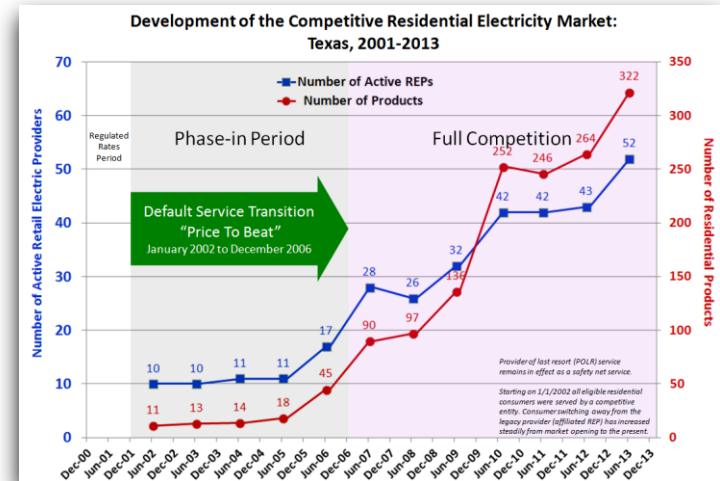
Energy Use 2013

Total energy consumed:
331,624,102 MWh

Top Retail Market in the United States and Canada

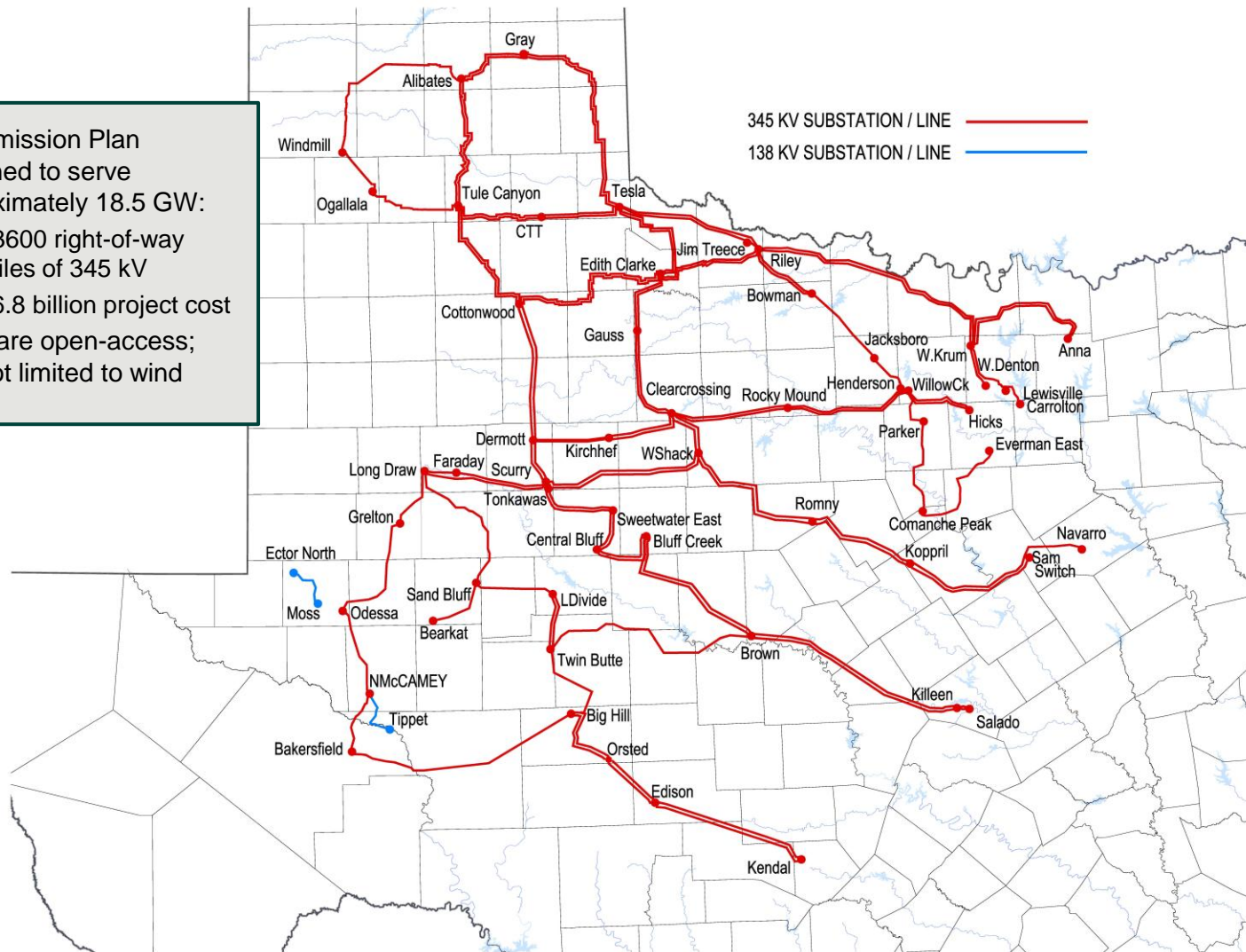
ERCOT competitive retail market #1 in the United States and Canada seventh year in a row*

- Top rankings for both residential and commercial/industrial retail markets in Texas
- Most product offerings (300+) among states assessed
- 5.9 million residential customers taking competitive electric service



CREZ Transmission Update – January 30, 2014

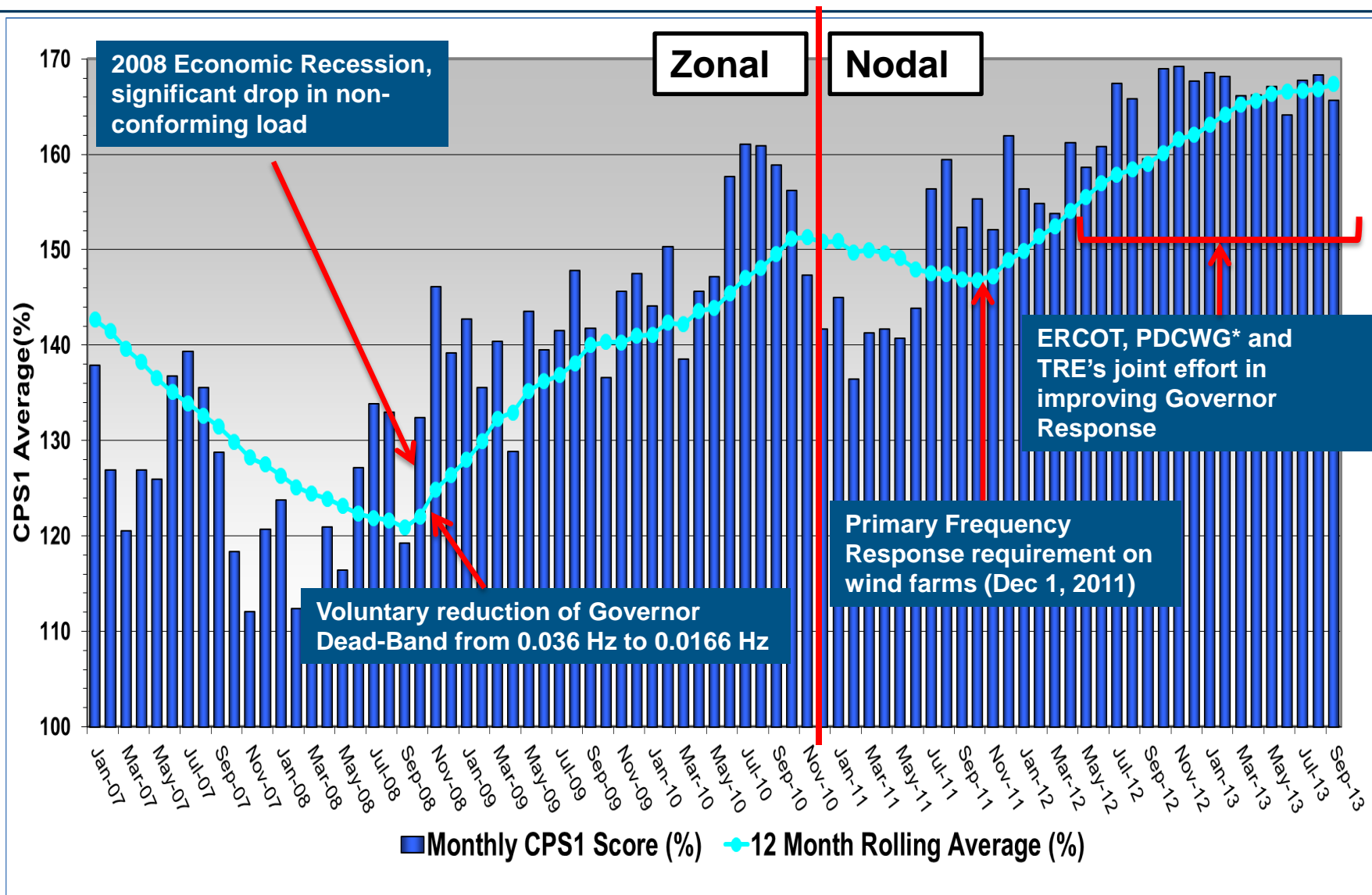
- Transmission Plan designed to serve approximately 18.5 GW:
 - ~3600 right-of-way miles of 345 kV
 - \$6.8 billion project cost
- Lines are open-access; use not limited to wind



Control Performance Standard 1 (CPS1)

- CPS1 is a measure of how well ERCOT is matching its generation with demand. (i.e., controlling frequency within a defined threshold)
- At a minimum, ERCOT is required to maintain rolling 12-month average CPS1 Score, greater than 100%.
- The maximum CPS1 score that can be attained is 200%.
- There is no limit to the minimum score. At 59.70 Hz or 60.30 Hz, CPS1 score will be -9800%.

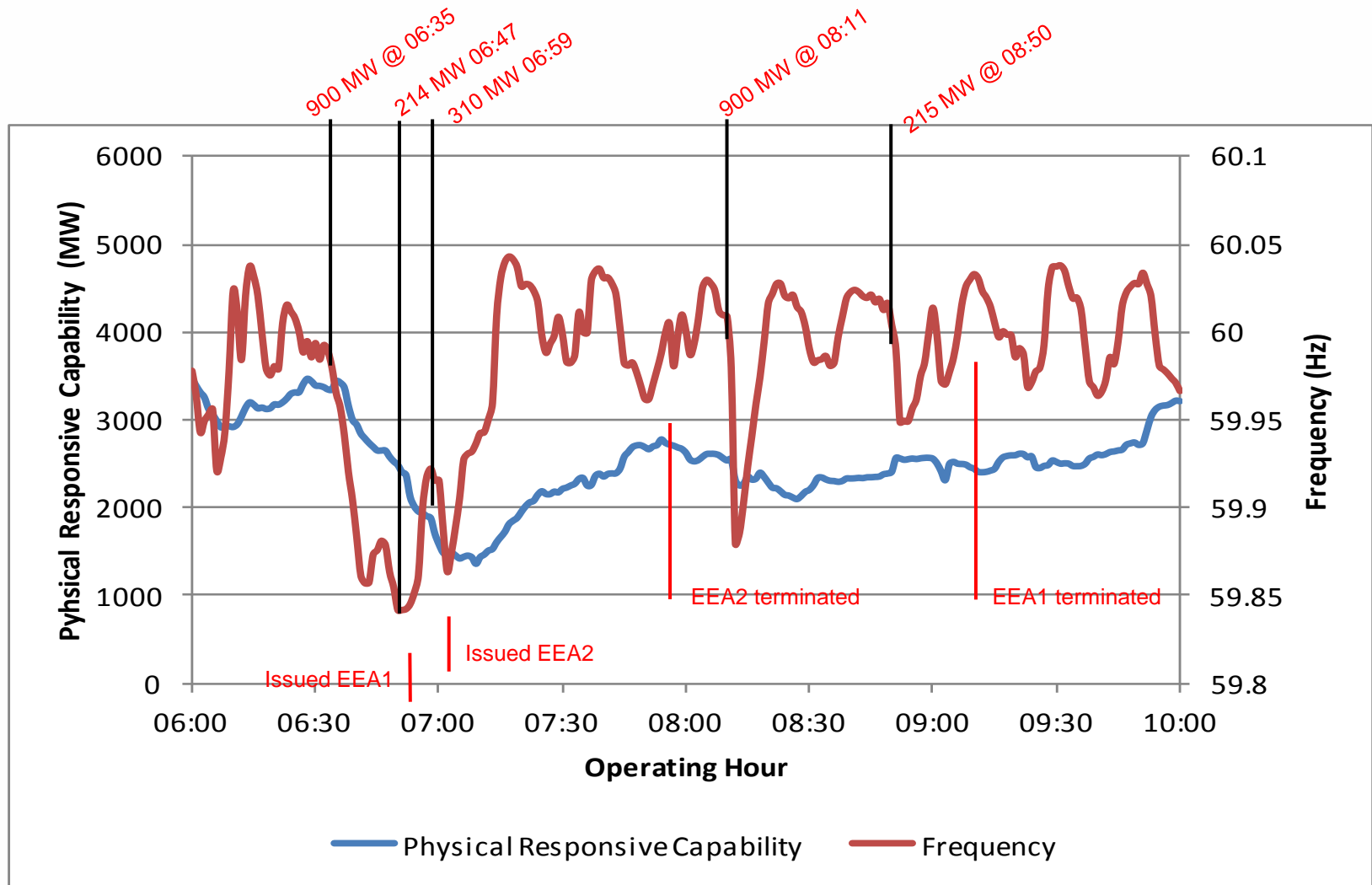
ERCOT's CPS1 Score



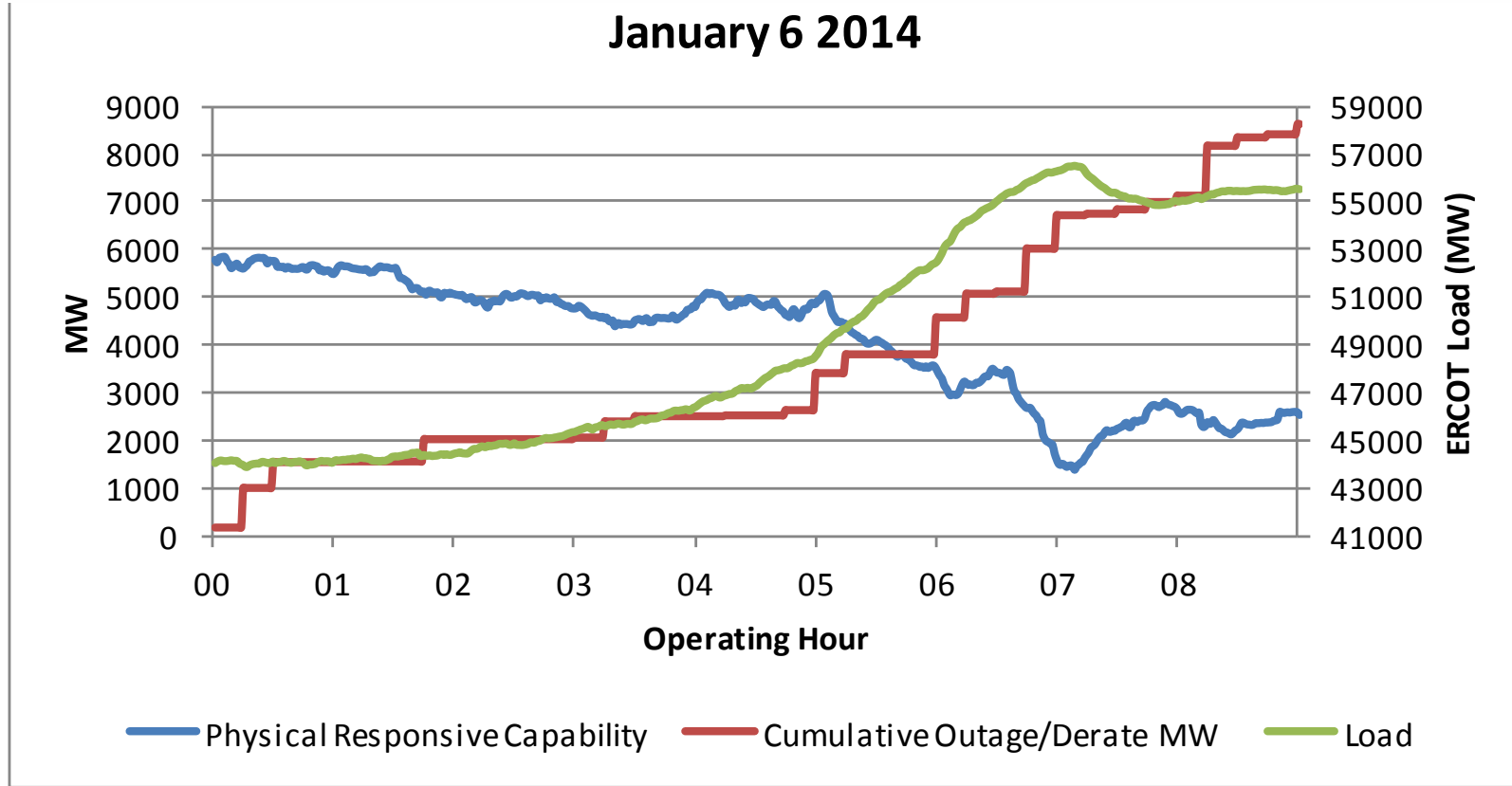
Event Summary – January 6, 2014 EEA*

- At 6:52, ERCOT declared EEA Level 1 and declared EEA Level 2 at 7:01, primarily due to the loss of a number of generating units during the early morning hours.
- Non-Spin Reserve Service (NSRS), Responsive Reserve Service (RRS) from Generators (at 59.91 Hz) and Load Resources, and Emergency Response Service (ERS) were deployed, but firm load shed was not required.
- ERCOT moved back to EEA 1 at 7:51 and resumed normal operations at 9:12.
- Cumulatively, 8,650 MW of generation was unavailable at some point between midnight and the end of the EEA event.
- Hourly peak demand was 55,487 MW for HE08, and instantaneous peak demand was 56,478 MW at 07:08:24.

PRC* and System Frequency – January 6, 2014 EEA



PRC and Unit Trips/Derates – January 6, 2014 EEA



Hour Ending	1	2	3	4	5	6	7	8	9
Cumulative # of Unit trips* after Midnight	6	9	10	14	21	27	37	42	49

* Includes trips of individual units within a combined cycle plant

Grid Performance – January 6, 2014 EEA

- ERCOT and stakeholders were aware and prepared for the cold front.
- ERCOT's actions and deployments were timely and appropriate.
- ERCOT systems performed as expected.
- Overall, Ancillary Services responded appropriately to restore frequency.
- Recovery of PRC was acceptable given the nature of the event (continued generator outages throughout the morning).

Next Steps – January 6, 2014 EEA

- ERCOT and TRE have requested additional information from generators on causes of generator trips and de-rates.
- ERCOT visited 4 of the units initially reporting weather-related issues.
- ERCOT is already in the process of improving accuracy of wind forecast during icing and cold weather (icing from November 2013 cold spell).
- ERCOT and stakeholders are considering how to account for increased generating capacity unavailability for unit commitment during severe cold weather events.
- “Improve” means to get updated information on generation de-rates and startup failures to ERCOT in near-real time.

TODAY'S OUTLOOK
NOV 07, 2013 - 17:00

40,000
 37,500
 35,000
 32,500
 30,000
 27,500

04 08 12 16 20 24

Capacity ■ Actual ■ Available ■ Reserves
 Demand ■ Actual ■ Forecast

[illegible]

- Jan. 6: 21,614 push alerts; 6,291 unique opens
 - *973 reported taking conservation steps using “I did this” feature.*
- Jan. 18: 10,236 push alerts; 2,288 unique opens

