



Item 4.1: CEO Update

H.B. "Trip" Doggett

President & Chief Executive Officer

Board of Directors Meeting

ERCOT Public

August 12, 2014

CEO Update: Variance to Budget (\$ in Millions)

Net Revenues After Base Operating Expenses as of June 30, 2014

Net Revenues Year to Date: \$1.1 M Favorable

Major Revenue Variances

\$0.5 M under budget system administration fees due to milder-than-expected temperatures

Major Expense Variances

\$1.3 M under budget hardware/software vendor support services due to more work on capital projects

\$1.0 M under budget employee labor cost due to more efforts charged to projects

\$0.6 M under budget hardware/software maintenance due to contract renewals negotiated at lower rates

\$1.1 M over budget external staffing due to backfilling regular positions

Net Revenues Year End: \$1.0 M Favorable

Major Revenue Variances

\$1.2 M under budget system administration fees due to milder-than-expected temperatures

Major Expense Variances

\$2.0 M under budget hardware/software vendor support services due to more work on capital projects

\$1.4 M under budget hardware/software maintenance due to contract renewals negotiated at lower rates

\$1.0 M under budget market design contingency will not be utilized

\$0.9 M under budget hardware/software maintenance contracts renewed with lower level of service

\$1.9 M over budget external staffing due to backfilling regular positions

\$1.4 M over budget due to external studies, training, and other outside services

2014 Release 4

Deployed in July & August

- 137 changes planned across major application areas
- 1 NPPR and 5 internal projects
 - NPPR 491
 - Client Digital Certificate Upgrade (mid-August)
 - Contract Lifecycle Management
 - Digital Certificate New Role for Read Only Access
 - MarkeTrak Enhancements – remaining SCR 756 Items (mid-August)
 - Settlement System Upgrade (Data Aggregation)
- Improvements to key areas include:
 - Energy Management and Market Management Systems, Congestion Revenue Rights, Enterprise Integration (Retail), Enterprise Information Services, Market Information System, MarkeTrak, Settlements & Billing

2014 Interns

| Name | College | Department |
|----------------------------|---|-------------------------|
| Anderson, Connor | University of Texas at Austin | System Planning |
| Beaumont, Chaim | University of Texas at Arlington | System Operations |
| Cao, Shawn (Lingxiao) | University of Texas at Dallas | Model Maintenance |
| Cervantes, Mike | University of Texas at Austin | Transmission Planning |
| Chang, Sean | Texas A & M University | Market Operations |
| Hassani Variani, Maryam | University of Tennessee | Operations Analysis |
| Ierullo, Nick | University of Oklahoma | Procurement & Contracts |
| Li, Weifeng | North Carolina State University | Operations Analysis |
| Maul, Donald | Texas A & M University & Thomas Edison State College | Meter Engineering |
| Medina, Devon | St. Edwards University | Accounting |
| Mesich, Rebecca | University of St. Thomas - Houston | IT Asset |

2014 Interns (continued)

| Name | College | Department |
|--------------------|-------------------------------|----------------------------------|
| Ming, Hao | Texas A & M University | Wholesale Market Operations |
| Mott, Tanya | Austin Community College | PMO |
| Nuthalapati, Sruti | University of Texas at Austin | EMMS Production Support |
| Parker, Alice | SMU, Dedman School of Law | Legal |
| Parrish, James | Murray State University, KY | Facilities |
| Pedduri, Karthik | Texas A & M University | Commercial Operations |
| Phillips, Cody | University of Texas at Austin | Resource Integration |
| Serluco, Valerie | University of Florida | Settlements |
| Siever, Carl | Marquette University, WI | Critical Infrastructure Security |
| Sikes, Amanda | Texas State University | Business Process & Risk |
| Sobon, Katarzyna | Ohio State University | Finance |

2014 Interns (continued)

| Name | College | Department |
|---------------------|-------------------------------|----------------------|
| Sowry, David | University of Texas at Austin | Credit |
| Tabb, Brian | Bentley University, MA | Treasury |
| Vick, Jacob | Texas A & M University | Resource Integration |
| Wang, Ivy (Songyue) | Texas State University | Network Modeling |
| Whitacre, Gina | University of Texas at Austin | Internal Audit |
| Williams, James | Texas Tech University | Application Services |
| Young, Matthew | University of Texas at Austin | Network Modeling |
| Zhang, David | University of Toronto | Network Modeling |