



Item 3: ERCOT Strategic Goals

Betty Day

Vice President, Governance Risk & Compliance

Human Resources and Governance Committee

ERCOT Public

October 12, 2015

Update on 2015 Strategic Goals

Operational Reliability

Strategic Goal	Initiative	Completion / Target
Strategically adapt to changing Resource mix	Filed NPRR667, Ancillary Service Redesign and facilitating workshops to consider stakeholder comments	November 2014; NPRR tabled at PRS pending cost benefit analysis completion targeted for Q4-15
	Filed NPRR686, Changing the IRR Forecast from Next 48 Hours to Next 168 Hours	Approved June 2015 Board. Scheduled go live for wind Q4-15 and solar Q1-16
	Developing NPRR to implement an Inertia ancillary service	Target filing Q1-16
	Developing white paper on Switchable Generation Resources	Scheduled publication Q4-15
	Implementing NPRR615, PVGR Forecasting, to incorporate photovoltaic resource type into ERCOT systems	Scheduled go-live Q4-15
Facilitate transmission planning and improvements	Filed PGRR042, Regional Transmission Plan Model Reserve Requirement and Load-Generation Imbalance Methodology, to formalize load-scaling methodology	Tabled at July 2015 Planning Working Group to consolidate market input. Target stakeholder discussions to resume Q1-16
	Developed white paper to describe the load and generation assumption methodology differences between Capacity, Demand and Reserves Report and Planning Models	July 2015
Improve generation interconnection process	Updated Resource Interconnection Handbook to improve process transparency	December 2014
	Aligned ERCOT Resource Integration department with Planning function to improve linkage between Generation and Transmission Planning	October 2014
	Developed Engineering Development Program module to educate staff on Interconnection process	June 2015
	Automate some manual Generation Interconnection or Change Request (GINR) processes to reduce errors and increase efficiency	Target completion Q4-15
	Developed Revision Requests to clarify definition of commercial operations date	NPRR705 – October 2015 PRS NOGRR145 - September 2015 OWG PGRR045 – September 2015 PLWG RRGRR008 – October 2015 ROS



Operational Reliability Continued

Strategic Goal	Initiative	Completion / Target
Implement Outage Scheduler enhancements	Worked with stakeholders to create Outage Coordination Task Force to evaluate if outages should be coordinated based on economic criteria and to identify potential improvements	Whitepaper published July 2015. Task Force working to define High Impact Outages (HIOs)
	Implemented SCR774, Enhancements to Outage Scheduler and Reports, which will provide additional transparency into changes made to Outages	June 2015
	Implementing Outage Scheduler improvements via NPRR219, Resolution of Alignment Items - TSPs Must Submit Outages for Resource Owned Equipment and Clarification of Changes in Status of Transmission Element Postings, and SCR783, Outage Scheduler Enhancements	Project initiated July 2015
Explore Demand Response and distributed energy resource opportunities	Formed internal ERCOT team to evaluate current processes and document how they relate to distributed energy resources	Q3-14
	Drafting an NPRR to separate technical requirements for interconnection from market participation requirements	Target filing Q4-15
	Developed white paper to outline options for distributed energy resource participation in markets	Published August 2015. TAC created DREAM TF to consider white paper & options
	Working with market to track growth of retail product offerings for dynamic pricing and other retail demand response incentives: <ul style="list-style-type: none"> - Reported program counts to Demand Side Working Group - Analyzing responses to price events and shifts in behavior by those reported in Time of Use programs 	<ul style="list-style-type: none"> - Report published February 2015 - Preliminary analysis reported September 2015
Implement the IT Roadmap	Completed Settlement System Rewrite Project	December 2014
	Major projects in progress: <ul style="list-style-type: none"> - Market Management System (MMS) / Outage Scheduler (OS) Technology Refresh - Network Model Management System (NMMS) Upgrade - Energy Management System (EMS) Upgrade 	<ul style="list-style-type: none"> - September 2015 - NMMS scheduled go-live Q2-16 - EMS scheduled go-live Q2-16
	Executing Technology Refresh	Staging phases through 2017
	Continued progress on Critical Infrastructure Security Roadmap implementation	40% complete
Enhance Talent Management Process	Implemented career paths and new compensation structure	Q1-15
	Implemented performance review process improvements	Q1-15
	Evaluating management development needs and defining strategy	Target completion Q4-15



Flexible Market Design

Strategic Goal	Initiative	Completion / Target
Implement system changes to improve scarcity pricing during Energy Emergency Alert, Emergency Response Service/ Load Resource deployment	Implemented NPRR555, Load Resource Participation in Security-Constrained Economic Dispatch	June 2014
	Implemented NPRR568, Real-time Reserve Price Adder Based on Operating Reserve Demand Curve	June 2014
	Implemented NPRR626, Reliability Deployment Price Adder	June 2015
Work with stakeholders to explore Real-Time Co-optimization of Energy and Ancillary Services	Developed white paper	September 2014
	Supporting stakeholder discussions to further develop the concept of optimal allocation of Resources' capacity between energy and Ancillary Services	Ongoing discussions at regularly scheduled Supply Analysis Working Group, WMS and TAC meetings. Scope of cost/benefit analysis under discussion by stakeholders
Evaluate multi-interval Real-Time market (formerly, multi-interval Security Constrained Economic Dispatch)	Developed white paper	September 2014
	Supporting stakeholder discussions to further develop concept of enabling additional Resources to contribute to Real-Time price formation and to expand access to the Real-Time Energy Market	Ongoing discussions at regularly scheduled Supply Analysis Working Group, WMS and TAC meetings
	Received data from Load Resources to enable market behavior simulations	March 2015
	Developing requirements and simulator for Multi-interval real time market (MIRTM) simulator to evaluate potential net benefits.	Target completion Q1-16
Improve management of system changes through IT automation and Release Management practices	Optimizing ERCOT release management and change management procedures and processes <ul style="list-style-type: none"> - Created ERCOT Release Management corporate standard and operating procedures - Identifying process efficiencies across organizational responsibilities 	Target completion December 2015 <ul style="list-style-type: none"> - Corporate standard approved November 2014
	Automating systems build processes through the IT Transformation Program and IT Change Management project	Automated Operating Systems builds complete August 2015. Evaluate Development build process for improvements due October 2015

Data Transparency and Access

Strategic Goal	Initiative	Completion / Target
Initiate Enterprise Content Alignment Program (ECAP) to provide accurate and consistent management of content through ERCOT access points	Core Program team engaged in defining Enterprise Content Alignment strategy and roadmap, validating Program benefits, developing stakeholder engagement plan and initiating user research. 2015 Inflight ECAP Projects include: <ul style="list-style-type: none"> - ERCOT Identity – Completed stakeholder research and began creating messaging framework - Governance and Taxonomy - Define enterprise Information Governance policies and Taxonomy/Metadata framework - Enterprise Content Management Proof of Concept - Define, validate and recommend enterprise content management solution 	In planning phase; multi-year effort <ul style="list-style-type: none"> - Target rollout February 2016 - Internal impact analysis in progress - Internal impact analysis in progress
Improve communication consistency of Grid conditions	Electronic Crisis Communications Enhancements project delivered : <ul style="list-style-type: none"> - Prepared architectural diagram of supporting information technology infrastructure - External file sharing solution that can be used to share large media files with media stakeholder Improving reliability and performance of grid communication information technology.	Q1-15 Target completion Q1-16
Develop data services to support long-term Market Participants needs	Engaging in market forums to discuss potential changes for external web services strategy	Target completion Q3-16
Implement Governance Risk and Compliance tool in support of operating controls and procedures	Implementing Governance Risk and Compliance system: <ul style="list-style-type: none"> - Mapping System Operations controls to NERC requirements - Reviewing ERCOT must/shall/will Protocol requirements and controls Developing Compliance Roadmap	Target completion Q1-16 <ul style="list-style-type: none"> - Mapping complete - Protocol review 70% complete Target completion Q4-15

Committee Strategic Alignment

Strategic Goal	Initiative	Completion / Target
Further develop and enhance the ERCOT strategic and business planning processes	Incorporating business plan maintenance into management routines <ul style="list-style-type: none"> - Established business plans for each business area - Developed business plan initiative reporting for executive management 	<ul style="list-style-type: none"> - Plans established 2014 - Reporting developed March 2015
	Improving workflows to reduce redundant management requests <ul style="list-style-type: none"> - Utilized business plans to seed budget discussions - Gathered line management identified risks to support executive management discussions 	<ul style="list-style-type: none"> - Plans used in budget prep Q1-15 - Ongoing
	Piloting strategic product roadmaps	Automating Grid Planning & Operations and Commercial Operations roadmaps. Target completion Q4-15
Streamline Other Binding Documents (OBD) process	Identified candidate documents for consolidation: <ul style="list-style-type: none"> - Filed NPRR671, Incorporation of DAM Credit Parameters into Protocols - Filed NPRR690, Incorporation of Creditworthiness Standards into Protocols - Filed NOGRR144, Incorporation of "Manual Deployment and Recall of Responsive Reserve Service during Scarcity Conditions" into the Nodal Operating Guides - Filed NPRR693, Incorporation of "Threshold Values for Competitive Constraint Test" into the Protocols - Drafting additional Revision Requests to incorporate OBDs into Protocols or Market Guides 	Documented list Q3-14 <ul style="list-style-type: none"> - Board approved April 2015 - Board approved June 2015 - TAC approved July 2015 - Board approved August 2015 - Additional revisions to be filed Q4-15
	Evaluating posting options to increase transparency	Target completion Q4-15
Implement approach for measuring post-project benefits	Developed value statement measurement framework for projects greater than \$250k	Q1-15
	Piloting process on a subset of projects	Pilot completed Q3-15. Follow up measurement planned for Q4-15.
	Utilizing framework for 2015 completed projects greater than \$250k	Ongoing. By year end, all completed projects greater than \$250K will have initial post-project measurement
Maintain Executive level representation at TAC and Director/Manager level representation at subcommittees	Designated ERCOT management participation in each voting committee	Ongoing



Review 2016 Strategic Goals

In support of its mission to serve the public by ensuring a reliable grid, efficient electricity markets, open access and retail choice, ERCOT's goals are to:

1. Strategically adapt to changing resource mix:
 - Generation Resources
 - Demand Response
 - Distribution Level Resources
2. Provide thought leadership in support of continued improvements to operational reliability and markets
3. Deliver channels and tools to stakeholders for enhanced communication and increased transparency and access
4. Continually enhance our cyber and physical security posture
5. Develop ERCOT resources – people and technology