



## Item 4.1: CEO Update

*H.B. "Trip" Doggett*

President & Chief Executive Officer

Board of Directors Meeting

ERCOT Public

October 13, 2015

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

## **Net Revenues After Department Expenditures as of August 31, 2015**

### **Net Revenues Year to Date: \$0.5 M Unfavorable**

#### Major Revenue Variances

\$0.8 M under budget: system administration fees are unfavorable due to milder-than-expected weather

#### Major Expenditure Variances

\$1.0 M over budget: higher benefit cost

\$0.6 M under budget: interest expense due to lower revolver usage and project funding

\$0.5 M under budget: minor capital spending postponed

### **Net Revenues Year End: \$1.9 M Unfavorable**

#### Major Revenue Variances

\$0.7 M under budget: system administration fees unfavorable based on current actuals and load forecast for remainder of year

#### Major Expenditure Variances

\$1.4 M over budget: higher benefit cost

\$0.7 M over budget: additional responsibilities surrounding new NERC transmission planning standards

\$1.0 M under budget: interest expense due to lower revolver usage and project funding

# Current Records – Sept. 14, 2015

## Peak Demand Record

- 69,621 MW, August 10, 2015\*

## Weekend Record

- 66,530 MW, Saturday, August 8, 2015\*

## Winter Peak Record

- 57,265 MW, February 10, 2011

## Wind Generation Records (instantaneous)

- 11,467 MW, September 13, 2015, 10:56 p.m.
  - Non-Coastal Wind Output = 11,127 MW
  - Coastal Wind Output = 340 MW
  - Supplying 29.91% of the load
  - Active Wind Capacity = 15,291 MW
- 40.58% Wind Penetration, March 29, 2015, 2:12 a.m.
  - Total Wind Output = 10,308 MW
  - Total Load = 25,400 MW

## Summer 2015 monthly peaks

**June:** 61,732 MW (June 10)

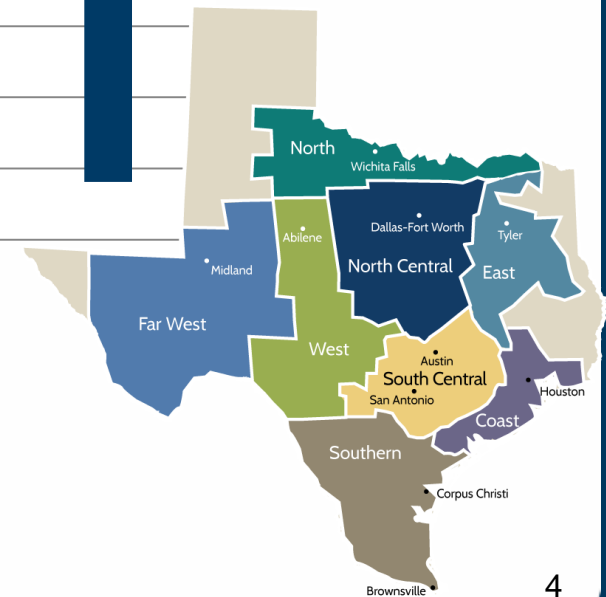
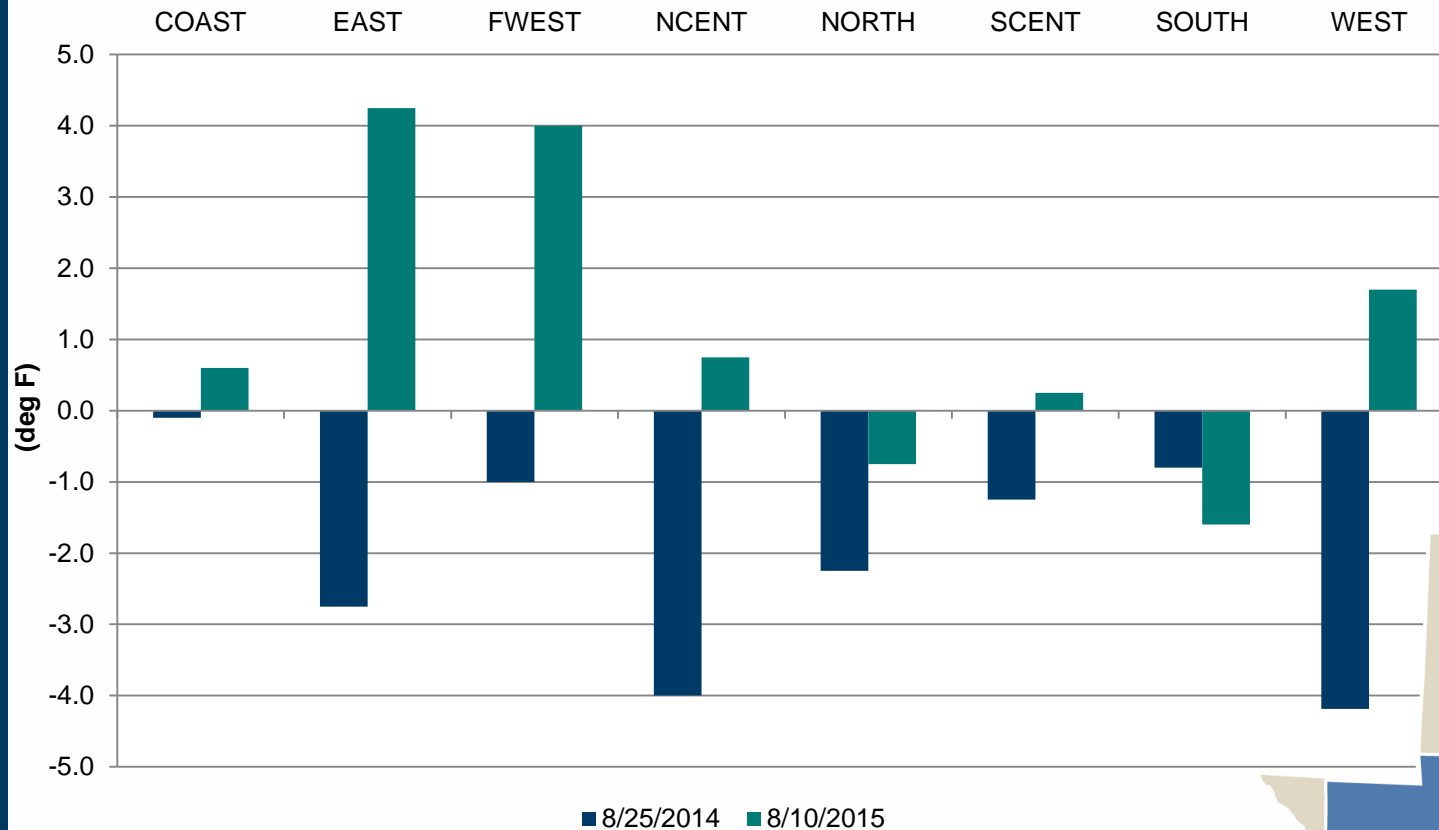
**July:** 67,650 MW (July 30 –  
new July record)

**August:** 69,621 MW\* (Aug. 10 –  
new all-time record)

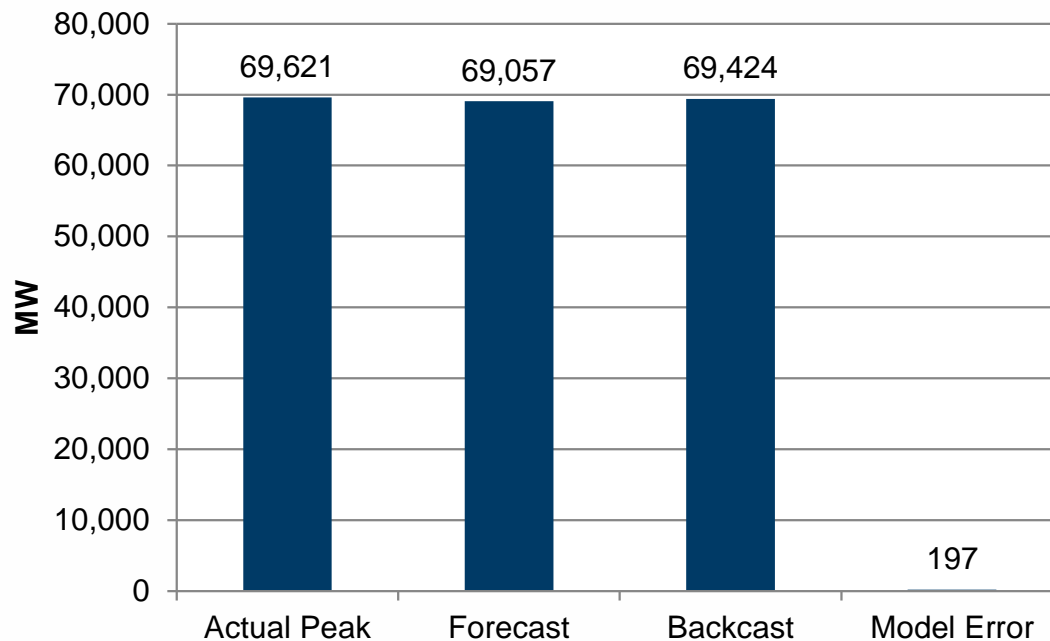
*\*Following initial settlement*

# Weather Zone Comparison of 2014/2015 Weather to Median

Temperature at ERCOT's Summer Peak Compared to the Median from 2002 - 2015



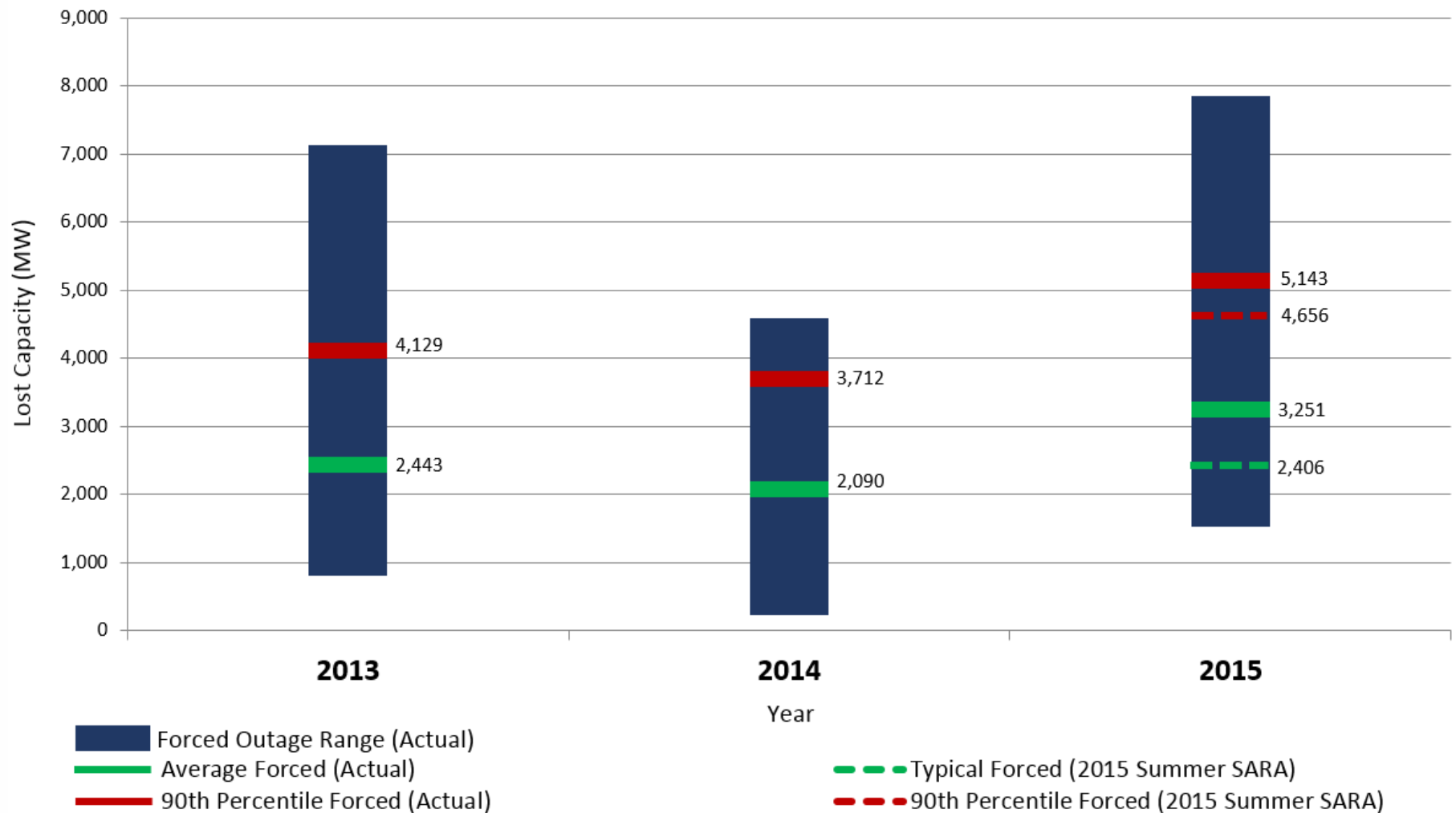
# 2015 Peak Load Forecast Performance



**Model Error – 197 MW (0.3%)**

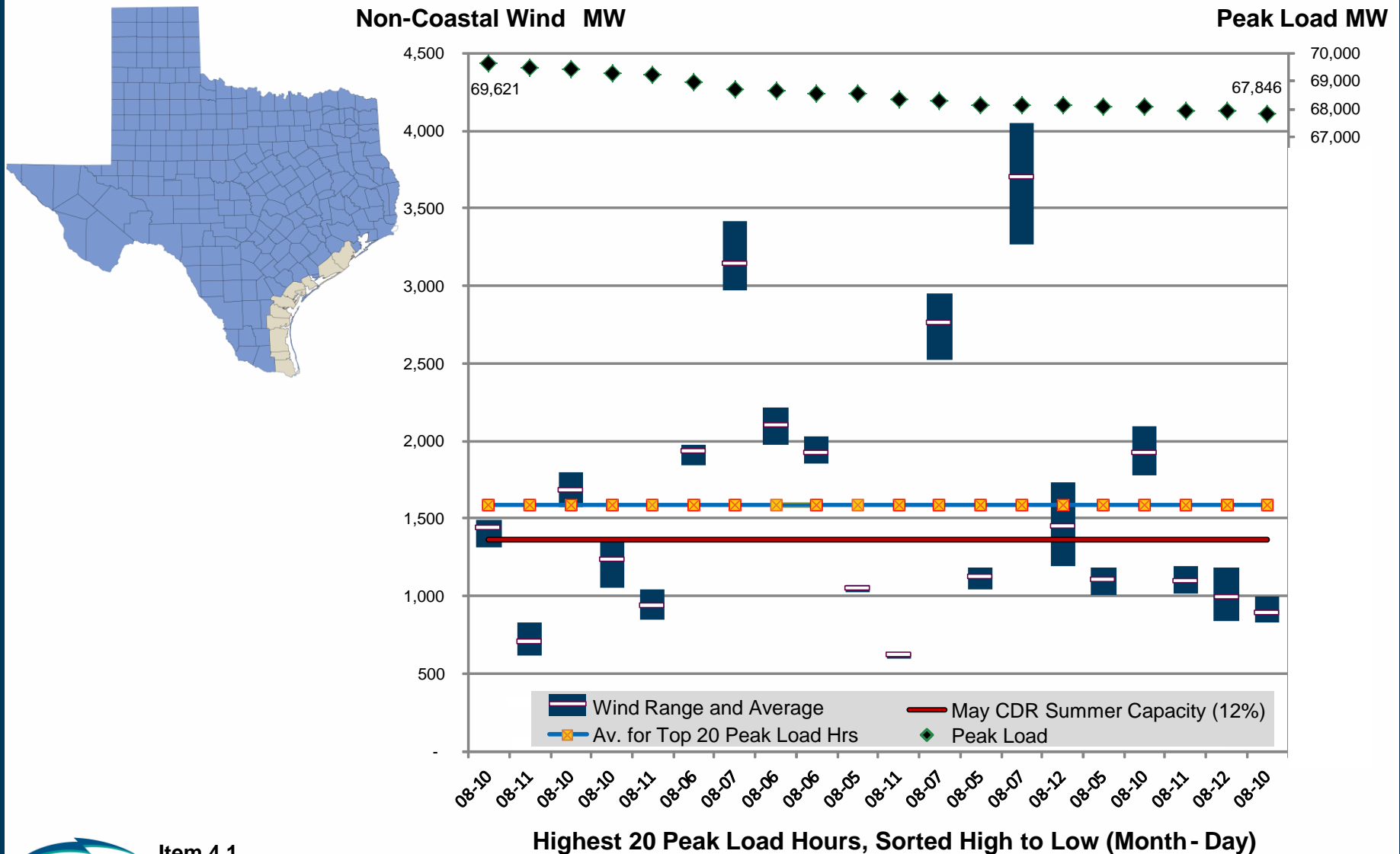
If 2011 weather had occurred this summer, ERCOT estimates the 2015 summer peak would have exceeded 71,500 MW.

# Forced Resource Outages MW

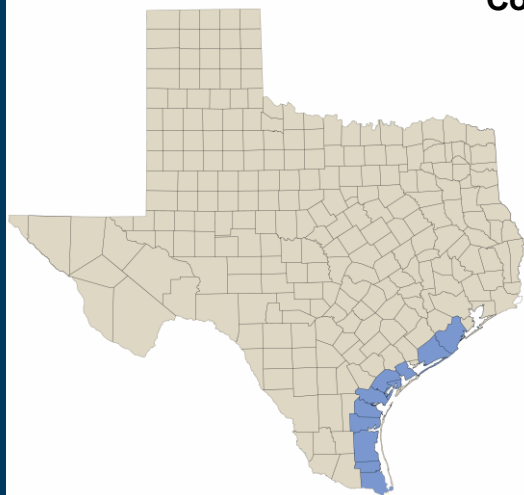


Includes Forced Resource Outages in July or Aug for weekday hours ending 15-19 (same as SARA), excludes Wind Outages

# 2015 Non-coastal Wind During Peak Hours

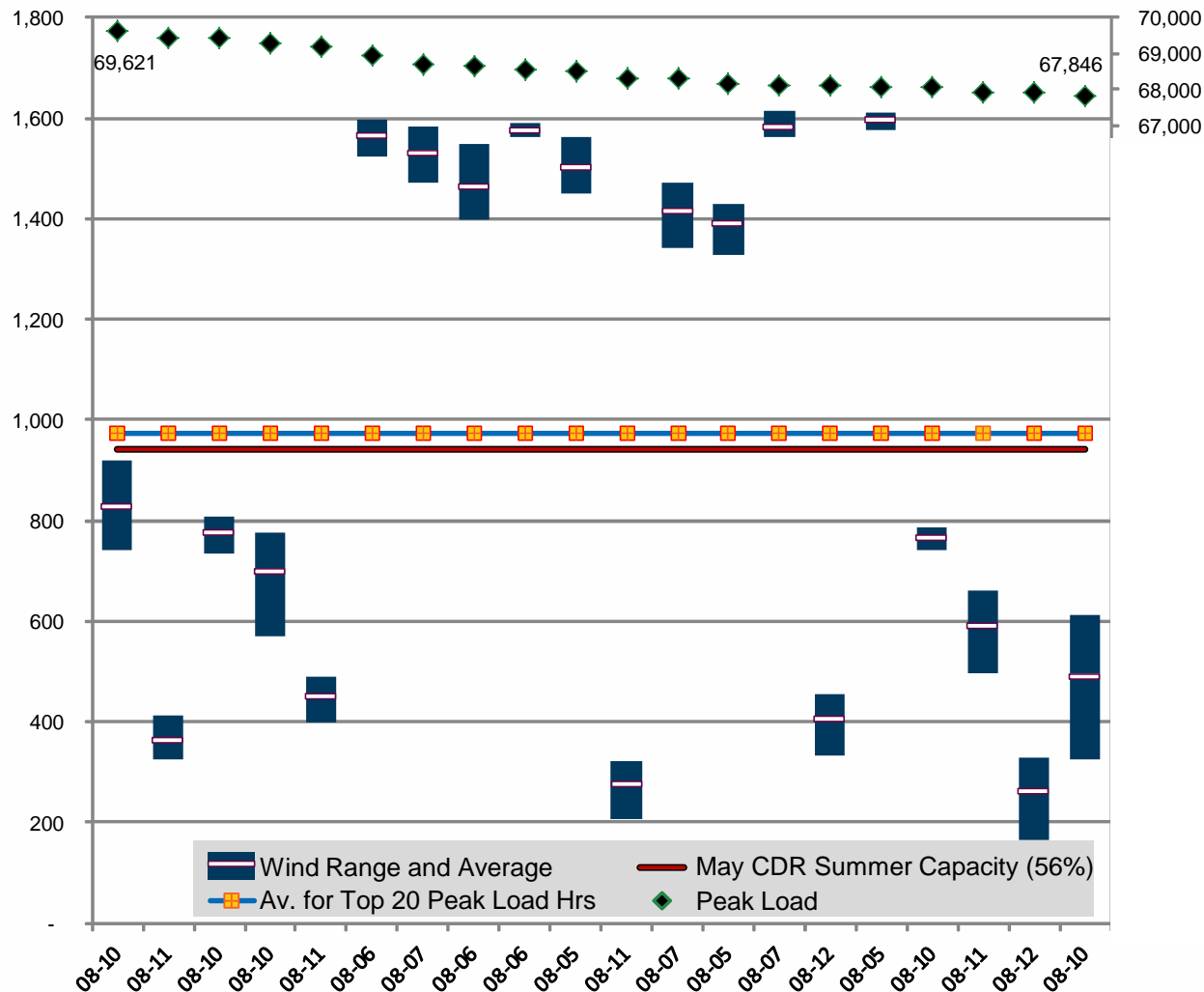


# 2015 Coastal Wind During Peak Hours



Coastal Wind MW

Peak Load MW



Highest 20 Peak Load Hours, Sorted High to Low (Month - Day)



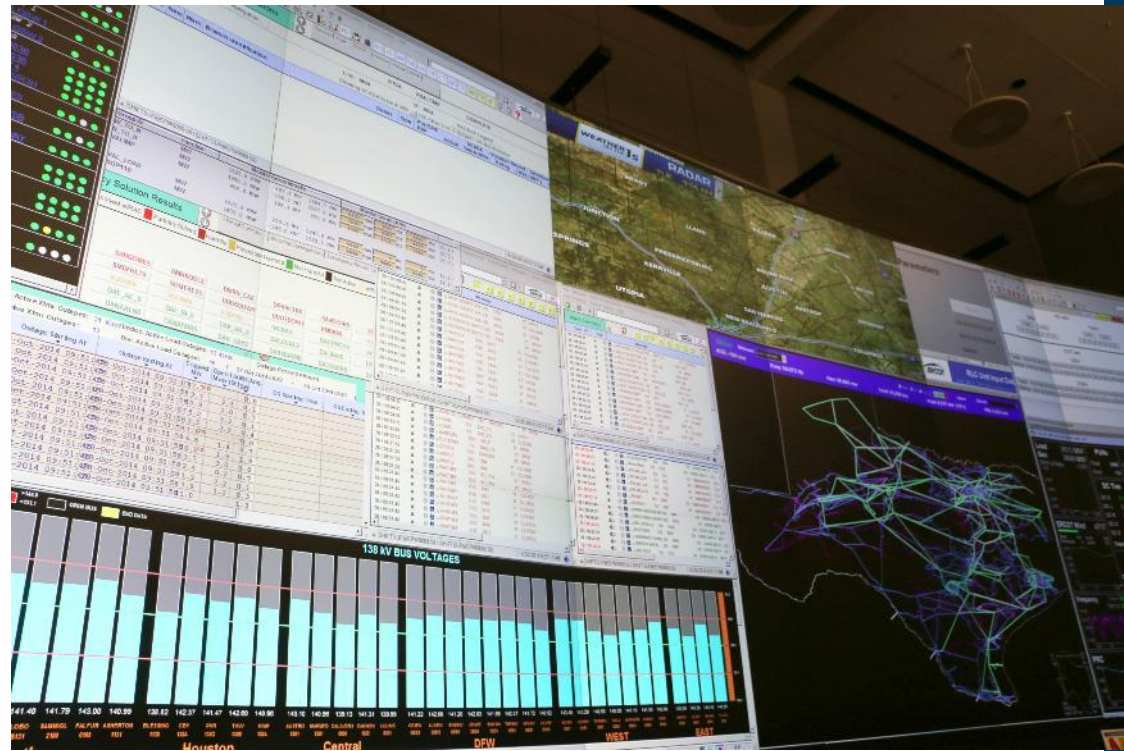
# 2015 R5 Release Summary

- **Release Dates: September 21 – 25**
- **91 Change Requests including 9 Projects across major application areas**
- **NPRRs and SCRs**
  - NPRR589: Ancillary Service Offers in the Supplemental Ancillary Services Market
  - NPRR654: Discontinue Ancillary Service Requirement Methodology Assessment Report
  - NPRR655: Discontinue Contingency List Changes Due to Weather Report
  - NPRR657 / NOGRR138: Discontinue Backup Control Plan Submittal Results, Dispatch Instructions Compliance Metrics, and Backup Control Plan Test Dates and Results Summary Reports / Delete Grey Box for Reporting of Backup Control Plan Submittal
  - NPRR661 / LPGRR054: Discontinue Posting Profile Data Evaluation Report / Alignment with NPRR661, Discontinue Posting Profile Data Evaluation Report
  - NPRR682: Changes to Notification Method when ERCOT Intends to Procure Additional Ancillary Services
  - NPRR690: Incorporation of Creditworthiness Standards into Protocols
  - NPRR701: As-Built Clarification of NPRR589, Ancillary Service Offers in the Supplemental Ancillary Services Market
  - SCR771: ERCOT System Change Allowing Independent Master QSE to Represent Split Generation Resources (August)
- **Majority of the R5 changes are for the following functional areas:**
  - Current Day Reports, Enterprise Information Services, Market Information System
  - Commercial Systems Integration, Settlements & Billing, Settlement Metering, Enterprise Integration, Public Dashboards

# Special Recognition – NERC 2015 Audit

## 2015 NERC Audit:

- Focused on Operations Monitoring/Situational Awareness and Operations Training
- Utilized NERC's New Risk-Based Approach to Compliance Monitoring and Enforcement
- Successful Audit
  - ✓ 90% reduced scope compared to prior audits (deep dive into higher risk requirements only)
  - ✓ Experienced Auditors and SMEs “speaking the same language”
  - ✓ New GRC (Governance, Risk & Compliance) tool provided quick organization of artifacts



# Thank you to these individuals who made it a success



## System Operations Team

L-R: Sandip Sharma, Tim Mortensen, Mark Spinner, Kelly Blackmer, Erik Johnson, Stacy Wozny, Bobby Reed, Chad Thompson, Darrel Jenkins, George Lopez, Jimmy Hartmann, Jerry Gaddy

*Not pictured: Dan Woodfin, Stephen Solis and Bill Blevins*

## Compliance Team and other partners

L-R: Michelle Meyers, Matt Mereness, Jennifer Jewett, Brad Collard, Colleen Frosch, Vann Weldon

*Not pictured: Matt Stout, Yvette Landin, Christine Hasha and Christina Bigelow*



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