Item 4: Key Performance Indicators (KPIs) and Strategic Planning Sessions

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Human Resources and Governance Committee Meeting
ERCOT Public
June 13, 2016

4.1 Review of Q1 2016
Key Performance Indicators (KPIs)

Q1-2016 Key Performance Indicator (KPI) Summary

We serve the public by ensuring a reliable grid, efficient electricity markets, open access and retail choice.	Q1 - 2016		
	Stretch	Target	Below
RELIABLE GRID			
Grid Security Management / Real-Time System Control / Scheduling & Disptach			
Outage Coordination / Planning			
Forecasting			
Compliance Monitoring & Reporting	67%		33%
IT Application Services	67%		33%
EFFICIENT ELECTRICITY MARKETS			
Bidding, Scheduling and Pricing			
Settlement & Billing			
Market Credit			
Market Information			
IT Application Services			
OPEN ACCESS & RETAIL CHOICE			
Customer Switching / Registry			
Market Information			
IT Application Services			
OTHER SUPPORT & MANAGEMENT FUNCTIONS			
Finance			
Security			

Total number of KPIs tracked:	30
% meeting Stretch:	70%
% meeting Target:	27%
% below Target:	3%

KPI	Executive	Capability	KPI Description	Target	Stretch	2016_Q1
RG 7	Day, Betty	Compliance Monitoring & Reporting	Achieve compliance with ERCOT Protocols	No significant violations of ERCOT Protocols	N/A	Filed two Protocol violations with PUCT.

4.2 Board Strategic Planning Discussion

ERCOT Strategic Planning Process Review

The ERCOT Board, Stakeholders and ERCOT Staff have worked together on the following strategic planning activities:

- 2013 – Crafted a five-year strategic plan detailing the framework for ERCOT to maintain operational reliability, a flexible market design, data transparency and access, and committee strategic alignment.

- 2014 & 2015 – Considered strategic plan for any needed revisions within current environment.
  - Held sessions with each Segment to review ERCOT strategic goals and supporting initiatives.
  - Revised corporate Key Performance Indicators (KPIs).

2016 ERCOT Strategic Planning Process Activities

- April
  - Reviewed approach with HR&G Committee

- June
  - Provide questions to Board Members to obtain Segment input in preparation for summer sessions
  - Schedule facilitated Segment sessions for August

- August
  - Facilitate sessions with Board Members and Segments to review Segment feedback, key ERCOT strategic goals, and any needed updates to Strategic Plan, KPIs or goals (weeks of August 15th & 22nd)

- October
  - Review 2017 ERCOT strategic goals with Board and obtain feedback on proposed edits to Strategic Plan, KPIs or goals

Upcoming Segment Sessions and Request for Feedback

Seeking HR&G Committee input on areas ERCOT is requesting Segment feedback to frame summer discussions:

- What did ERCOT do well in 2015 and first half 2016?

- Are there initiatives ERCOT should give higher priority?

- What initiatives should ERCOT focus less on?

- What are 3-5 key strategic issues ERCOT will experience in the next five years?

- Are there any additional Market Participant training/education or services ERCOT should consider providing (ex. IT forum, specific market training)?

Appendix

Q1-2016 KPI Detail – Reliable Grid

KPI ID	KPI Description	2016 Target Performance	2016 Stretch Performance	Q1
Grid Security Management / Real-Time System Control / Scheduling & Dispatch				
RG 1	Control Performance Standard 1 (CPS1) frequency control performance (rolling 12 month CPS1 score).	>140	>150	CPS1 Score of 175.53% (end of March 2016)
RG 2	Interconnection Reliability Operating Limit (IROL) exceedance limitations.	None longer than 20 minutes	None longer than 10 minutes	No exceedances
Outage Coordination / Planning				
RG 3	Outage Coordination performance: requests approved or denied within timeline and with mitigation plans developed if required.	97%	99%	99.7%
Forecasting				
RG 4	Operations Load Forecast performance - Mean Average Percent Error (MAPE): monthly average day ahead load forecasts used for DRUC MAPE.	All less than 4.0%	All less than 3.5%	Highest MAPE was 3.22% (January)
RG 5	Wind forecast performance - MAPE based on installed wind capacity: monthly average day ahead wind forecasts used for DRUC MAPE.	All less than 15%	All less than 10%	Jan-6.03%, Feb-5.67% and Mar-6.90%
Compliance Monitoring & Reporting				
RG 6	Achieve compliance with NERC/FERC Standards	No significant violations found in a NERC Compliance Audit	N/A	No significant violations found in a NERC Compliance Audit.
RG 7	Achieve compliance with ERCOT Protocols	No significant violations of ERCOT Protocols	N/A	Filed two Protocol violations with PUCT.
RG 8	Achieve compliance with SSAE16 controls	No exceptions found in an SSAE16 audit	N/A	No exceptions found in an SSAE16 audit
IT Application Services				
RG 9	Energy Management System Tier 1 Aggregate Availability	All Tier 1 systems meet or exceed defined SLAs	N/A	100%
RG 10	Energy Management System Tier 2 Aggregate Availability	Achieve 99% availability for 10 of 11 Tier 2 systems	Achieve 99% availability for all Tier 2 systems	100%
RG 11	Security Constrained Economic Dispatch (SCED) Availablity	99.9%	99.95%	100%
RG 12	Security Constrained Economic Dispatch (SCED): number of unplanned outages greater than 30 consecutive minutes (per quarter)	Zero	N/A	Zero
RG 13	Outage Scheduler Availability	99%	99.5%	100%
RG 14	Network Model Management System (NMMS) Availability.	99%	99.5%	100%

Q1-2016 KPI Detail – Efficient Electricity Markets

KPI ID	KPI Description	2016 Target Performance	2016 Stretch Performance	Q1
Bidding, Scheduling and Pricing				
EM 1	DAM quality of solution as measured with price corrections: percent of hourly prices requiring DAM price correction.	1-3 % of time	< 1 % of time	0.00%
EM 2	SCED solution is solved and posted: percent of 15-minute Settlement Interval prices where price corrections are performed.	0.5% -- 1%	< 0.5%	0.03%
Settlement & Billing				
EM 3	Achieve timely settlements, per Protocol defined timelines.	99%	100%	100%
EM 4	Perform accurate settlements as measured by the percent of Operating Day and operating month settlement that does not require a correction as a result of an error in the settlement and billing systems or processes.	98%	99.9%	100%
Market Credit				
EM 5	Credit reports are correct and posted in a timely manner.	98%	100%	99.99%
Market Information				
EM 6	Wholesale extracts available per Protocol timelines	98%	99%	99.97%
IT Application Services				
EM 7	Congestion Revenue Rights (CRR) Availability	99%	99.5%	100%
EM 8	Market Management System Aggregate Availability	99%	99.5%	100%

Q1-2016 KPI Detail – Open Access & Retail Choice

KPI ID	KPI Description	2016 Target Performance	2016 Stretch Performance	Q1
Customer Switching / Registry				
OARC 1	Conduct retail transaction processing per Protocol timelines	98%	99%	99.96%
OARC 2	End use customer switch notifications processed per PUCT rules	99%	100%	100%
Market Information				
OARC 3	Retail extracts available per Protocol timelines	98%	99%	100%
IT Application Services				
OARC 4	Retail Processing Availability - Bus. Hours	99.5%	99.7%	100%
OARC 5	Market Information System (MIS) Availability	99%	99.5%	99.91%

Q1-2016 KPI Detail – Other Support & Management Functions

KPI ID	KPI Description	2016 Target Performance	2016 Stretch Performance	Q1
Finance				
OSM 1	Manage spending to be equal to or less than the board-approved expenditure budget for 2016.	Between 0 -- 5% favorable variance	N/A	18.9% Favorable
Security				
OSM 2	Maintain ERCOT ISO's security posture against cyber security threats as defined in the Security Incident Response Plan	Zero externally reportable cyber security incidents	N/A	Zero reportable cyber security incidents.
OSM 3	Maintain ERCOT ISO's security posture against physical security threats as defined in the Security Incident Response Plan	Zero externally reportable physical security incidents	N/A	Zero reportable physical security incidents.

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