Item 4: Key Performance Indicators (KPIs) and Strategic Planning Sessions
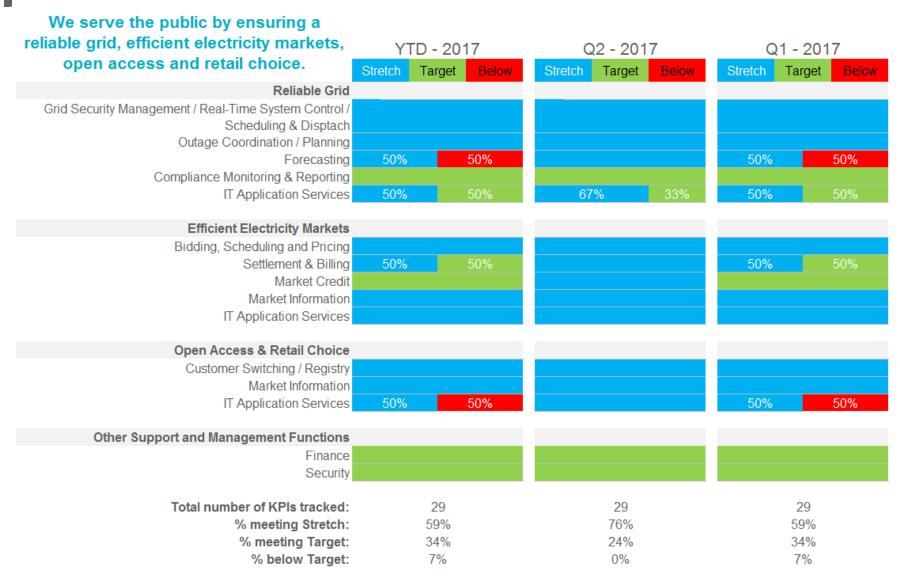
Betty Day
VP, Governance Risk & Compliance

Human Resources and Governance Committee Meeting
ERCOT Public
August 7, 2017

4.1 Review of Q2 2017
Key Performance Indicators (KPIs)

Q2 2017 Key Performance Indicator (KPI) Summary

We serve the public by ensuring a reliable grid, efficient electricity markets, open access and retail choice.

	YTD - 2017			Q2 - 2017			Q1 - 2017		
	Stretch	Target	Below	Stretch	Target	Below	Stretch	Target	Below
Reliable Grid									
Grid Security Management / Real-Time System Control / Scheduling & Disptach									
Outage Coordination / Planning									
Forecasting	50%		50%				50%		50%
Compliance Monitoring & Reporting									
IT Application Services	50%	50%		67%	33%		50%	50%	
Efficient Electricity Markets									
Bidding, Scheduling and Pricing									
Settlement & Billing	50%	50%					50%	50%	
Market Credit									
Market Information									
IT Application Services									
Open Access & Retail Choice									
Customer Switching / Registry									
Market Information									
IT Application Services	50%		50%				50%		50%
Other Support and Management Functions									
Finance									
Security									
Total number of KPIs tracked:	29			29			29		
% meeting Stretch:	59%			76%			59%		
% meeting Target:	34%			24%			34%		
% below Target:	7%			0%			7%		

All Q2 KPIs met stretch or target levels; two year to date KPIs remain red due to Q1 issues.

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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 & 2016 – 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).

2017 ERCOT Strategic Planning Process Activities

- August
  - ERCOT to provide questions to Board Members to obtain Segment input in preparation for sessions
  - ERCOT will work with Board Members to schedule facilitated Segment sessions for September

- September
  - 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 (Wednesday, September 20th – Friday, September 29th)

- October
  - Review 2018 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 input on areas ERCOT is requesting Segment feedback to frame summer discussions:

- In 2016 and the first half of 2017, what did ERCOT do well or what could ERCOT have done better?

- Are there initiatives ERCOT should give higher priority?

- Were there any initiatives ERCOT should 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

Q2 2017 KPI Detail – Reliable Grid

KPI ID	KPI Description	2017 Target Performance	2017 Stretch Performance	2017 YTD	Q2	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	All scores greater than 150	Q2 Rolling 12 month CPS1 score = 175.41; 175.27; 175.22	Q1 Rolling 12 month CPS1 score = 176.3; 176.1; 175.7
RG 2	Interconnection Reliability Operating Limit (IROL) exceedance limitations	None longer than 20 minutes	None longer than 10 minutes	No exceedances	No exceedances	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%	99.94%	99.99%	99.89%
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%	4.07%	2.77%	4.07%
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%	All less than 10%	Q2 Monthly Avg DA MAPE = 6.9%; 5.9%; 5.5%	Q1 Monthly Avg DA MAPE = 6.5%; 6.9%; 6.0%
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	No significant violations found in a NERC Compliance Audit	No significant violations found in a NERC Compliance Audit
RG 8	Achieve compliance with SSAE16 controls	No exceptions found in an SSAE16 audit	N/A	No exceptions found in an SSAE16 audit	No exceptions found in an SSAE16 audit	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 (99.90%)	N/A	100%	100%	100%
RG 10	Energy Management System Tier 2 Aggregate Availability	Achieve 99.9% availability for 10 of 11 Tier 2 systems	Achieve 99.9% availability for all Tier 2 systems	100%	100%	100%
RG 11	Security Constrained Economic Dispatch (SCED) Availablity	99.95%	100%	99.99%	100%	99.99%
RG 12	Number of unplanned SCED outages greater than 30 consecutive minutes (per quarter)	Zero	N/A	Zero	Zero	Zero
RG 13	Outage Scheduler Availability	99%	99.5%	100%	100%	100%
RG 14	Network Model Management System (NMMS) Availability	99%	99.5%	100%	100%	100%

RG7 is intentionally left blank.

Q2 2017 KPI Detail – Efficient Electricity Markets

KPI ID	KPI Description	2017 Target Performance	2017 Stretch Performance	2017 YTD	Q2	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%	0%	0%
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%	0%	0%
Settlement & Billing						
EM 3	Achieve timely settlements per Protocol defined timelines	99%	100%	99.99%	100%	99.99%
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%	100%	100%
Market Credit						
EM 5	Credit reports are correct and posted in a timely manner	98%	100%	99.82%	100%	99.64%
Market Information						
EM 6	Wholesale extracts available per Protocol timelines	98%	99%	99.96%	99.96%	99.95%
IT Application Services						
EM 7	Congestion Revenue Rights (CRR) Availability	99%	99.5%	100%	100%	100%
EM 8	Market Management System Aggregate Availability	99%	99.5%	100%	100%	100%

Q2 2017 KPI Detail – Open Access & Retail Choice

KPI ID	KPI Description	2017 Target Performance	2017 Stretch Performance	2017 YTD	Q2	Q1
Customer Switching / Registry						
OARC 1	Conduct retail transaction processing per Protocol timelines	98%	99%	99.98%	99.98%	99.97%
OARC 2	End use customer switch notifications processed per PUCT rules	99%	100%	100%	100%	100%
Market Information						
OARC 3	Retail extracts available per Protocol timelines	98%	99%	99.95%	99.89%	100%
IT Application Services						
OARC 4	Retail Processing Availability - Business Hours	99.90%	99.95%	99.76%	100%	99.52%
OARC 5	Market Information System (MIS) Availability	99%	99.5%	99.93%	99.90%	99.95%

Q2 2017 KPI Detail – Other Support & Management Functions

KPI ID	KPI Description	2017 Target Performance	2017 Stretch Performance	2017 YTD	Q2	Q1
Finance						
OSM 1	Manage spending to be equal to or less than the board-approved expenditure budget for 2017.	Between 0 - 5% favorable variance	N/A	7.49%	2.22%	12.45%
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 externally reportable cyber security incidents	Zero externally reportable cyber security incidents	Zero externally 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 externally reportable physical security incidents	Zero externally reportable physical security incidents	Zero externally reportable physical security incidents