



Item 6: 2019 Strategic Goal Update and Review of Q2 2019 Key Performance Indicators (KPIs)

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Human Resources and Governance Committee Meeting

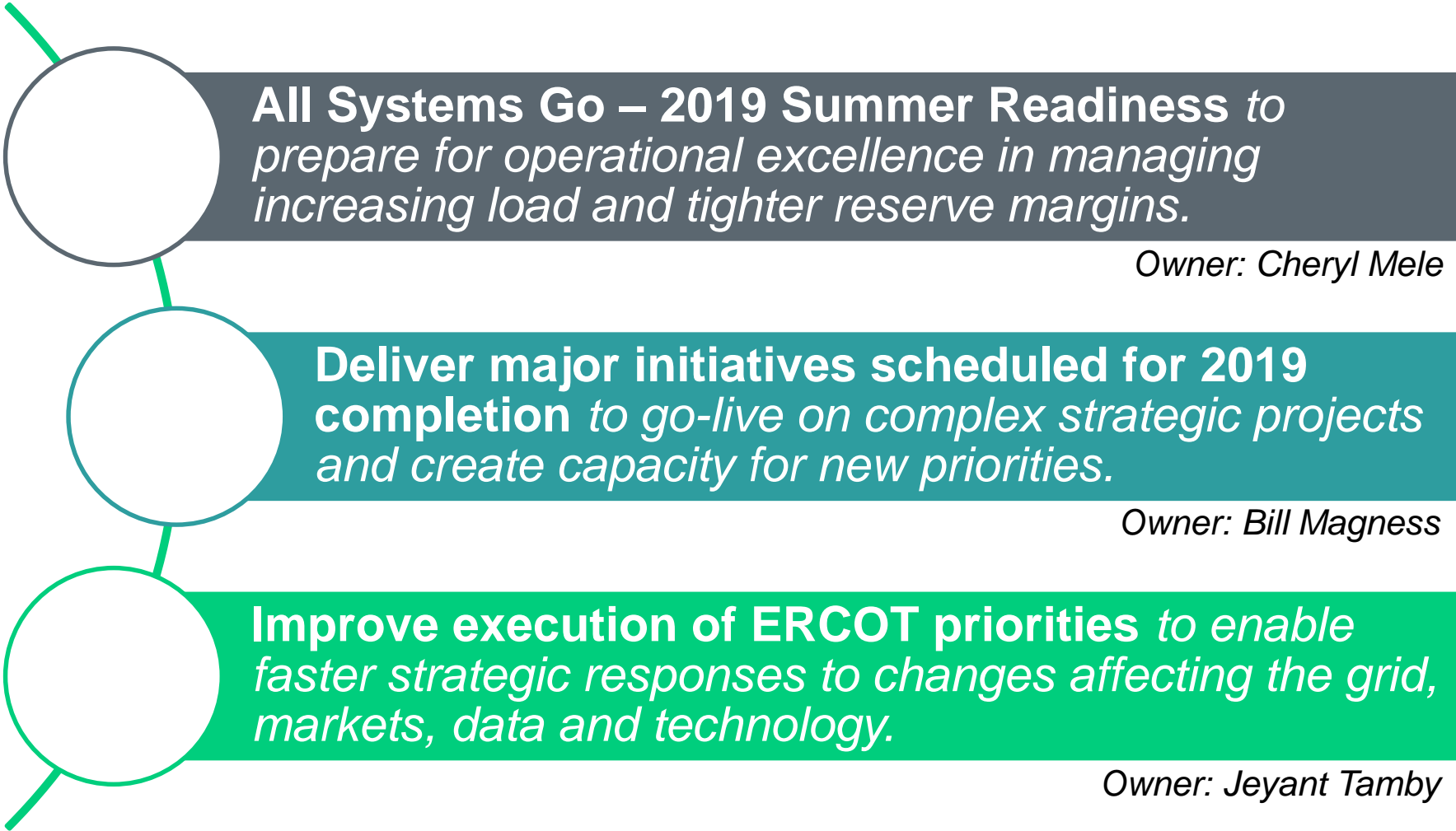
ERCOT Public
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Measure What Matters Through OKRs

Objectives and Key Results (OKRs):

- Process that assists in moving organizations ahead
- Offer visibility and enable pushing back while staying meaningful
- Goal is to precisely define how to achieve objectives through concrete, specific and measurable actions
- Aligns organization focus on the same significant issues

2019 ERCOT Enterprise OKRs



All Systems Go – 2019 Summer Readiness *to prepare for operational excellence in managing increasing load and tighter reserve margins.*

Owner: Cheryl Mele

Deliver major initiatives scheduled for 2019 completion *to go-live on complex strategic projects and create capacity for new priorities.*

Owner: Bill Magness

Improve execution of ERCOT priorities *to enable faster strategic responses to changes affecting the grid, markets, data and technology.*

Owner: Jeyant Tamby

2019 ERCOT Enterprise OKRs

All Systems Go – 2019 Summer Readiness *to prepare for operational excellence in managing increasing load and tighter reserve margins. (Mele)*

Key Results (as measured by)

✓	Understand, implement & communicate facility rating changes as required by NERC standards	03/29/19	Mele
✓	Develop & complete communication plans (market, media, regulators)	05/31/19	Gage
✓	Prepare Operations for extreme operating conditions	06/01/19	Mele
✓	Ensure compliance preparedness	06/20/19	Mele
✓	Complete Switchable Generation Improvements for clarity of emergency operations practices	06/28/19	Mele
✓	Review Day Ahead Market processes and systems	08/01/19	Ogelman
●	Identify & complete Market Improvements	12/31/19	Ogelman
●	Establish ongoing summer operational review and improvement process	12/31/19	Mele



Complete



On Track



Not Trending

2019 ERCOT Enterprise OKRs

Deliver major initiatives scheduled for 2019 completion *to go-live on complex strategic projects and create capacity for new priorities. (Magness)*

Key Results (as measured by)

✓	Final Project Go-live: PR196-01 GINR Project Status Application Replacement	03/29/19	Mele
✓	Project Planning Completed for RARF Replacement Project	03/29/19	Mele
✓	Project Go-live: PR183-01 CMM Phase 1	06/28/19	Mele
✓	Project Go-live: PR239-01 Identity and Access Management	07/26/19	Dreyer
●	Project Go-live: PR167-10 DC4 Telecom-Corp Voice System (last DC4 project)	12/31/19	Dreyer



Complete



On Track



Not Trending

2019 ERCOT Enterprise OKRs

Improve execution of ERCOT priorities *to enable faster strategic responses to changes affecting the grid, markets, data and technology. (Tamby)*

Key Results (as measured by)

✓	Provide recommendation for funding work	03/29/19	Tamby
✓	Determine if the benefits of migrating to a re-tooled and modern application platform (standards based, services based, containerized, cloud compatible and with the ability to automatically build and deploy software) make operational and financial sense for part or all of ERCOT application suite	04/30/19	Dreyer
●	Implement an enterprise Total Cost of Ownership model	09/30/19	Tamby
●	Implement new portfolio management framework	12/31/19	Tamby



Complete



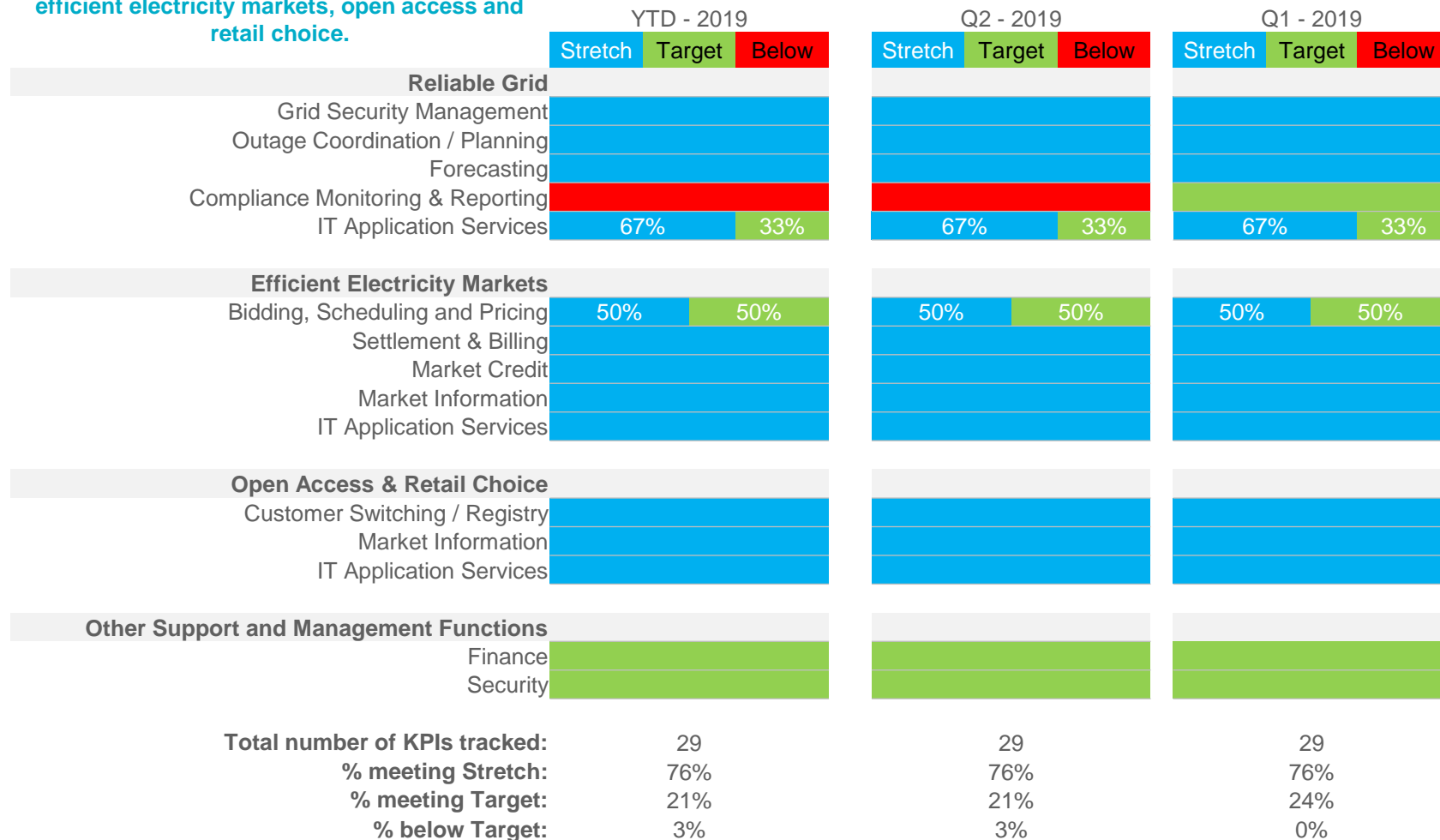
On Track



Not Trending

Q2 2019 Key Performance Indicator (KPI) Summary

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



Appendix

Q2 2019 KPI Detail – Reliable Grid

KPI ID	KPI Description	2019 Target Performance	2019 Stretch Performance	2019 YTD	Q2	Q1
Grid Security Management						
RG 1	Control Performance Standard 1 (CPS1) frequency control performance (rolling 12 month CPS1 score)	> 140	> 150	All scores greater than 150	April-174.21%, May-174.20%, June-174.28%	Jan-175.30%, Feb-175.10%, March-174.60%
RG 2	Interconnection Reliability Operating Limit (IROL) exceedance limitations	None longer than 20 minutes	None longer than 10 minutes	No IROL exceedances	No IROL exceedances	No IROL exceedances
Outage Coordination / Planning						
RG 3	Outage Coordination performance: requests approved or denied within timeline and with mitigation plans developed if required	97%	99%	99.71%	99.72%	99.69%
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%	2.89%	3.03%	2.74%
RG 5	Wind forecast performance - MAPE based on installed wind capacity: monthly average day ahead wind forecasts used for DRUC MAPE	All less than 10%	All less than 8%	All less than 8%	April-5.20%, May-4.80%, June-4.70%	Jan-5.00%, Feb-6.10%, March-5.20%
RG 6	Solar forecast performance - MAPE based on installed solar capacity: monthly average day ahead solar forecasts used for DRUC MAPE.	All less than 15%	All less than 10%	All less than 10%	April-6.02%, May-8.68%, June-6.38%	Jan-8.37%, Feb-7.85%, March-8.77%
Compliance Monitoring & Reporting						
RG 8	Achieve compliance with SOC controls	No exceptions found in a SOC audit	N/A	One exception found in first round of SOC Audit testing	One exception found in first round of SOC Audit testing	No exceptions found in a SOC audit

RG7 is intentionally left blank.

Q2 2019 KPI Detail – Reliable Grid

KPI ID	KPI Description	2019 Target Performance	2019 Stretch Performance	2019 YTD	Q2	Q1
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) Availability	99.95%	100%	100%	100%	100%
RG 12	Security Constrained Economic Dispatch (SCED): number of unplanned 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%	99.97%	100%	99.93%

Q2 2019 KPI Detail – Efficient Electricity Markets

KPI ID	KPI Description	2019 Target Performance	2019 Stretch Performance	2019 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	1.52%	1.93%	1.10%
EM 2	SCED solution is solved and posted: percent of 15-minute Settlement Interval prices where price corrections are performed. This measure includes corrections from routine work (e.g., database loads and site failover)	0.25% - 1%	<0.25%	0.01%	0.00%	0.01%
Settlement & Billing						
EM 3	Achieve timely settlements per Protocol defined timelines	99%	100%	100%	100%	100%
EM 4	Perform accurate settlements as measured by the percent of statements/invoices that do 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%	100%	100%	100%
Market Information						
EM 6	Wholesale extracts available per Protocol timelines	98%	99%	99.96%	99.92%	99.99%
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 2019 KPI Detail – Open Access & Retail Choice

KPI ID	KPI Description	2019 Target Performance	2019 Stretch Performance	2019 YTD	Q2	Q1
Customer Switching / Registry						
OARC 1	Conduct retail transaction processing per Protocol timelines	98%	99%	99.98%	99.99%	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%	100%	100%	100%
IT Application Services						
OARC 4	Retail Processing Availability - Business Hours	99.90%	99.95%	100%	100%	100%
OARC 5	Market Information System (MIS) Availability	99%	99.5%	99.76%	99.90%	99.62%

Q2 2019 KPI Detail – Other Support & Management Functions

KPI ID	KPI Description	2019 Target Performance	2019 Stretch Performance	2019 YTD	Q2	Q1
Finance						
OSM 1	Manage spending to be equal to or less than the board-approved expenditure budget	Between 0 - 5% favorable variance	N/A	3.0%	1.90%	4.10%
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