



Date: December 3, 2019
To: Board of Directors
From: Bill Magness, President and Chief Executive Officer
Subject: 2020 ERCOT Key Performance Indicators (KPIs)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: December 10, 2019

Item No.: 11.1

Issue:

Whether the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) should approve the 2020 ERCOT KPIs as recommended by ERCOT staff.

Background/History:

The ERCOT leadership team annually develops specific key performance indicators and corresponding target metrics to drive performance of the organization. The indicators, along with their specific measurements are outlined in the 2020 KPIs. The KPIs are reviewed on a quarterly basis and are used to measure the successful performance of the organization. It is important that the leadership team and the ERCOT Board of Directors (Board) are aligned on the specific goals and focus of ERCOT for 2020.

The Human Resource and Governance (HR&G) Committee will be considering whether to recommend that the Board approve the 2020 KPIs as presented at its meeting on December 9, 2019. A copy of the proposed 2020 KPI recommendation is attached hereto as Attachment A.

Key Factors Influencing Issue:

The 2020 KPIs correlate to ERCOT's strategic direction of the Board and provide performance measures to the Board and ERCOT leadership and staff.

Conclusion/Recommendation:

The ERCOT leadership team respectfully recommends that the HR&G Committee recommend approval and that the ERCOT Board approve the 2020 KPIs as presented.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to accept the recommendations of ERCOT staff and the Human Resources and Governance Committee to approve the 2020 ERCOT Key Performance Indicators (KPIs) attached hereto as Attachment A.

THEREFORE, BE IT RESOLVED, that the 2020 ERCOT KPIs, attached hereto as Attachment A, are hereby authorized and approved.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its December 10, 2019 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of December, 2019.

Vickie G. Leady
Assistant Corporate Secretary

Attachment A: 2020 Key Performance Indicator (KPI) Recommendation

KPI Identifier	Executive	KPI Description	Target	Stretch
RG 1	Rickerson	Control Performance Standard 1 (CPS1) frequency control performance (rolling 12 month CPS1 score).	> 140	> 150
RG 2	Rickerson	Interconnection Reliability Operating Limit (IROL) exceedance limitations.	None longer than 20 minutes	None longer than 10 minutes
RG 3	Rickerson	Outage Coordination performance: requests approved or denied within timeline and with mitigation plans developed if required.	97%	99%
RG 4	Rickerson	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%
RG 5	Rickerson	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%
RG 6	Rickerson	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%
RG 7 - Removed	N/A	RG 7 intentionally left blank.	N/A	N/A
RG 8	Day	Achieve compliance with SOC controls	No exceptions found in an SOC audit	N/A
RG 9	Dreyer	Energy Management System Tier 1 Aggregate Availability	All Tier 1 systems meet or exceed defined SLAs (99.90%)	N/A
RG 10	Dreyer	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

RG 11	Dreyer	Security Constrained Economic Dispatch (SCED) Availability	99.95%	100%
RG 12	Dreyer	Security Constrained Economic Dispatch (SCED): number of unplanned outages greater than 30 consecutive minutes (per quarter)	Zero	N/A
RG 13	Dreyer	Outage Scheduler Availability	99%	99.5%
RG 14	Dreyer	Network Model Management System (NMMS) Availability.	99%	99.5%
RG_i 15	Dreyer	HRUC executed every hour: percent of complete HRUC's per month, including ones missed due to database loads and site failover.	99%	99.5%
RG_i 16	Dreyer	No loss of VSAT/TSAT application functionality for 30 continuous minutes or longer, excluding invalid solutions due to State Estimator dependencies and planned site failovers.	3 per Quarter	1 per Quarter
RG_i 17	Rickerson	Regional Planning project Review Studies completed on time without substantive error.	95% complete on time or no more than 1 late if less than 20 projects.	99% complete on time.
RG_i 18	Rickerson	Generation Interconnection Request (GIR) screening studies completed on time without errors.	95% completed on time or no more than 1 late if less than 20 GIRs	100% completed on time
RG_i 19	Rickerson	Required Planning Report performance	No more than two reports required by PUCT Rule, DOE project, NERC or State law filed late or with error.	100% of reports required by PUCT Rule, DOE project, NERC or State law completed on time without errors.
RG_i 20	Rickerson	Achieve "Very Satisfied" or "Satisfied" ratings on ERCOT Operator training	90% satisfied or highly satisfied	95% satisfied or highly satisfied
EM 1	Ogelman	DAM quality of solution as measured with price corrections: percent of hourly prices requiring DAM price correction.	1-3 % of time	< 1 % of time

EM 2	Ogelman	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%
EM 3	Ogelman	Achieve timely settlements, per Protocol defined timelines.	99%	100%
EM 4	Ogelman	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%
EM 5	Ogelman	Credit reports are correct and posted in a timely manner.	98%	100%
EM 6	Gage	Wholesale extracts available per Protocol timelines	98%	99%
EM 7	Dreyer	Congestion Revenue Rights (CRR) Availability	99%	99.5%
EM 8	Dreyer	Market Management System Aggregate Availability	99%	99.5%
EM_i 9	Ogelman	Percent of days with successful DAM execution solution completed and posted successfully.	100%	n/a
EM_i 10	Ogelman	DAM executions completed in acceptable timeframe: percent of days with posting solution before 1600.	98%	100%
EM_i 11-Removed	N/A	EM_i 11 intentionally left blank.	N/A	N/A
EM_i 12	Ogelman	AMS interval data is loaded into ERCOT systems by final settlement from the MRE in accordance with Protocols for data loading.	99%	99.75%

EM_i 13	Ogelman	IDR meter data is loaded into ERCOT systems by true-up settlement from the MRE in accordance with Protocols for settlement.	99%	99.75%
EM_i 14	Ogelman	EPS meter data is accurate and complete as measured by the percent of data that doesn't change after an initial settlement	99%	99.9%
EM_i 15	Ogelman	CRR auctions are performed according to Nodal Protocols Requirements (7.5.1). CRR auctions results are validated and posted as required by the CRR Activity Calendar	All Monthly Auctions and LTASs are posted on time per the CRR Activity Calendar	N/A
EM_i 16	Gage	Process disputes in time for resolution by the next available settlement statement per Protocol timelines or Client Services resolution targets	98%	100%
EM_i 17	Gage	Complete Market Participant outreach (sitevisits, web-ex, telephone or e-mail) according to Client Services annual outreach plan	98%	100%
EM_i 18	Gage	Achieve "Very Satisfied" or "Satisfied" ratings on annual survey of Account Management services	90% satisfied or highly satisfied	95% satisfied or highly satisfied
OARC 1	Ogelman	Conduct retail transaction processing per Protocol timelines	98%	99%
OARC 2	Ogelman	End use customer switch notifications processed per PUCT rules	99%	100%
OARC 3	Gage	Retail extracts available per Protocol timelines	98%	99%
OARC 4	Dreyer	Retail Processing Availability - Bus. Hours	99.9%	99.95%
OARC 5	Dreyer	Market Information System (MIS) Availability	99%	99.5%
OARC_i 6	Dreyer	Retail Processing Availability - Non bus. Hours	99%	99.5%
OARC_i 7	Dreyer	Retail API Availability	99%	99.5%

OARC_i 8	Dreyer	MarkeTrak Availability	99%	99.5%
OARC_i 9	Ogelman	Manage retail transaction issues and disputes within defined timelines	96%	98%
OSM 1	Petterson Taylor	Manage spending to be equal to or less than the board-approved expenditure budget	Between 0 -- 5% favorable variance	N/A
OSM 2	Day	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
OSM 3	Day	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
OSM_i 4	Dreyer	Operate data centers providing availability consistent with data center designed objectives.	99.98%	100%
OSM_i 5	Magness	Execute the Internal Audit Plan as approved by the Finance and Audit Committee, having all audit projects either completed or in process by end of year.	100% in process by year end	N/A
OSM_i 6	Gage	ERCOT Energy Emergency Alert Communications -- Corporate Communications provides follow-up communications and media/public notifications per Crisis Communications Procedure.	100%	N/A