



**Item 8.1: CEO Update – Revised February
11, 2020**

Bill Magness

President & Chief Executive Officer
ERCOT

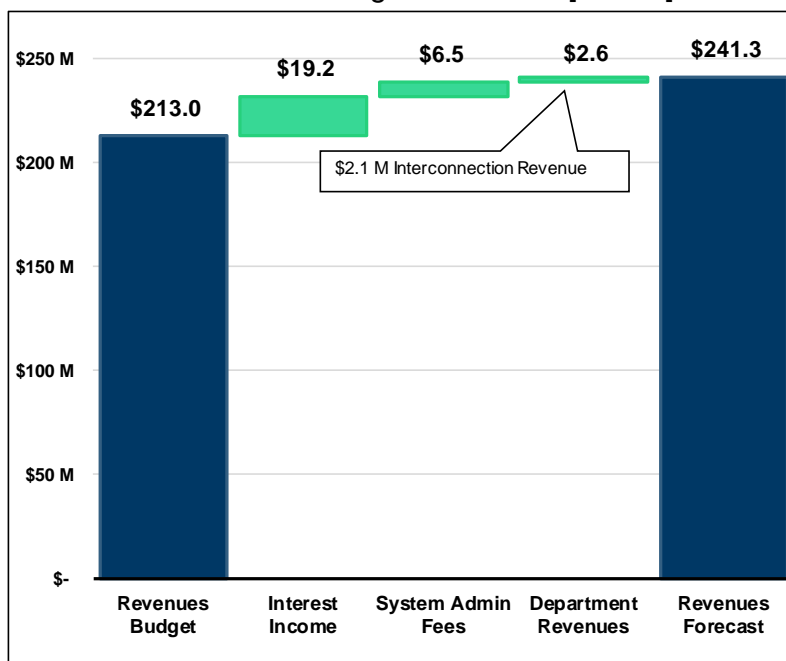
Board of Directors Meeting

ERCOT Public
February 11, 2020

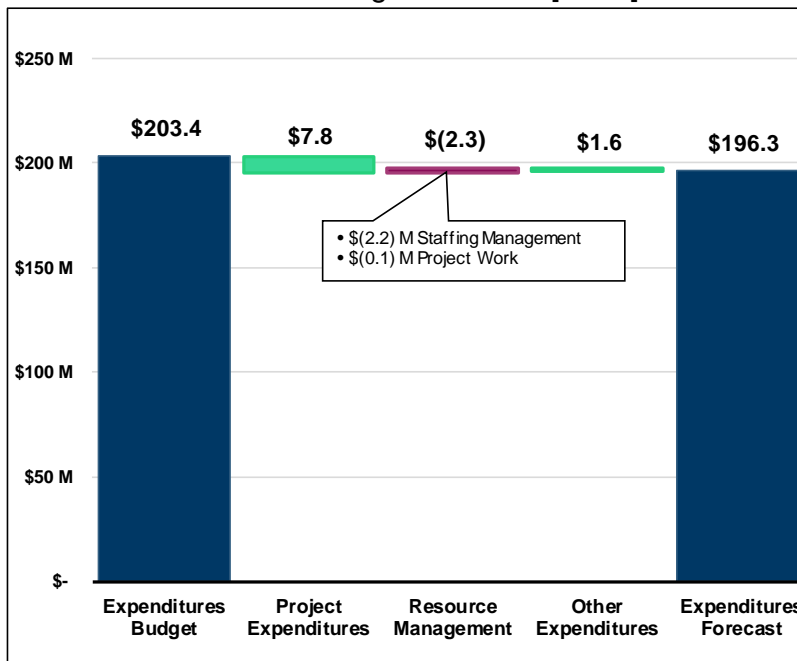
Review 2019 Financial Summary: 2019 Variance to Budget (\$ in Millions)

Preliminary Net Available Year-End Variance to Budget = \$35.4 M

Preliminary Revenues Year-End
Variance to Budget = \$28.3 M [13.3%]



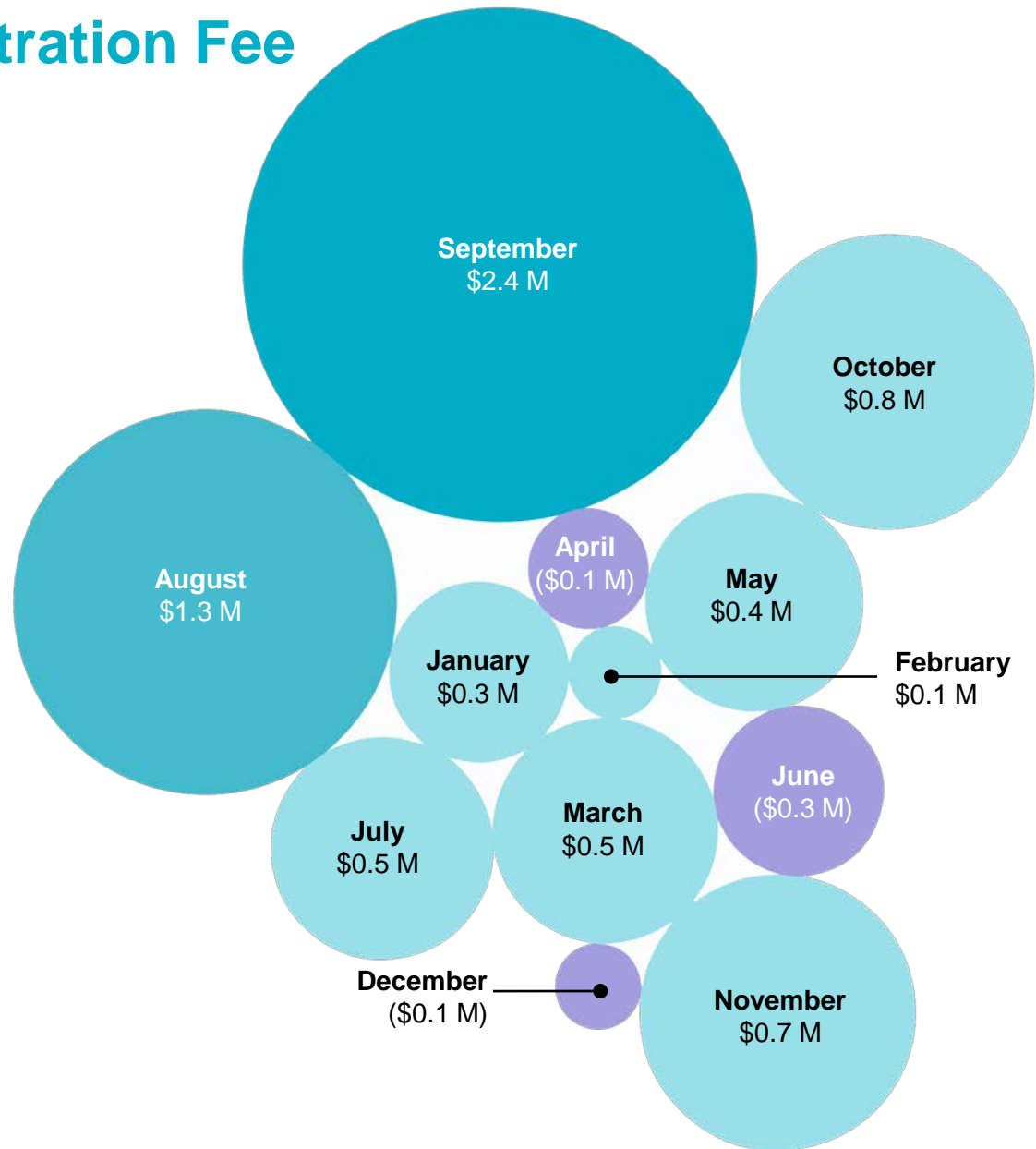
Preliminary Expenditures Year-End
Variance to Budget = \$7.1 M [3.4%]



Charts may not foot due to rounding.

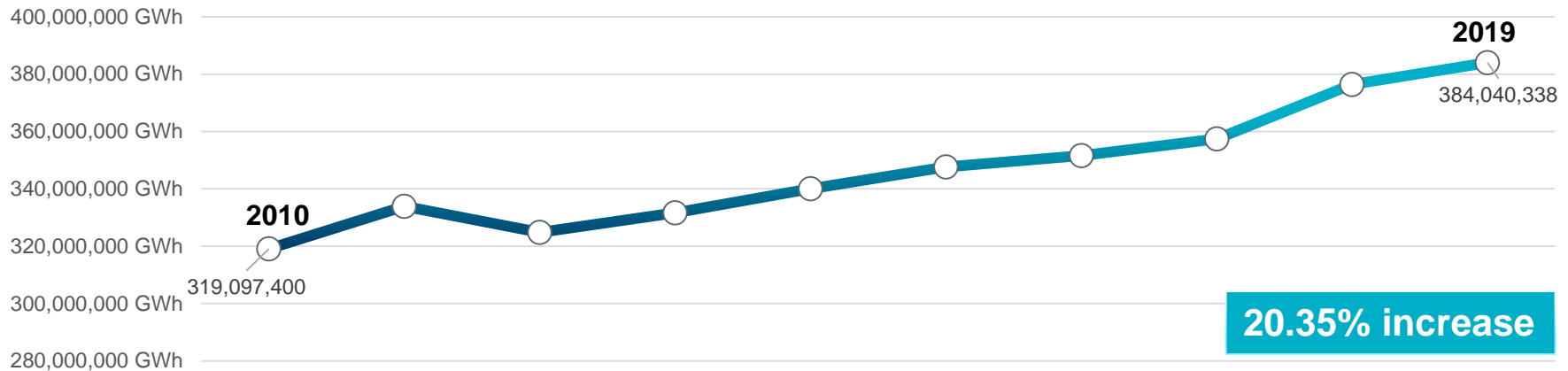
2019 System Administration Fee Revenue Variance

- This chart reflects actual revenue compared to budget revenue on a monthly basis.
- August and September were significant contributors to our \$6.5 million positive variance at the end of 2019.



Continued Load Growth and New Wind Record

- Annual energy use increased 2% between 2018 and 2019 (and was up 5% between 2017 and 2018).
- Over the past decade, energy use has increased 20% in ERCOT.
- For the first time, ERCOT wind output exceeded 20,000 MW. A new instantaneous wind record was set on Jan. 8 when wind served 20,066 MW (or nearly 53%) of the load at 10:18 p.m.



ERCOT Update for Texas House and Senate Committees



- ERCOT recently testified in House and Senate hearings:
 - Texas House State Affairs Committee, Jan. 30
 - Texas Senate Business & Commerce Committee, Feb. 6
- ERCOT reviewed summer 2019 and shared expectations for the 2020 peak season.
- The hearings covered the electrification of transportation, grid security, Distributed Energy Resources, and the implementation of legislation passed in 2019.

Preparations for Summer 2020

*Revised
02.11.20

Jan. 28

PUC Chairman DeAnn T. Walker pre-summer meeting with all market segments

April 14

Discuss credit matters with ERCOT Board

March 5*

Release preliminary summer Seasonal Assessment of Resource Adequacy (SARA)

Early May

Release final summer SARA and Capacity, Demand and Reserves Report

May 13

Media Day

May 15

Pre-Summer Communications Meeting with stakeholders / planned outage restrictions begin

June 9

Summer readiness discussion with ERCOT Board



Progress on Key Priorities

- **Real-Time Co-optimization (RTC)**

- Board will consider key RTC policy principles and instruct ERCOT staff to develop necessary NPRRs and Other Binding Documents based on those principles.

- **Battery Energy Storage (BES)**

- Battery Energy Storage Task Force continues to identify key topics and concepts.
- In December 2019, three NPRRs were filed and are making their way through the stakeholder process; the NPRRs address technical requirements, market participation rules, and reserve calculations.
- Next phase of discussions will be focused on co-located Energy Storage Resources and the interconnection process.

- **Distribution Generation Resources (DGR)**

- ERCOT continues to work with Market Participants to finalize a NPRR and PGRR for submission this spring.
- Testing has begun on an interim solution that can temporarily be used to represent DGRs in ERCOT systems.

The rules that are written in 2020 will be used to implement market improvements that will help ERCOT manage a changing grid with reliability and efficiency by 2024.

New ERCOT Market Information List Web Interface

- Thanks to the ERCOT staff who worked to implement the ERCOT Market Information List (EMIL) web interface.
- EMIL is a complete catalog of products required by the ERCOT Protocols and Other Binding Documents. The web interface will replace a spreadsheet version of the catalog on the Market Information System and ERCOT.com.
- With the web interface, users can search the catalog using filters and keyword searches, making the process faster and easier.



From left to right: Candy Clark, Priyanka Parthasarathy, Leo Angele, Sherry Smith, Sankara Krishnaswamy, Amy Lofton, John Bowden, Tracy Richter, Raj Thoutam, Hyma Palepu and Aubrey Hale

Not pictured: Julie House, Olga Lyakhovets, Dave Pagliai, Kim Parish, Mia Perez, Duc Qui, Faizan Rauf, Leslie Sopko, Matthew Tschetter, Ravi Tummala and Divya Vasantha