



Item 4.1: CEO Update

Bill Magness

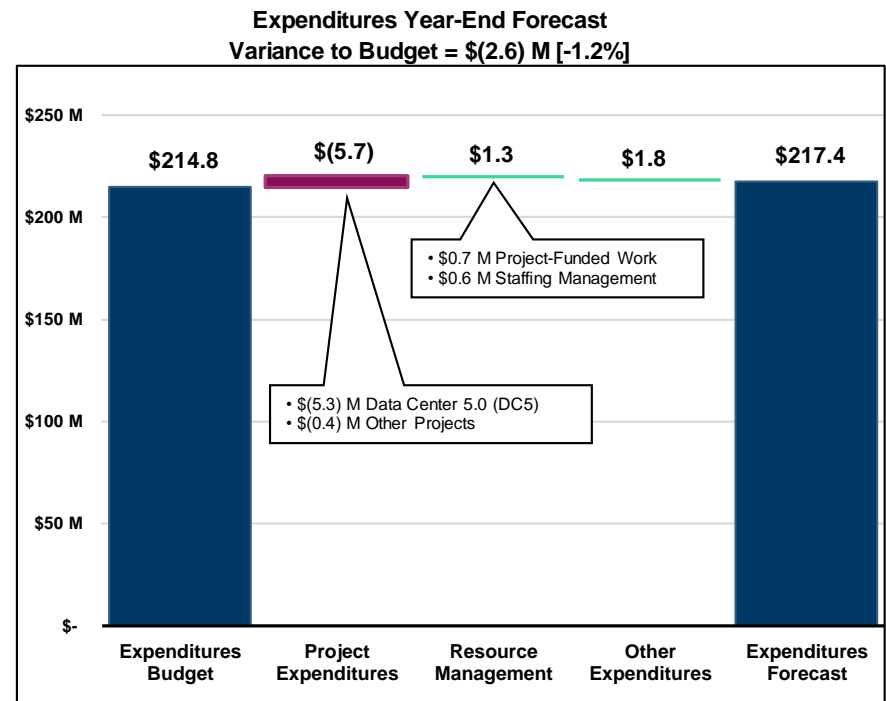
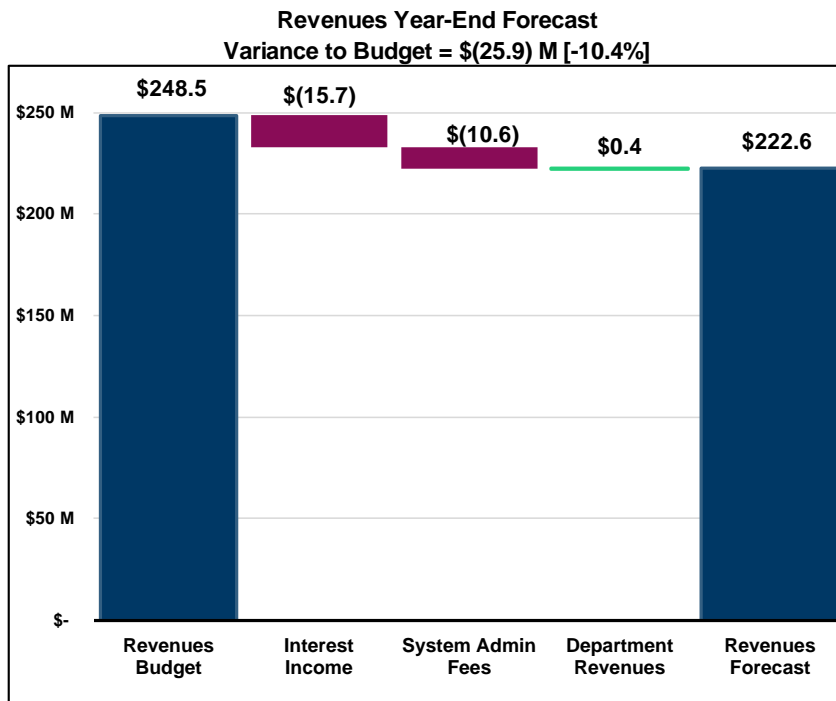
President & Chief Executive Officer
ERCOT

Urgent Board of Directors Meeting

ERCOT Public
December 8, 2020

Review 2020 Financial Summary: 2020 Variance to Budget (\$ in Millions)

Net Available Year-End Forecast Variance to Budget = \$(28.5) M



Charts may not foot due to rounding



Major Projects Update

Improve data and information exchange services to ERCOT stakeholders.

Resource Integration & Ongoing Operations (RIOO)	<ul style="list-style-type: none"> • Go-live target met: RIOO-RS View/Update Release 2 completed in November. • Additional 2021 releases will extend the RIOO platform to manage creation of new resource asset registration data, SODG Resources data and Load Resources data.
---	--

Enterprise Content Management System (ECMS)	<p>Multiple releases planned to complete the ECMS implementation.</p> <ul style="list-style-type: none"> • Go-live target met: MIS go-live completed in November. • ERCOT.com release – releases planned in Q2 & Q4 2021.
--	--

Complete defined stages of core system and service improvements.

Retail Portfolio Refresh	<ul style="list-style-type: none"> • Go-live target met: EDI Map & Translator system replaced and NAESB Application Technology upgraded in November. • Retail/wholesale registration system upgrade project in execution, with targeted go-live in Q2 2021.
---------------------------------	--

Market Management System/Outage Scheduler (MMS/OS) Tech Refresh	<p>Target go-live: December 2020</p> <ul style="list-style-type: none"> • Go-live date is at risk due to system performance issues. • Focus is on testing, process verification and cutover readiness. • Market Operating Test Environment open for connection testing in November.
--	--

Fast Frequency Response (FFR) & ERCOT Contingency Reserve Service (ECRS)	<ul style="list-style-type: none"> • FFR advancement – Planning underway, associated NPRR863, NPRR1015, NOGRR187, target go-live Q4 2021/Q1 2022. • ECRS implementation – Working in coordination with RTC team to determine the optimal delivery timeline.
---	---



2020 R6 Release Summary

R6 Release Dates: Dec. 8 – 10, 2020

- 64 Change Requests across the application areas
- Revision Requests and System Change Requests that will be delivered in R6 Change Requests:
 - 2020 November Release – Off-Cycle - *Complete*
 - RIOO – RARF Replacement – View/Update – Follow-Up Release
 - Enterprise Content Management System (ECMS) Phase 2 (MIS Go-Live)
 - 2020 December Release – Off-Cycle – *In Flight*
 - MMS/OS Tech Refresh – 12/16/2020 – 12/17/2020
 - 2020 December Release – R6 – 12/8/2020 – 12/10/2020 – *In Flight*
 - SCR806 – Adding QSE and DME Information to Disclosure Reports
- R6 impacted functional areas:
 - Data and Information Products, Data Management & Governance, Energy Management System, Market Information System, Market Management System, Market Settlements, Web Communication, Enterprise Integration Vendor Services, Credit Monitoring & Management, Enterprise Integration Platform



2020 Enterprise Objectives & Key Results (OKRs)



Establish rules for new resources and market modernization.

Improve data and information exchange services to ERCOT stakeholders.

Complete defined stages of core system and service improvements.

2020 ERCOT Enterprise OKRs

Objective 1 – Establish rules for new resources and market modernization.

	Key Results (as measured by)	Status
a.	Real-Time Co-optimization (RTC) Protocols are approved by the December 2020 Board. (Ögelman)	To be completed 12/8/20
b.	Energy Storage Resource (ESR) Protocols are approved by the December 2020 Board to:	
i.	Sustain the combination modeling of Energy Storage Resources as Generation Resources and Controllable Load Resources.	To be completed 12/8/20
ii.	Model Energy Storage Resources as single device to be delivered with EMS-upgrade and RTC. (Rickerson)	To be completed 12/8/20
c.	Distribution Generation Resource (DGR) Protocols are approved by the December 2020 Board. (Rickerson)	Completed 8/11/20



2020 ERCOT Enterprise OKRs

Objective 2: Improve data and information exchange services to ERCOT stakeholders.

Key Results (as measured by)		Status
a.	Deliver the RIOO function that enables Market Participants to electronically submit, review and edit Resource Asset registration data. (Rickerson)	Completed 11/13/20
b.	Transition MIS to a stable, supported platform while enhancing user experience & define scope changes for ERCOT.com (ECMS Phase 2) . (Gage)	Completed 11/11/20
c.	Deliver effective notification of grid status to all constituents (public, MP, PUC, etc.) via supported technical communications.	
i.	Deliver tactical scope that includes the ability to do emergency testing in production prior to summer 2020. (Parakkuth)	Completed 5/15/2020
ii.	Develop strategy for long-term enhancements to architecture as required to ensure systems are hardened. (Parakkuth)	Completed 9/30/20

2020 ERCOT Enterprise OKRs

Objective 3: Complete defined stages of core system & service improvements.

Key Results (as measured by)		Status
a.	Complete EMS Early Risk Mitigation (ERM) tasks in support of EMS upgrade. (Rickerson)	Completed 11/20/20
b.	Solicit stakeholder feedback on revised Treasury Management processes and develop appropriate market rule changes. (Taylor)	Completed 11/20/20
c.	Implement Fast Frequency Response changes (NPRR863). (Rickerson)	Completed 3/1/20
d.	Upgrade retail market software to maintain support	
i.	Complete Siebel upgrade project planning. (Ögelman)	Completed Q1 2020 / Implementation Q2 2021
ii.	Deliver upgraded software via EDI Map & Translator Replacement and NAESB Application Tech Refresh projects. (Ögelman)	Completed 11/1/20
e.	Establish methods to meet the compliance deadline for new CIP Standards governing remote access, configuration change and supply chain risk management. (Day)	Completed 7/1/20



Notable Upcoming Events

Jan. 12, 2021

First day of
87th Texas Legislative Session

Late December

Release Long-Term System
Assessment, Regional
Transmission Plan and Report on
Existing and Potential Electric
System Constraints and Needs

Dec. 16

Release
Capacity,
Demand and
Reserves
Report

April 21, 2021

First look at ERCOT budget for 2022-
23 during April Finance and Audit
Committee Meeting

Feb. 9, 2021

Discuss 2021
ERCOT goals
with the Board;
first Board
meeting with
new Unaffiliated
Board Members
Sally Talberg
and Ray Hepper



Board Member Recognition

- We would like to thank Craven Crowell, Judy Walsh and Karl Pfirrmann for their years of service on the ERCOT Board.
- All three began their first three-year terms as Unaffiliated Directors on Jan. 1, 2012, and were subsequently re-elected and approved for two additional three-year terms.

