



Item 5: CEO Update

Brad Jones

Interim President & Chief Executive Officer

Urgent Board of Directors Meeting

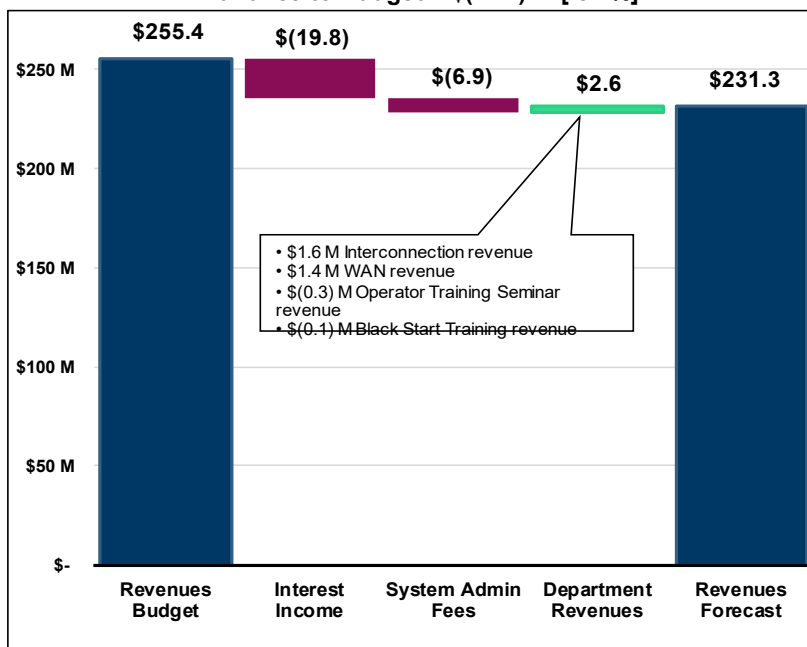
ERCOT Public

August 10, 2021

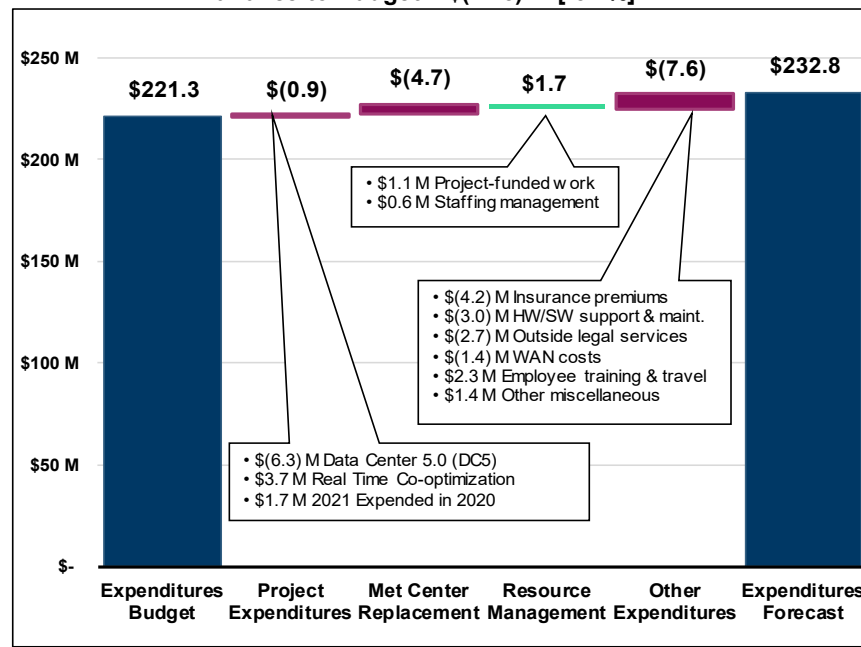
Review 2021 Financial Summary: 2021 Variance to Budget (\$ in Millions)

Net Available Year-End Forecast Variance to Budget = \$(35.6) M

Revenues Year-End Forecast
Variance to Budget = \$(24.1) M [-9.4%]



Expenditures Year-End Forecast
Variance to Budget = \$(11.5) M [-5.2%]



Charts may not foot due to rounding

Major Project Updates

OKR: Improve Grid Reliability.

Fast Frequency Response (FFR) Advancement

- Go-Live Schedule: December 2021
- OKR Target: Go-live by March 2022 (trending)

Distribution Generation Resource / Distribution Energy Storage Resource (DGR/DESR) Implementation

- Go-Live Schedule: February 2022 (Release 1)
- OKR Target: Go-live by March 2022 (trending)
- Schedule highly coordinated with FFR Advancement due to system and resource dependencies

Battery Energy Storage (BES) Combo Model Implementation

- OKR Target: Due to revised priorities, no longer a 2021 OKR
- Core project work on hold until resources are available after FFR Advancement & DGR/DESR

OKR: Complete market-facing initiatives advancing reliable operations, market systems and data transparency

Resource Integration & Ongoing Operations (RIOO)

- RIOO in use for view/update of existing registration data for large Generation Resources
- OKR Target: Complete RIOO system components to retire the RARF by May 2022 (trending)
 - December 2021: Create new registration data for new large Generation Resources and create/view/update registration for small Generation Resources (< 10 MW / DGR / TGR)
 - Q1 2022: Create/view/update registration for SODG Resources
 - Q2 2022: Create/view/update registration data for Load Resources

Enterprise Content Management System (ECMS)

- New Management Information System (MIS) website in use since 2020
- New ERCOT.com landing page and additional website improvements delivered in June and July
- OKR Target: Transition ERCOT.com to a stable, supported platform with enhanced user experience by November 2021 (not trending)
 - First release in May 2021 (delivered)
 - Second release in November 2021 - partial scope only (due to new June/July releases)
 - Additional releases – to be planned for remaining scope (due to new June/July releases)



2021 R4 Release Summary

R4 Release Dates: – 7/27/2021 – 7/29/2021

- 33 Change Requests across the application areas
- 2021 July Release – R4 – 7/27/2021 – 7/29/2021 In Flight
 - NPPRR902(b) – ERCOT Critical Energy Infrastructure Information
 - NPPRR905 – CRR Balancing Account Resettlement
- R4 impacted functional areas:
 - Access & Identity Management, Business Intelligence & Analytics, Content Management, Data and Information Products, Data Management & Governance, Energy Management System, Market Settlements, Retail Systems, Enterprise Integration MDT Services

Summer Operations So Far

- ERCOT is operating the grid more conservatively to ensure there is adequate electric supply available to meet customer demand.
 - More Reliability Unit Commitments when necessary to achieve a 6,500 MW reserve.
 - Purchasing more Ancillary Services.
 - Approximately 1,500 MW more non-spin reserves.
 - 500 MW more of responsive reserves between 2 and 10 p.m.
 - Up to another 1,000 MW of non-spin reserves on high forecast variability days.
 - July 29 was the first day ERCOT purchased additional non-spin reserves to cover the potential for high forecast variability.

Summer Operations So Far Cont.

- New June peak set on June 23, 2021, when load reached 70,219 MW between 4 and 5 p.m.
- New wind and solar instantaneous records for generation output:
 - Wind reached 23,596 MW at 10:32 p.m. on June 25, 2021.
 - Solar reached 6,906 MW at 10:30 a.m. on July 31, 2021.
- Issued request for conservation June 14-18 due to higher-than-normal unplanned outages and low wind output.
 - Maintained normal operations.

ERCOT Roadmap to Improving Grid Reliability

- Roadmap to Improving Grid Reliability issued on July 13, with clear focus on reliability for Texans and Texas businesses.
 - Comprehensive 60-point plan that addresses operational and administrative improvements to ERCOT and the Texas power grid.
 - Addresses legislative changes and objectives outlined in a letter from the Governor to the Public Utility Commission on July 6.
 - Filed in PUC [Project No. 51878](#).
- As of the first week in August, 24 of the 60 items have been completed.
 - Updates will be published on ERCOT.com at the beginning of each month.

PUC/ERCOT Activities

- Continued collaboration with PUC to implement new laws passed in the 87th Legislative Session
- Ongoing PUC work sessions to discuss recent legislation and directives outlined in Governor Abbott's July 6 letter
- Routine briefings with PUC Chairman, Commissioners and PUC staff
- Close collaboration with PUC and Governor's office on external communications
- Joint PUC/ERCOT news conference on July 22
- Implementation of Unplanned Resource Outages Report as directed by the PUC

Implementation of House Bill 4492

- ERCOT is recommending two financing mechanisms to help Market Participants pay off debts incurred from the February winter storm.
 - Under the first financing mechanism, ERCOT would borrow \$800 million to cover certain short-pay amounts and money borrowed from ERCOT CRR auction receipts.
 - Under the second financing mechanism, ERCOT would borrow up to another \$2.1 billion for Load Serving Entities that experienced certain extraordinary costs during the storm.
- The PUC will review these recommendations and ultimately approve the debt obligation orders and determine any necessary processes.
- In accordance with the language in HB 4492, each financing mechanism will be repaid with a unique charge. Both financings will be nonrecourse and create no personal liability to ERCOT.

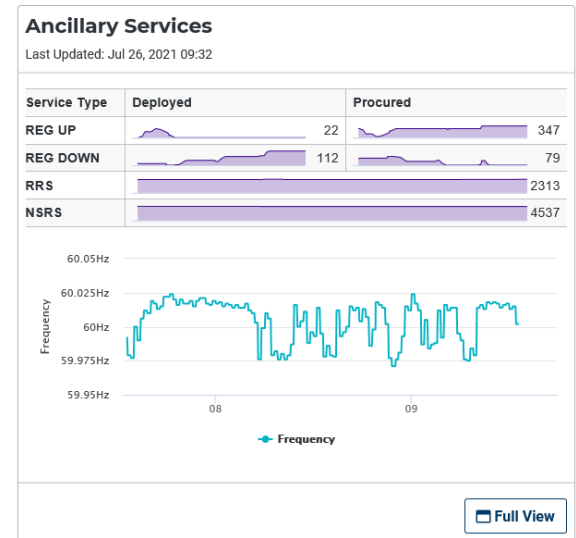
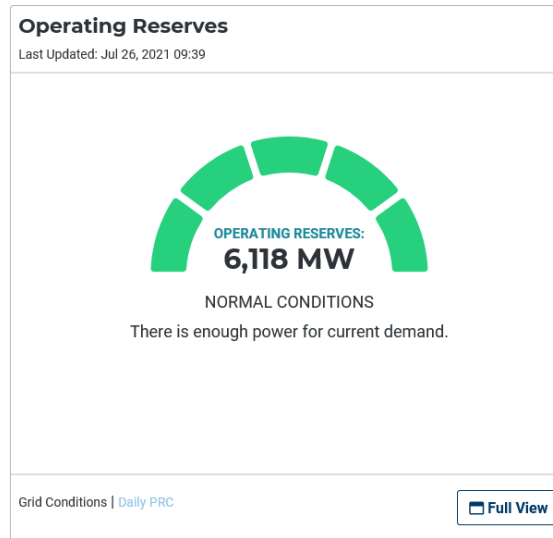
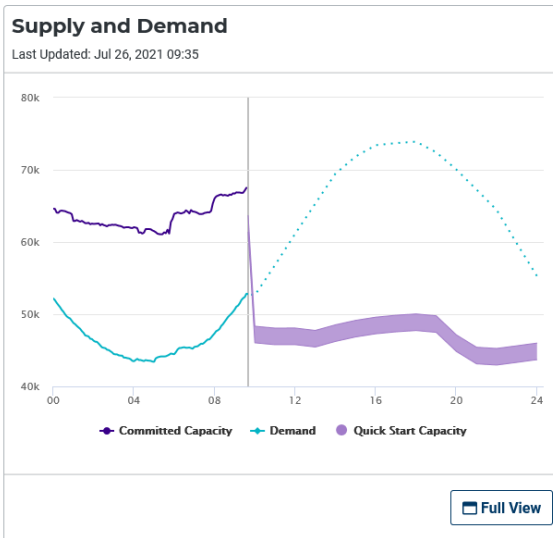


New Dashboards on ERCOT.com

- As part of ERCOT's effort to increase transparency and provide clear, concise information, the grid operator has redesigned the ERCOT.com home page and recently deployed new dashboards that display system conditions in real time.

ercot | Grid and Market Conditions

These dashboards offer a snapshot of current conditions in the ERCOT system. The timestamp on each indicates when the information was last updated. Click the Full View link on a dashboard for an expanded display.



Flexible Work Policy & In-Person Stakeholder Meetings

- ERCOT's Flexible Work Policy went into effect on July 1.
- Employees are assigned to one of three categories; remote, hybrid, and on-site required. Remote employees have the flexibility to work from anywhere within the state of Texas.
 - Managers can request on-site meetings for training, collaboration and onboarding activities.
- ERCOT anticipates in-person stakeholder meetings in September but is monitoring current conditions and will issue a market notice later this month.

New MET Center Facility Update

- Construction continues on the new ERCOT building that will replace the current MET Center location.
- Building expected to be move-in ready by end of year, with ERCOT staff relocating there in December.
- New facility will be available for stakeholder meetings beginning in January 2022.

