



Item 9: CEO Update – REVISED

Brad Jones

Interim President and Chief Executive Officer

Board of Directors Meeting

ERCOT Public

April 28, 2022

Revised 4/26/2022 to update slide 7 and provide further detail

Employee Recognition – MET Center Completion

This state-of-the-art building will serve the needs of ERCOT for many years to come.

The project was completed within budget. ERCOT is in the process of purchasing the building.



Milestones:

- **June 2020** Board meeting: New MET office project approved
- **Q3 2020:** Construction began
- **Q2 2021:** Improvements began
- **Feb. 1, 2022:** Ready for occupancy on (2 months prior to old lease expiring)

Employee Recognition – MET Center Completion

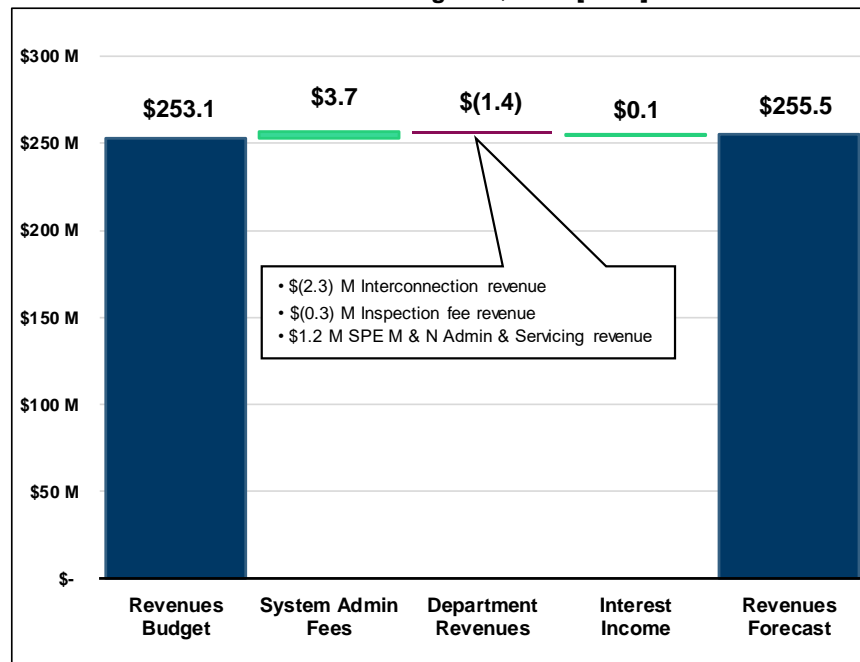
Thanks to Facilities & Physical Security Senior Manager **Jason Lassiter** for leading this project and the team involved in the completion of the MET Center replacement:

Bernardo Corpus	Doug Basinger	Kevin Wilson	Richard Scheel
Blane Johnson	Erica Rose	Michael Alexander	Rob Stanford
Brandon Gleason	George Hassett	Mike Allgeier	Scotty Clifton
Brandt Rydell	Jimmy Ramirez	Mike Stewart	Stacey Fox
Bryan Hanley	Joey Alderete	Nate Gamble	Tom Poynor
Chris Brandt	Ken Simmons	Paul Huehlefeld	Xiangxiang Ni
David Bailey			

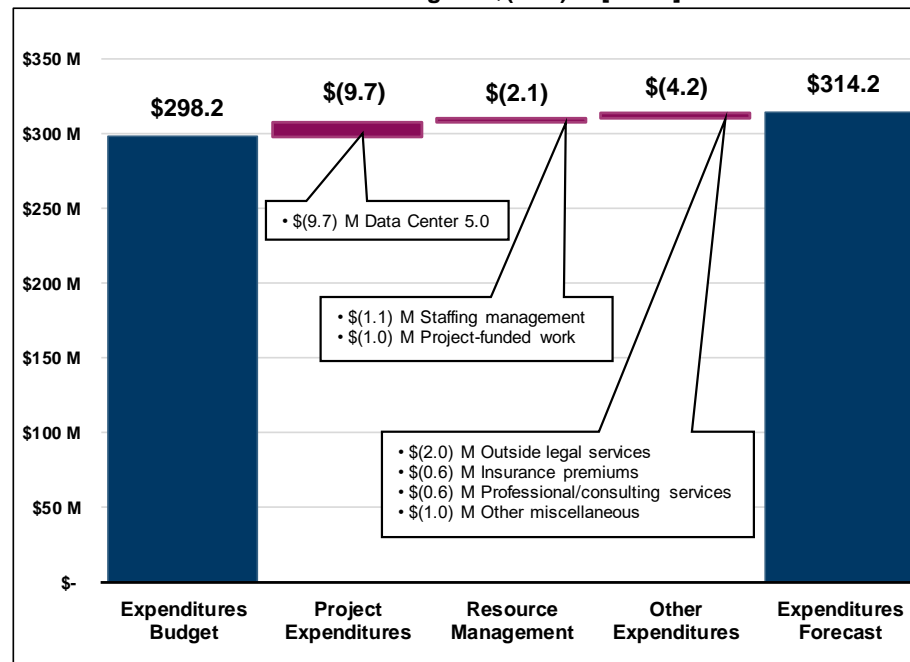
Review 2022 Financial Summary: 2022 Variance to Budget (\$ in Millions)

Net Available Year-End Forecast Variance to Budget = \$(13.6) M

**Revenues Year-End Forecast
Variance to Budget = \$2.4 M [0.9%]**












**Expenditures Year-End Forecast
Variance to Budget = \$(16.0) M [-5.4%]**



Charts may not foot due to rounding

OKR Projects Update

Status	Project	Update
	Securitization - SubChapter N	<ul style="list-style-type: none"> Delivered
	Load Resource Participation in Non-Spinning Reserve ("NPRR1093")	<ul style="list-style-type: none"> On track – testing & late May release ("R3") Market engagement on technical impacts at TWG
	Fast Frequency Response (FFR) Advancement	<ul style="list-style-type: none"> On track – market testing in August & October release ("R5") Market engagement on technical impacts at TWG
	Create Firm Fuel Supply Service	<ul style="list-style-type: none"> On track – complete planning & set release date in July Target – Firm Fuel Supply Service contracts start in November
	RARF Replacement	<ul style="list-style-type: none"> On track - revised schedule for final release in November <i>Scheduled release is late against the OKR target (August)</i>
	ERCOT Contingency Reserve Service (ECRS) Implementation	<ul style="list-style-type: none"> On Track – complete planning & set release date in July Target – release by mid-2023 Market engagement on technical impacts at TWG
	Battery Energy Storage (BES) Combo Model Improvements	<ul style="list-style-type: none"> Decoupled and prioritized reliability scope (PRC changes & EEA charging restrictions) – target delivery in 2022 Remaining scope to be coordinated around OKR projects
	Energy Management System (EMS) Upgrade	<ul style="list-style-type: none"> On track – complete planning & set release date in July Target – release before mid-2024
	DC5 Infrastructure Refresh Program	<ul style="list-style-type: none"> On track – budget, planning & procurement activity (6 projects)

Securitization Update

ERCOT continues to complete “Subchapter N” Securitization milestones:

- **March 29:** Project N back-end systems deployed on schedule
 - *Systems are live, but invoicing does begin until after distribution of N funds.*
- **March 31:** PUCT approved NPRR1114 from prior Board meeting
- **Late March:** ERCOT updated ERCOT.com with centralized location for Securitization documentation (PUCT filings, Market Notices, forms, etc.)
 - <https://www.ercot.com/about/hb4492securitization>

Upcoming milestone targets:

- **April:** Clarifying NPRRs for April Board consideration: NPRRs 1122, 1123, 1125 (clarifying escrow and payment processes)
- **May:** Target for bond documents completion
 - **Late May:** N escrow deposits due
- **June:** Announce and price transaction; transaction close and funds received
 - **Market notice:** Disbursement and invoicing schedule; payment information
 - Disbursements commence shortly after closing
- **July:** Invoicing begins no sooner than 30 days after funding

Large Load Flexible Process

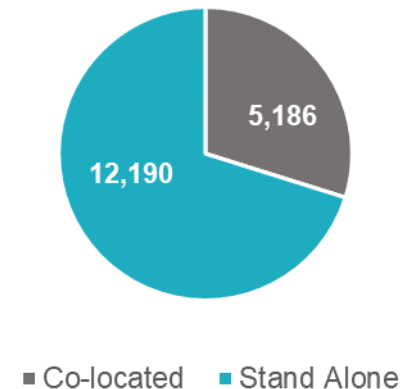
Interim Process: ERCOT has established an interim process that will ensure new large loads can be reliably connected to the ERCOT grid.

New Task Force: ERCOT's Technical Advisory Committee (TAC) has created the Large Flexible Load Task Force (LFLTF) to aid in the development of a long-term process that will replace the interim process.

Subjects under review by Task Force:

- An interconnection process for over 17 GW of potential Large Flexible Load (LFL) scheduled to be interconnected in the next 4 years.
- Improvements in the process for interconnecting both types of LFL (Stand Alone and Co-located).
- Assessment of impacts to transmission planning, outage coordination, load forecasting and the Day Ahead process.
- The LFLTF will report to TAC as these topics are resolved.
- The LFTF will be recommending Protocol changes for incorporating LFLs.

Potential LFL
Interconnections (MW)



Pre-Summer Communications Preparation

As outlined in the 60-point Roadmap to Improving Grid Reliability, ERCOT is prioritizing the effort to provide better communication and coordination with Market Participant communicators.

1

ERCOT Corporate Communications is preparing a pre-summer communicators meeting in May.

2

Will present and discuss summer outlook and expectations.

3

Continuing to align with the Public Utility Commission on public inquiries.

4

Providing ongoing opportunities for MP communicators to recommend and share ideas when considering information to be communicated to the public.