



Item 5: CEO Update

Pablo Vegas

President and Chief Executive Officer

Board of Directors Meeting

ERCOT Public

December 20, 2022

2022 ERCOT Enterprise OKRs

1

Improve grid reliability

2

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

3

Implement improvements in technological capabilities and financial processes



2022 ERCOT Enterprise OKRs

Objective 1: Improve grid reliability

Key Results (as measured by)		
	Develop a program to implement the PUCT Rule for weatherization .	To be completed 12/20/22
	Implement key milestones for improving integration of new resources types .	Completed 10/13/22
	Design and deliver key components for the 2024 Energy Management System (EMS) upgrade (PR320-01).	Not trending for 2022 milestones

2022 ERCOT Enterprise OKRs

Objective 2: Complete market-facing initiatives advancing reliable operations, market systems and data transparency

Key Results (as measured by)		
✓	Complete all the RIOO system components to allow retirement of the RARF spreadsheets (PR106-01).	Completed 12/9/22
✓	Implement key milestones for PUCT directed Market Redesign by delivering instructed market design changes.	Completed 8/25/22
✓	Implement NPRR1093 Load Resource Participation in Non-Spinning Reserve (PR384-01) by Summer 2022.	Completed 5/26/22
✓	Establish Firm Fuel Service .	Completed 10/13/22
✓	Implement Fast Frequency Response (FFR) Advanced changes (PR325-01).	Completed 10/13/22
●	Implement key milestones for Creation of ERCOT Contingency Reserve Service (ECRS) (PR386-01) changes which are targeting implementation by Summer 2023 (before EMS freeze).	2022 milestones to be completed 12/31/22



 Complete
  On Track
  Not Trending

2022 ERCOT Enterprise OKRs

Objective 3: Implement improvements in technological capabilities and financial processes

Key Results (as measured by)		
	Procure and install key components of the aging data center infrastructure for the DC5 Infrastructure refresh (PR342-00).	Not trending for 2022 milestones
	Establish project to automate treasury processes to reduce financial and operational risks and gate to planning phase by the end of Q3-2022.	Completed 8/2/22
	Complete HB4492 Subchapter N Phase 1 project (PR379-01) to enable the design and automation of new treasury, credit and daily invoicing functions to recover the \$2.1B securitization funds over the next 30 years.	Completed 3/29/22
	Secure securitization financing for HB4492 Subchapter N: \$2.1 Billion in bonds in Q2-2022 and begin Market Participant invoicing for uplift charges in Q3-2022.	Completed 8/1/22



Winter 2022/2023 Seasonal Assessment of Resource Adequacy (SARA) & Capacity, Demand and Reserves

- 140,819 MW of Total Installed Capacity present for Winter 2022-2023
 - Thermal/hydro: 74,835 MW
 - Private Use Networks: 9,575 MW
 - Operational co-located resources with LFLs: 2,996 MW
 - Wind: 35,344 MW
 - Solar: 14,062 MW
 - Storage: 2,787 MW
 - Non-Synchronous Ties: 1,220 MW

- 67,398 MW Forecasted Peak Load under typical unplanned outages and renewables output

- Operating reserve capacity available under all Base & Moderate Reserve Capacity Risk Scenarios

Market Redesign Perspectives

- Phase II critical in incentivizing and retaining dispatchable generation in the ERCOT region
- Public Utility Commission's preferred Performance Credit Mechanism (PCM) option will meet goals set by Senate Bill 3 and improve reliability
- PCM will result in new investment in generation, giving Texas the power it needs, when it needs it
- PCM is unique to the ERCOT system but has components found in other market design foundations

Large Flexible Load (LFL) Voluntary Curtailment Program

- Encourages large flexible customers (e.g., crypto mining facilities) to reduce power use during periods of high demand
- Any large customer directly connected to a TSP's facility can participate with approval from ERCOT
- Registration now open with anticipated launch in January 2023

Employee Recognition – LFL Voluntary Curtailment Program

Thank you to the following ERCOT employees for their work in developing the Voluntary Curtailment Program for Large Flexible Loads:

Agee Springer

Bill Blevins

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Venkat Tirupati

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Nathan Bigbee

Stacey Fox

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