



Item 5: CEO Update – REVISED

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
 - Wind: 35,344 MW
 - Solar: 14,062 MW
 - Private Use Networks: 9,575 MW
 - Operational co-located resources with LFLs: 2,996 MW
 - Storage: 2,787 MW
 - Non-Synchronous Ties: 1,220 MW

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

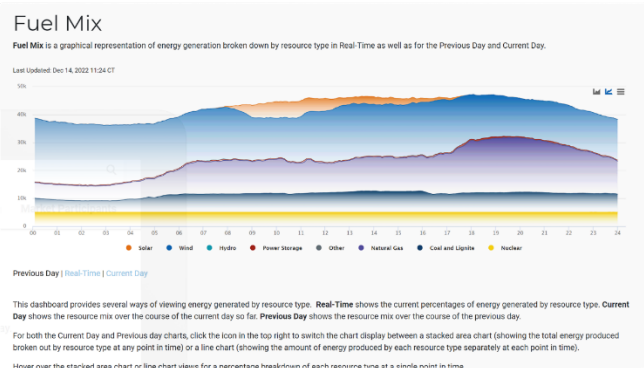
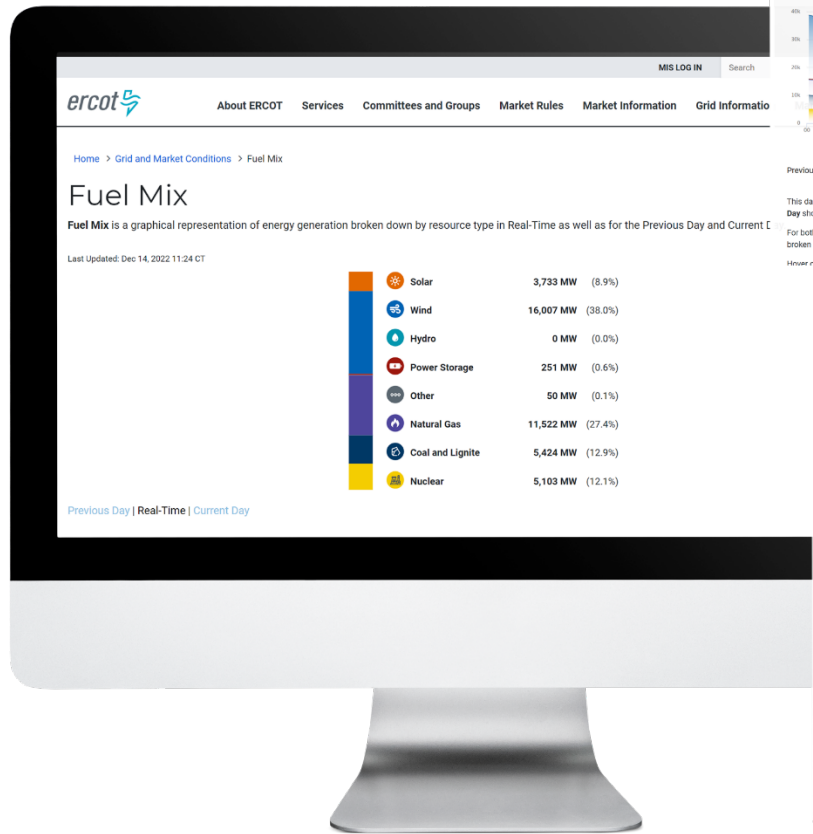
- Operating reserve capacity available under all Base & Moderate Reserve Capacity Risk Scenarios

- In the low probability scenario of high peak load, extreme unplanned outages and extreme low wind output, ERCOT forecasts a shortfall in capacity available for operating reserves.

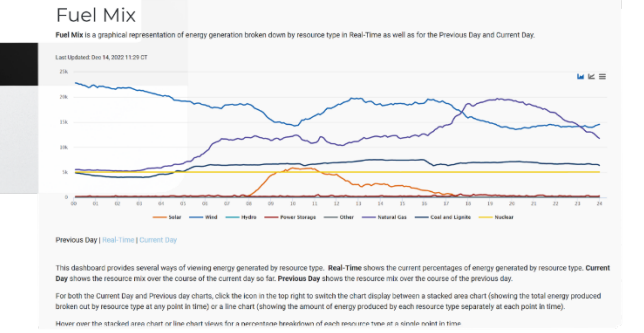
Market Redesign Perspectives

- Phase II is critical in incentivizing and retaining dispatchable generation in the ERCOT region.
- All options presented in the E3 report will achieve the goal of improved reliability but in different ways.
- Our analysis shows that the Performance Credit Mechanism (PCM) is the option that will lead to new investment in generation, while also moderating volatility in the real time market, providing Texas reliable and efficient power when it needs it.
- A market design targeted at closing the “growing dispatchable gap” with clarity and certainty is necessary to incent any new thermal generation build in Texas.

Fuel Mix Dashboard



This dashboard provides several ways of viewing energy generated by resource type. **Real-Time** shows the current percentages of energy generated by resource type. **Current Day** shows the resource mix over the course of the current day so far. **Previous Day** shows the resource mix over the course of the previous day. For both the Current Day and Previous day charts, click the icon in the top right to switch the chart display between a stacked area chart (showing the total energy produced broken out by resource type at any point in time) or a line chart (showing the amount of energy produced by each resource type separately at each point in time). Hover over the stacked area chart or line chart icons for a permanent breakdown of each resource type at a single point in time.



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- <https://www.ercot.com/gridmktinfo/dashboards/fuelmix>



Employee Recognition – Fuel Mix Dashboard

Thank you to the following ERCOT teams for their work in developing the new Fuel Mix Dashboard on ERCOT.com:

Digital Content Management	IT Digital Delivery (Web Services Production Support & ECMS Developers)	
Enterprise Info Service	Balancing Operations Planning	QA and Test Management
GMS Technology Development	Dan Woodfin	Change Management

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

Ajay Mannepalli

Venkat Tirupati

Mike Whitlock

Nitika Mago

Nathan Bigbee

Stacey Fox

Jimmy Hartmann

Joel Koepke

Steve White