Item 11: Strategic Goal Update

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Human Resources and Governance Committee Meeting

ERCOT Public
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Overview

- **Purpose**
  - Provide an overview of corporate priorities

- **Voting Items / Requests**
  - No action is requested of the HR&G Committee or Board; for discussion only
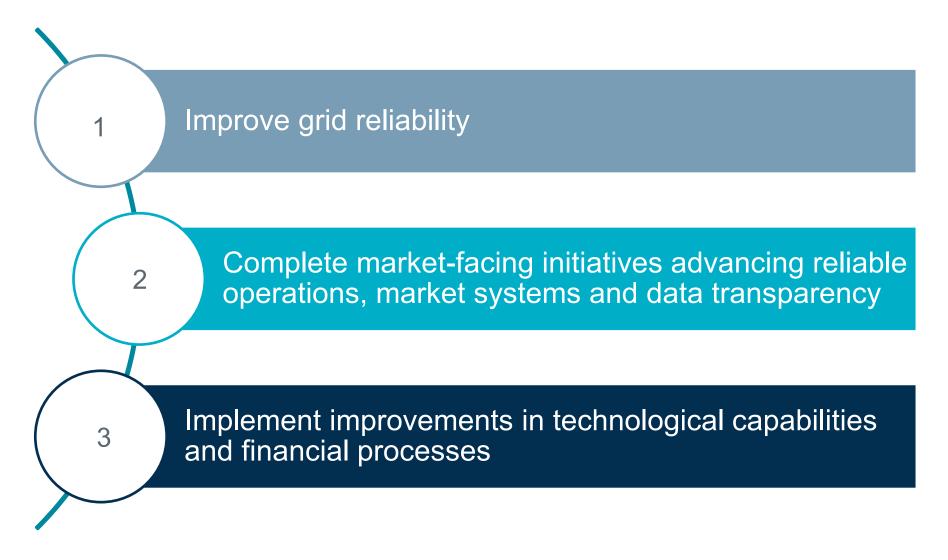
- **Key Takeaways**
  - 2023 Objectives and Key Results (OKRs) were created to establish corporate priorities

  - All key results to meet corporate priorities are currently on track

  - Next update will be in August

ERCOT Objectives & Key Results (OKR) Process

- Established internally annually in Q4 for the next year to:
  - Align work to our strategy
  - Prioritize work based on strategic alignment and enterprise risk mitigation
  - Promote accountability and set clear expectations
- Review process:
  - February, August and December report
  - Regular internal check points and bi-monthly Executive reporting
  - Progress is reported and obstacles are managed
  - Enterprise priorities are reviewed and revised as necessary

2023 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

2023 ERCOT Enterprise OKRs

Objective 1: Improve grid reliability

Key Results (as measured by)	
Complete **Energy Management System** (EMS) upgrade (PR320-01).	Nov-23
Develop a plan for short-term option(s) to approximate **Energy Storage Resource (ESR) State-of-Charge (SOC) in Security-Constrained Economic Dispatch (SCED) and Reliability Unit Commitment (RUC)**, where technically feasible.	June-23
Improve integration of **Large and Flexible Loads** into the ERCOT grid.	Oct-23
Implement market rule change requirements for **Inverter Based Resources** to mitigate Odessa event-like risk.	Dec-23

Key Takeaway: All Key Results are on track for defined measures.

2023 ERCOT Enterprise OKRs

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

Key Results (as measured by)	
Execute phase 2 requirements for **Firm Fuel Supply** product.	Nov-23
Implement key milestones for **Creation of ERCOT Contingency Reserve Service (ECRS)** (PR386-01) changes.	July-23
Proceed with **Real-Time Co-optimization (RTC)** to include **Single Model with State of Charge (SOC) accounting.**	July-23
Placeholder: **PUCT directed Market Redesign.** Develop proposed **bridge recommendations**.	April-23

Key Takeaway:
- ECRS is on track for summer delivery.
- A placeholder result was included to ensure resources are available for potential Market Redesign directives. Key Results are defined to track progress on defining bridge solutions.

2023 ERCOT Enterprise OKRs

Objective 3: Implement improvements in organizational, technological and financial capabilities and processes

Key Results (as measured by)	
Procure and install key components of the aging data center infrastructure for the **DC5 Infrastructure Refresh** (PR342-00).	Dec-23
Implement key milestones to **reduce treasury operational complexities.**	Nov-23
Increase **cyber security awareness** of employees.	Dec-23

Key Takeaway: All Key Results are on track for defined measures.

Next Steps

- OKR status update will be provided in August

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