

Item 6: Review Proposed 2024-2025 Biennial Budget

Sean Taylor
Vice President and Chief Financial Officer

Finance and Audit Committee Meeting

ERCOT Public
April 18, 2023



Review Proposed 2024-2025 Biennial Budget

- **Purpose**

- ERCOT Bylaws (Section 4.10 – Duties and 10.3 – Budget) state that it is the duty of the ERCOT Board of Directors (Board) to approve the budget
- The Finance & Audit (F&A) Committee Charter states that the Committee shall recommend to the Board a proposed budget and associated financing plan
- Today is to discuss management’s initial recommendation of the 2024-2025 Biennial Budget Request and incorporate the Committee’s feedback into the final version of the request in June

- **Voting Items / Requests**

- No action is requested of the Committee or Board; for discussion only; vote to occur in June

- **Key Takeaways**

- In June, the Board will vote on ERCOT’s 2024-2025 Biennial Budget Request, including the System Administration Fee (SAF) rate and the total authorized spending for 2024 and 2025
- Management’s initial recommendation includes:
 - Expenditure and headcount increases to address known and estimated requirements
 - Total uses of funds of \$422.7 million in 2024 and \$424.8 million in 2025
 - SAF rate increase to \$0.71 per MWh, beginning January 1, 2024. This represents a compound annual growth rate of 3.1% since our last increase in 2016. Current projections show the \$0.71 per MWh rate in effect from 2024 – 2027, with the next increase in 2028
 - Interest income of \$72.5 million in 2023, \$49.8 million in 2024, and \$39.8 million in 2025
 - No use of Congestion Revenue Right (CRR) Auction Receipts for funding

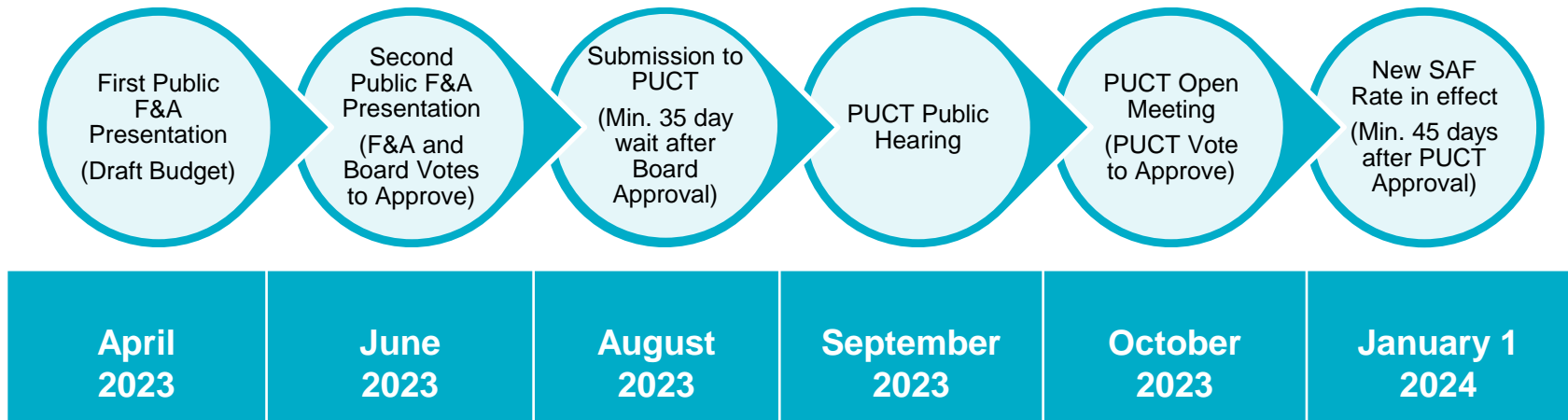
Review Proposed 2024-2025 Biennial Budget Agenda

1. Approval Timeline
2. Overview of the Budget Process
3. Budget Drivers
 - Expenditures
 - Revenues
 - Interest Income
 - Debt Strategy
4. System Administration Fee Rate Options Summary
5. Management Recommended Budget Option (Option 1) Details
 - Budget Summary – Option 1
 - Sources and Uses Summary – Option 1
 - Revenue Trends – Option 1
 - Budget Projections – Option 1
6. Risks to Meeting the 2024-2025 Recommended Budget
7. Appendices

1. Approval Timeline

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Approval Timeline

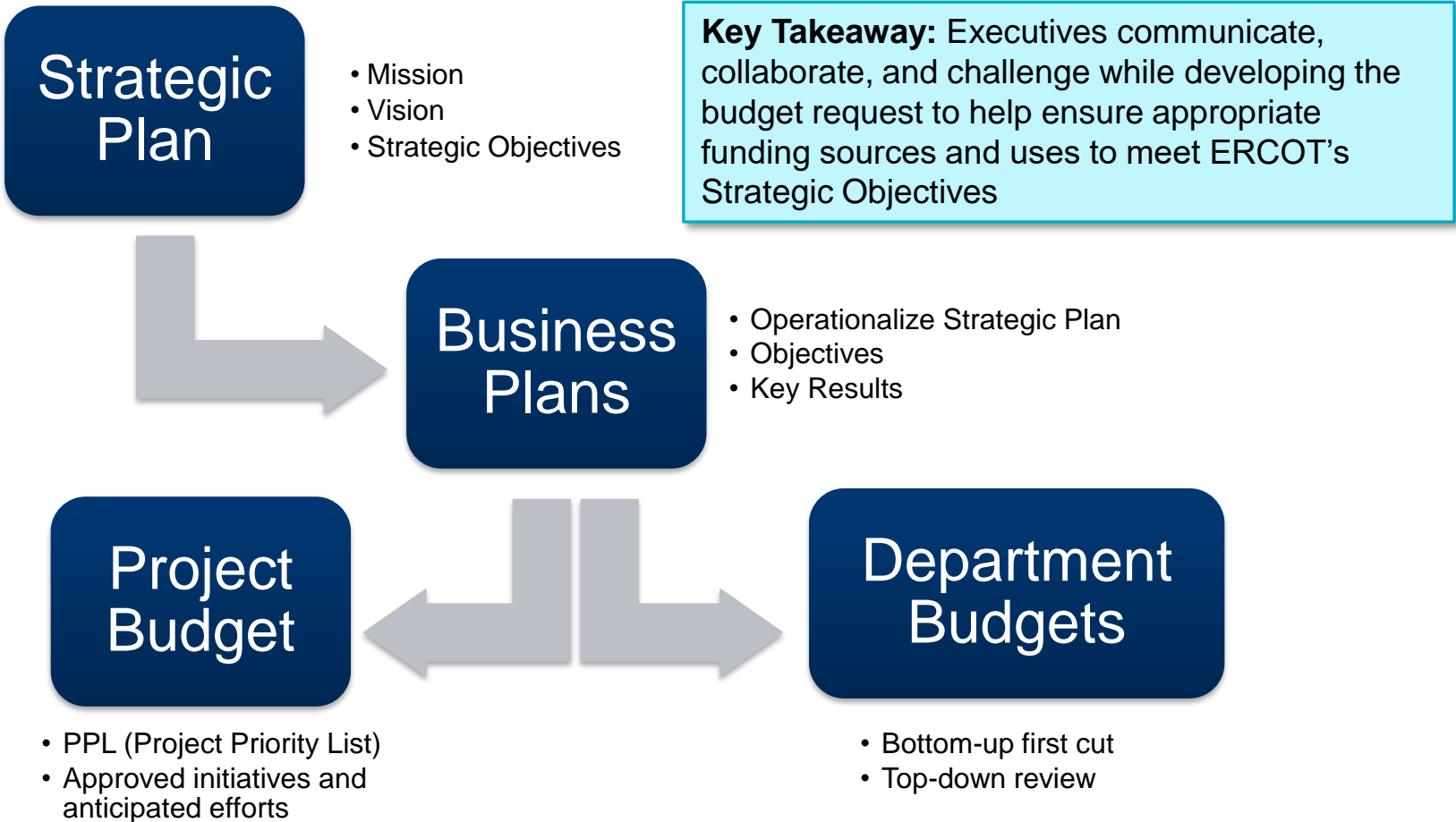


Key Takeaway: In order for the System Administration Fee (SAF) rate to increase effective January 1, 2024, as recommended by ERCOT management, Public Utility Commission of Texas (PUCT) approval must take place at least 45 days prior to January 1, 2024. Board approval is needed at the June 2023 Board meeting to facilitate that timing

2. Overview of the Budget Process

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Overview of the Budget Process



3. Budget Drivers

- Expenditures
- Revenues
- Interest Income
- Debt Strategy

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Budget Drivers: Expenditures

ERCOT management reviewed our strategic risk areas, increasing responsibilities, and evolving organizational demands. We have identified additional resource requirements that will be necessary to address those areas.

The six primary drivers of additional resource requirements are:

1. Technology, Infrastructure, and Communications

- Additional testing environment
- Building systems maintenance
- Enhanced cybersecurity
- Expanded Information Technology (IT) hardware and software infrastructure
- New Grid and Market Solutions (GMS) employee development program
- Restructured and enhanced communications capabilities
- Additional support staff

2. Grid Reliability

- Enhanced control room monitoring
- Improvements in forecasting
- Increased stability analysis
- Integration of Energy Storage Resources (ESRs)
- Integration of Large Flexible Loads (LFLs)
- New operator development program
- Supply deliverability and Direct Current (DC) Tie studies
- Weatherization inspections
- Wind and solar output profile development
- Additional support staff

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Budget Drivers: Expenditures

The six primary drivers of additional resource requirements are continued below:

3. Market Design

- Design studies
- Market redesign efforts
- Professional support services
- Additional support staff

4. Retention and Recruitment

- Higher costs related to difficult-to-fill positions
- New employee retention programs
- Increased organizational support

5. Legal and Compliance

- Regulatory, environmental, and gas expertise
- Reliability Monitor
- Securitization
- Winter Storm Uri litigation
- Additional support staff

6. Normal Growth

- Annual increases for employee merit and promotions
- Compound Annual Growth Rate (CAGR) increases for non-labor costs

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Budget Drivers: Expenditures - Assumptions

Primary Expenditure Assumptions

1. Labor
 - Defined needs based on known and future estimated work
 - Filled positions use current salaries; vacant positions use pay grade mid-points
 - Approved incentive and retention programs included
 - Annual increases for merit and promotions
 - Vacancy savings incorporated
2. Non-Labor
 - Zero-based budgeting with top-down management review
 - Projections estimated using ERCOT Compound Annual Growth Rate (CAGR)
3. Project Expenditures
 - Developed from roadmaps and prioritization review
 - Includes current estimates for Market Design efforts
4. We grouped department and project expenditures into six primary budget drivers
5. Financial Key Performance Indicator (KPI) is that actual spend be within +/- 3% of budget

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Budget Drivers: Expenditures - Employee Position Counts by Office

Line	2022 Actual	2023 Budget	2023 Forecast	2023 Forecast vs 2023 Budget		2024 Request	2024 Request vs 2023 Forecast		2025 Request	2025 Request vs 2024 Request		
1	Chief Information Office	267	289	297	8	2.8%	313	16	5.4%	316	3	1.0%
2	System Operations	124	135	137	2	1.5%	173	36	26.3%	173	0	0.0%
3	System Planning & Weatherization	91	88	130	42	47.7%	146	16	12.3%	146	0	0.0%
4	General Counsel	100	107	105	(2)	-1.9%	120	15	14.3%	124	4	3.3%
5	Commercial Operations	90	100	97	(3)	-3.0%	111	14	14.4%	111	0	0.0%
6	Chief Administrative Office	80	83	91	8	9.6%	101	10	11.0%	102	1	1.0%
7	Public Affairs	36	39	39	0	0.0%	41	2	5.1%	41	0	0.0%
8	Chief Executive Office	2	2	2	0	0.0%	2	0	0.0%	2	0	0.0%
9	Total	790	843	898	55	6.5%	1,007	109	12.1%	1,015	8	0.8%

Notes:

- Position counts as of 12/31
- General Counsel office includes the Governance, Risk, & Compliance office and Internal Audit
- Public Affairs office includes Client Services

Key Takeaway: To address our strategic risk areas, increasing responsibilities, and evolving organizational demands, our 2024 budget request total headcount is 1,007. That represents an increase of 12.1% over our 2023 forecast



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Budget Drivers: Expenditures

Department Net Expenditures & Project Expenditures - 2023 Budget vs 2024 Request

\$ in Millions

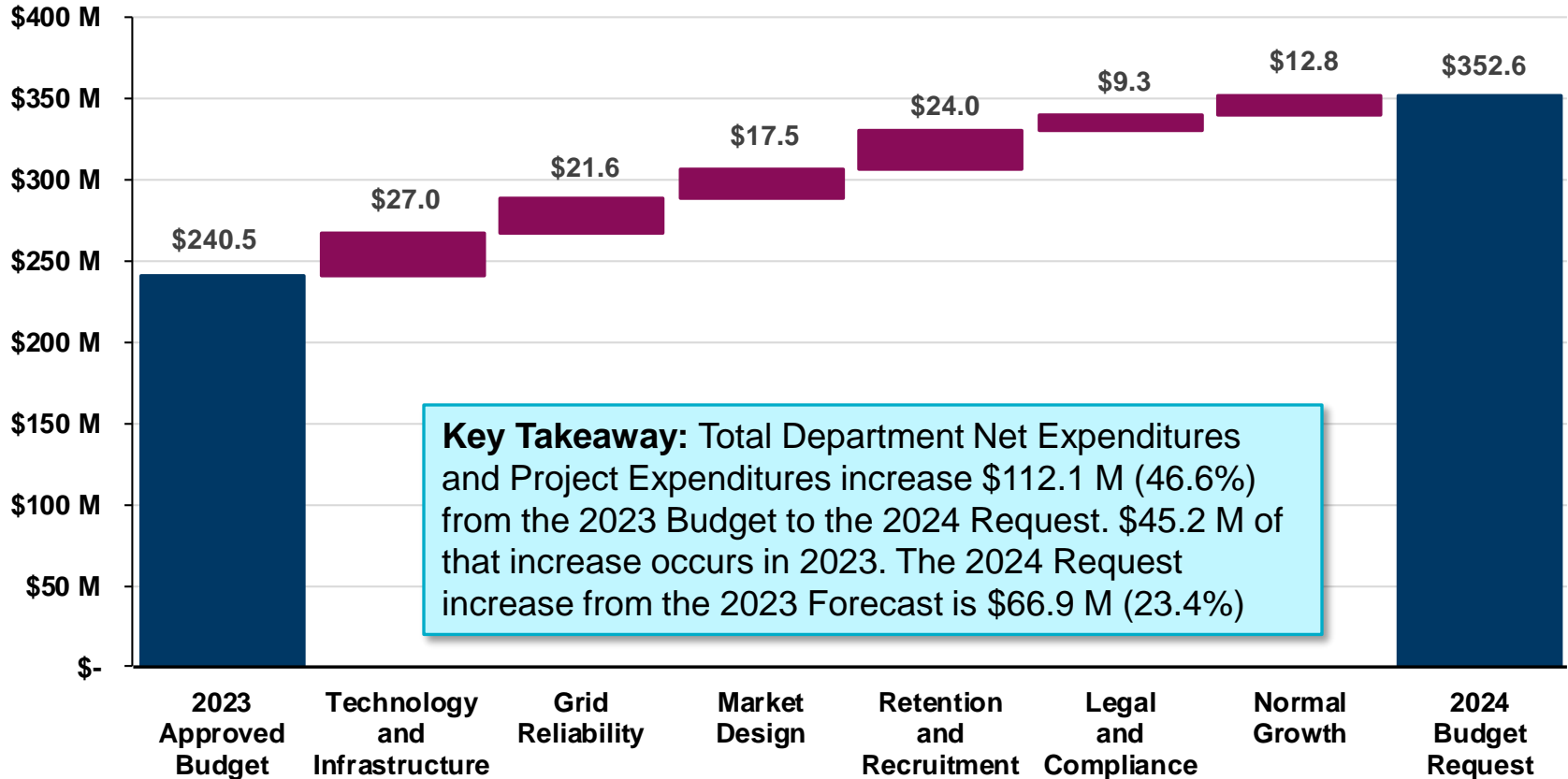


Chart may not foot due to rounding



Review Proposed 2024-2025 Biennial Budget

Budget Drivers: Revenue Trends

\$ in Millions

Line	Revenues	2019		2020		2021		2022		2023			
		Actual		Actual		Actual		Actual		Budget		Forecast	
		\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
1	System Administration Fee (SAF)	\$214.0	96.9%	\$212.2	96.9%	\$218.3	95.1%	\$239.2	96.5%	\$240.9	92.2%	\$245.9	93.9%
2	User Fees												
3	Generation Interconnection Request (GINR)	1.9	0.9%	2.0	0.9%	2.4	1.0%	1.4	0.5%	3.7	1.4%	4.5	1.7%
4	Wide Area Network (WAN)	3.3	1.5%	3.6	1.7%	4.7	2.0%	3.1	1.3%	3.4	1.3%	4.3	1.6%
5	Weatherization Inspection	-	0.0%	-	0.0%	2.7	1.2%	0.9	0.4%	10.6	4.0%	3.3	1.2%
6	Full Interconnection Study (FIS)	0.7	0.3%	0.8	0.3%	0.9	0.4%	1.3	0.5%	1.8	0.7%	1.3	0.5%
7	Training	0.6	0.3%	0.1	0.1%	0.3	0.1%	0.2	0.1%	0.7	0.3%	0.7	0.3%
8	Membership	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%
9	Registration/Application	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%
10	Information Request	-	0.0%	-	0.0%	0.0	0.0%	0.0	0.0%	-	0.0%	-	0.0%
11	User Fees Total	6.8	3.1%	6.9	3.1%	11.3	4.9%	7.2	2.9%	20.5	7.8%	14.3	5.5%
12	Other Revenues												
13	SPE Servicing and Administration	-	0.0%	-	0.0%	0.1	0.0%	1.3	0.5%	-	0.0%	1.7	0.6%
14	Miscellaneous	0.1	0.1%	0.0	0.0%	0.0	0.0%	0.0	0.0%	-	0.0%	0.0	0.0%
15	Total Revenues	\$220.9	100.0%	\$219.1	100.0%	\$229.7	100.0%	\$247.8	100.0%	\$261.3	100.0%	\$261.9	100.0%

Key Takeaway: The System Administration Fee provides over 90% of ERCOT's revenues, the next largest source is less than 2%



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Budget Drivers: Revenues

Primary Revenue Assumptions

1. Fee Strategy
 - Seek to maintain stable, fair, and predictable fees

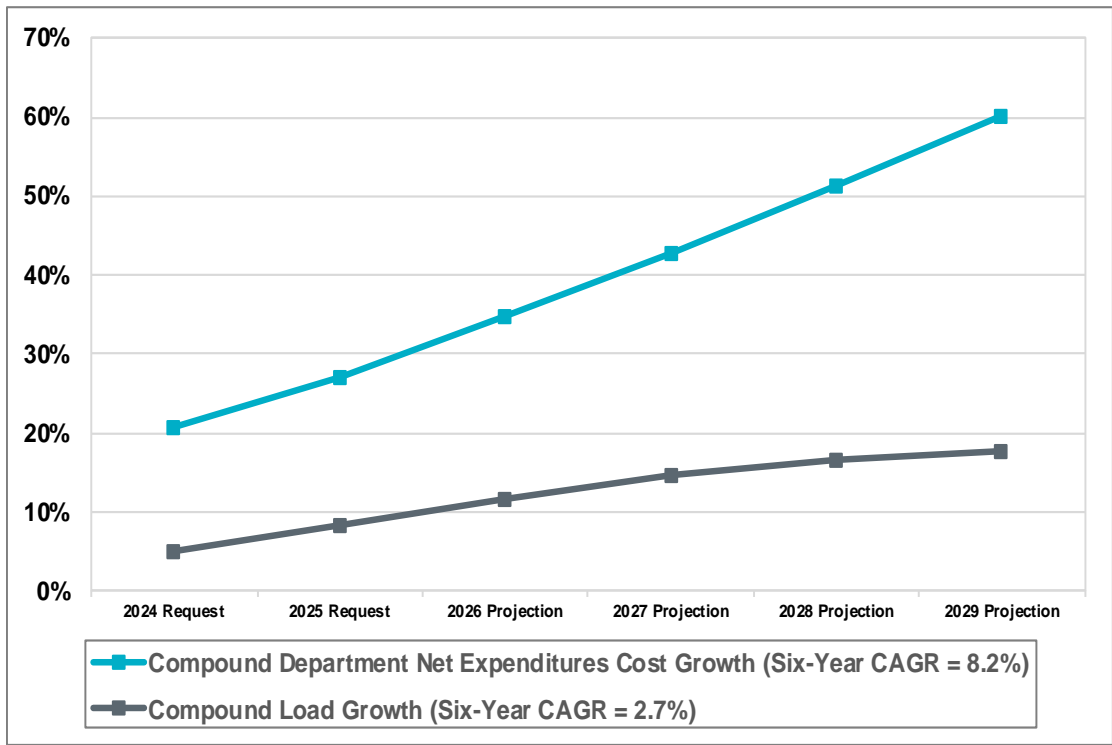
2. Load Forecast
 - Utilize multi-year load forecast from ERCOT Load Forecasting & Analysis team
 - The model used to forecast the System Administration Fee (SAF) is the same model used for Seasonal Assessment of Resource Adequacy (SARA) and the Capacity, Demand, and Reserves (CDR) Report
 - The SAF forecast uses Moody's forecast of conditions; the current model has the largest number of manual adjustments to-date to address items such as Large Flexible Load (LFL), industrial, and technology load growth
 - 2024 includes 36.7 TWh of adjustments (7.9%)
 - 2025 includes 45.5 TWh of adjustments (9.5%)

3. User Fees
 - 2024-2025 request based on management estimates of activity
 - 2026-2029 projections are grown by CAGR

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Budget Drivers: Revenues

2023-2029 Department Net Expenditures Cost Growth versus Load Growth



The System Administration Fee is how ERCOT recovers the vast majority of costs and is charged based on MWh of load

ERCOT's Department Net Expenditures are projected to continue growing at a rate faster than load

Key Takeaway: Periodic System Administration Fee rate increases are necessary due to load growth rate projected to be lower than ERCOT's Department Net Expenditures cost growth rate



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Budget Drivers: Interest Income

Interest Income Impact on System Administration Fee Rate

\$ in Millions, except rates

		Average Annual CRR Funding Balance (2024-2027)									
		\$ 1,250.0	\$ 1,500.0	\$ 1,750.0	\$ 2,000.0	\$ 2,250.0	\$ 2,500.0	\$ 2,750.0			
Average Annual Interest Income Rate (2024-2027)	0.50%	\$ 0.074	\$ 0.072	\$ 0.069	\$ 0.067	\$ 0.064	\$ 0.062	\$ 0.059			
	1.00%	\$ 0.062	\$ 0.056	\$ 0.051	\$ 0.046	\$ 0.041	\$ 0.036	\$ 0.031			
	1.50%	\$ 0.049	\$ 0.041	\$ 0.033	\$ 0.026	\$ 0.018	\$ 0.010	\$ 0.003			
	2.13%	\$ 0.033	\$ 0.022	\$ 0.011	\$ -	\$ (0.011)	\$ (0.022)	\$ (0.033)			
	2.50%	\$ 0.023	\$ 0.010	\$ (0.003)	\$ (0.015)	\$ (0.028)	\$ (0.041)	\$ (0.054)			
	3.00%	\$ 0.010	\$ (0.005)	\$ (0.021)	\$ (0.036)	\$ (0.051)	\$ (0.067)	\$ (0.082)			
	3.50%	\$ (0.003)	\$ (0.021)	\$ (0.039)	\$ (0.056)	\$ (0.074)	\$ (0.092)	\$ (0.110)			

Key Takeaway: Every 1% change in the average interest rate from 2024-2027 is approximately equal to a \$0.04 change in the System Administration Fee rate



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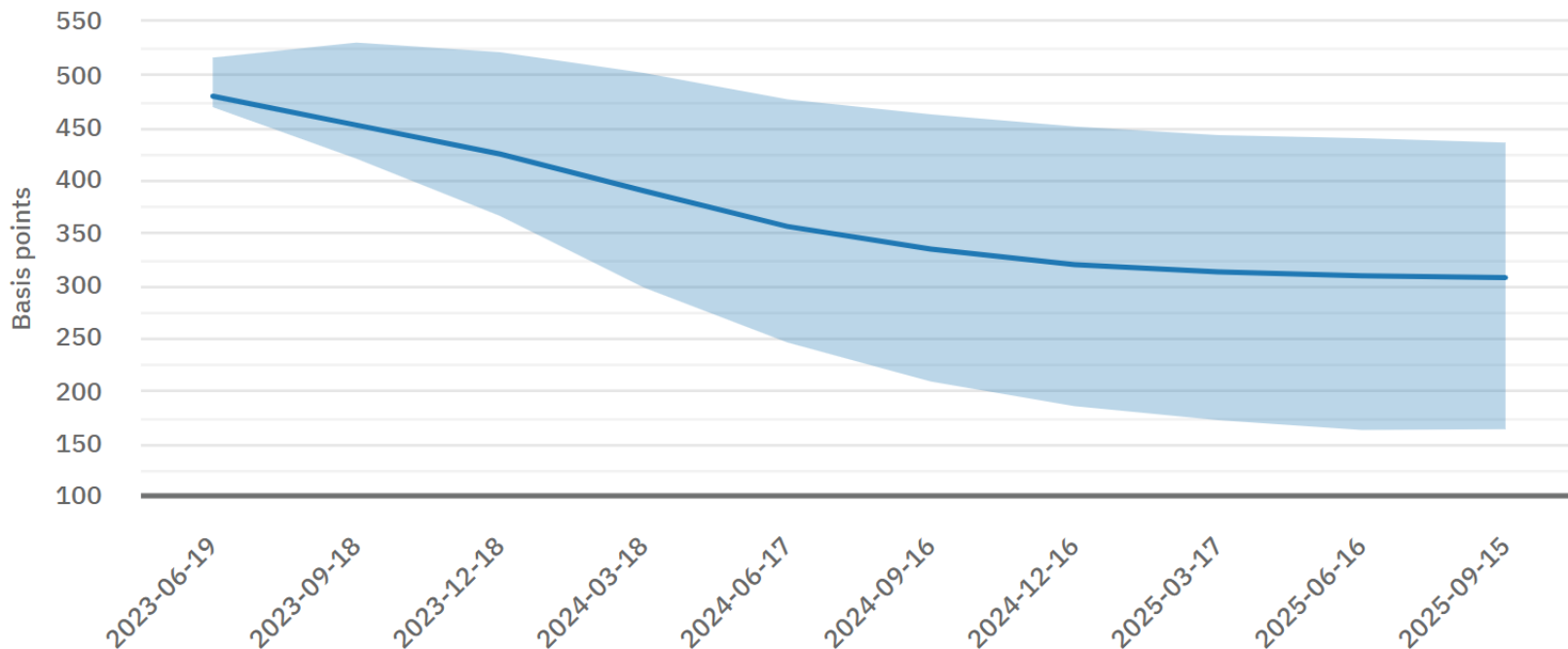
Budget Drivers: Interest Income

The Expected Future Path of the Three-Month Average Fed Funds Rate

Current target range: 475 - 500 basis points

Source: Atlanta Fed (as of 3/29/23)

<https://www.atlantafed.org/cenfig/market-probability-tracker>



Key Takeaway: Market expectations point to declining interest rates in the coming years. The estimated range in projected interest rates is up to +/- 150 basis points

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Budget Drivers: Interest Income

Primary Interest Income Assumptions

1. Follow guidelines and related activities for the investment and management of funds held by ERCOT per the Board-approved Investment Corporate Standard (CS3.2)
2. Investment balance of \$2 billion in Congestion Revenue Rights fund balance
3. Interest rate assumptions based on Treasury forward curve less 100 basis points
4. Interest rates by year
 - 2023: 3.50%
 - 2024: 2.50%
 - 2025-2029: 2.00%

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Budget Drivers: Debt Strategy

Comply with Board's Debt Strategy Guidance

1. Maintain or Improve ERCOT's Financial Integrity
 - Manage impacts to outstanding debt and liquidity requirements
2. Maintain Stable, Fair and Predictable Fees
 - Use debt matching appropriately
3. Provide Lowest Cost to Fee-Payers
 - Use lowest cost debt that is available and appropriate

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Budget Drivers: Debt Strategy

Primary Debt Strategy Assumptions

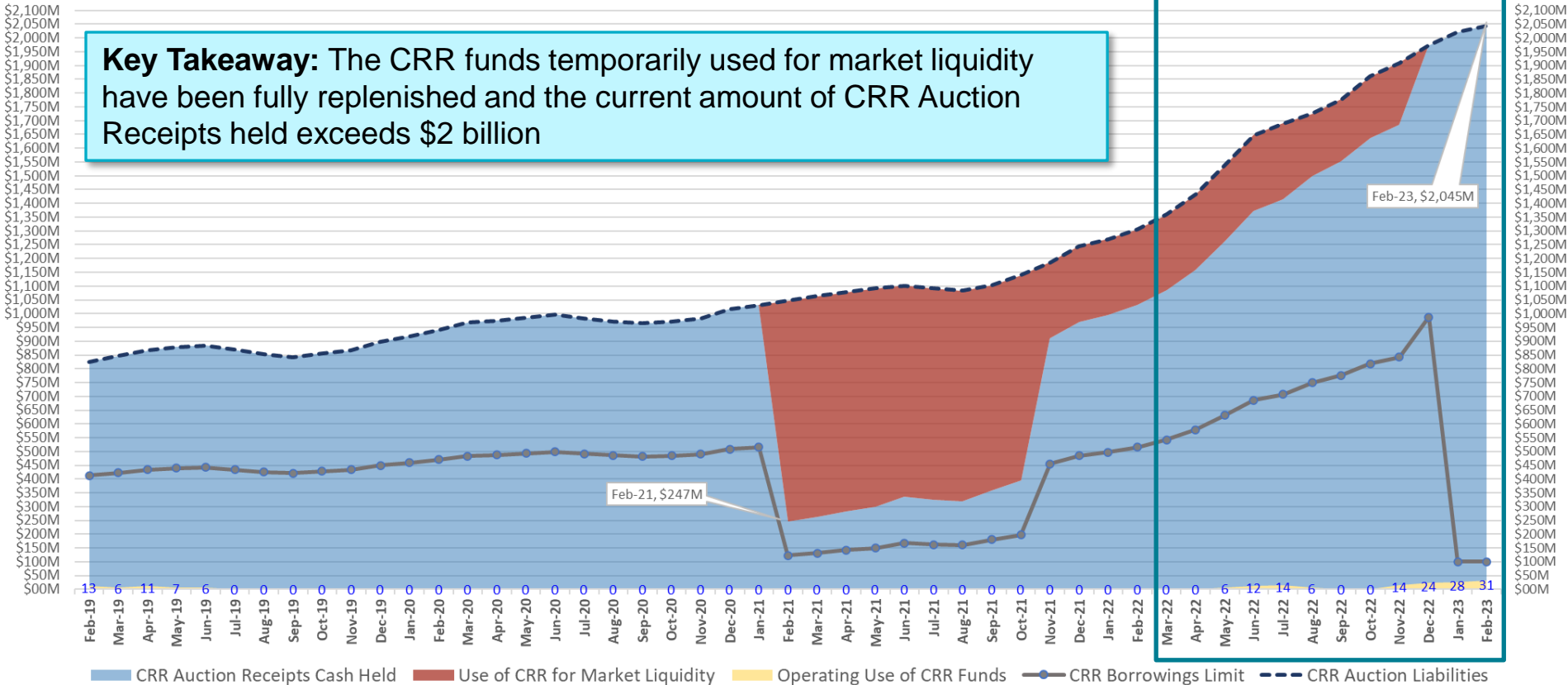
1. No new debt issuance
2. ERCOT's 3% Notes Payable continue to be paid down by \$4 million per year
3. CRR borrowing balance
 - No CRR borrowing balance at end of 2027
 - Any given year's CRR borrowing balance should not exceed revolver capacity of \$100 million, currently
 - ERCOT experiences working capital fluctuations impacted by seasonality and other cash outflows that are not perfectly timed to current revenues which may require use of CRR borrowings up to \$50 million
 - Given the above limitations, use of CRR borrowings for funding purposes should not exceed \$50 million

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Budget Drivers: Debt Strategy

Use of CRR Funds: Actual vs Limits

Key Takeaway: The CRR funds temporarily used for market liquidity have been fully replenished and the current amount of CRR Auction Receipts held exceeds \$2 billion



$$\text{Use of CRR Funds (CRR Borrowings)} = \text{Amount Owed to Market Participants} - \text{Unrestricted Cash and Bond Investments}$$



4. System Administration Fee Rate Options Summary

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System Administration Fee Rate Options

\$ in Millions, except rates

Line	2022 Actual	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection	2030 Projection	2031 Projection
1 Base Scenario: Rate Increase 1/1/2024 (Rate Projected in 22/23 Budget) with Current Forecasts for 2022-2031										
2	Year over year % fee increase		19.8%							
3	8 Year CAGR		2.3%							
4	System Administration Fee Rate	\$ 0.555	\$ 0.555	\$ 0.665	\$ 0.665	\$ 0.665	\$ 0.665	\$ 0.665	\$ 0.665	\$ 0.665
5	(CRR Borrowings Balance)/Cash Balance	\$ (23.7)	\$ 3.4	\$ 4.3	\$ (11.3)	\$ (33.8)	\$ (86.3)	\$ (126.4)	\$ (177.4)	\$ (254.3) \$ (355.7)
6 Option 1: Four-Year Rate Increase 1/1/2024 to reach approximately \$0 Cash/(CRR) Balance by end of 2027										
7	Year over year % fee increase		27.9%		12.0%					
8	8 Year CAGR		3.1%							
9	System Administration Fee Rate	\$ 0.555	\$ 0.555	\$ 0.710	\$ 0.710	\$ 0.710	\$ 0.710	\$ 0.795	\$ 0.795	\$ 0.795 \$ 0.795
10	(CRR Borrowings Balance)/Cash Balance	\$ (23.7)	\$ 3.4	\$ 25.2	\$ 31.2	\$ 31.0	\$ 1.3	\$ 28.4	\$ 45.2	\$ 36.8 \$ 4.6
11 Option 2: Two-Year Rate Increases starting 1/1/2024 to reach approximately \$0 Cash/(CRR) Balance by end of 2027										
12	Year over year % fee increase		18.0%		16.8%		2.0%		2.5%	
13	8 Year CAGR		2.1%							
14	System Administration Fee Rate	\$ 0.555	\$ 0.555	\$ 0.655	\$ 0.655	\$ 0.765	\$ 0.765	\$ 0.780	\$ 0.785	\$ 0.805 \$ 0.805
15	(CRR Borrowings Balance)/Cash Balance	\$ (23.7)	\$ 3.4	\$ (0.3)	\$ (20.8)	\$ 6.2	\$ 4.5	\$ 23.8	\$ 35.4	\$ 32.3 \$ 5.4
16 Option 3: One-Year Rate Increases, starting 1/1/2024 to reach approximately \$0 Cash/(CRR) Balance by end of 2027										
17	Year over year % fee increase		9.9%		9.9%		9.9%		9.9%	
18	8 Year CAGR		1.2%							
19	System Administration Fee Rate	\$ 0.555	\$ 0.555	\$ 0.610	\$ 0.670	\$ 0.737	\$ 0.810	\$ 0.810	\$ 0.810	\$ 0.810 \$ 0.810
20	(CRR Borrowings Balance)/Cash Balance	\$ (23.7)	\$ 3.4	\$ (21.3)	\$ (34.3)	\$ (21.2)	\$ 0.0	\$ 34.8	59.4	\$ 58.9 \$ 34.7

Key Takeaway: Management recommends option 1: Increase SAF rate to \$0.71/MWh

- Best addresses potential liquidity constraints in 2024 and 2025
- Provides rate stability to Market Participants



5. Management Recommended Budget Option (Option 1) Details

- Budget Summary – Option 1
- Sources and Uses Summary – Option 1
- Revenue Trends – Option 1
- Budget Projections – Option 1

Review Proposed 2024-2025 Biennial Budget

Management Recommended Budget Summary – Option 1

\$ in Millions, except rates

Budget Summary										
Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection	
1	System Administration Fee Rate (SAF) \$	0.555	\$ 0.555	\$ 0.555	\$ 0.710	\$ 0.710	\$ 0.710	\$ 0.710	\$ 0.795	\$ 0.795
2	Energy Consumption (TWh)	431.0	434.0	443.1	465.0	480.0	494.3	508.3	516.4	521.2
2A	Year over Year %	9.6%	0.7%	2.8%	4.9%	3.2%	3.0%	2.8%	1.6%	0.9%
3	System Administration Fee Revenue \$	239.2	\$ 240.9	\$ 245.9	\$ 330.1	\$ 340.8	\$ 350.9	\$ 360.9	\$ 410.6	\$ 414.4
4	Department Net Expenditures	\$ 209.7	\$ 211.1	\$ 247.2	\$ 298.1	\$ 314.4	\$ 333.1	\$ 352.9	\$ 373.8	\$ 396.0
4A	Year over Year %	11.0%	0.6%	17.9%	20.6%	5.5%	5.9%	5.9%	5.9%	5.9%
5	Project Expenditures	54.0	27.1	36.1	37.5	33.0	35.5	72.8	45.0	37.0
6	Market Design Project	-	2.4	2.4	17.0	22.0	17.2	-	-	-
7	MET Center Replacement Project	15.4	-	-	-	-	-	-	-	-
8	Total Net Expenditures \$	279.1	\$ 240.5	\$ 285.7	\$ 352.6	\$ 369.4	\$ 385.8	\$ 425.6	\$ 418.8	\$ 433.0
9	Net Available Before Non-Operating \$	(39.9)	\$ 0.3	\$ (39.8)	\$ (22.5)	\$ (28.6)	\$ (34.9)	\$ (64.7)	\$ (8.2)	\$ (18.6)
10	Debt Service	\$ (5.1)	\$ (5.5)	\$ (5.5)	\$ (5.4)	\$ (5.2)	\$ (5.1)	\$ (4.7)	\$ (4.5)	\$ (4.4)
11	Interest Income	25.0	0.0	72.5	49.8	39.8	39.8	39.8	39.8	39.8
11A	Interest Rate %	1.51%	0.01%	3.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%
12	Investment in SPE M & N	(10.6)	-	-	-	-	-	-	-	-
13	Non-Operating Sources & Uses \$	9.3	\$ (5.5)	\$ 66.9	\$ 44.4	\$ 34.6	\$ 34.6	\$ 35.1	\$ 35.3	\$ 35.4
14	Net Available \$	(30.6)	\$ (5.1)	\$ 27.1	\$ 21.9	\$ 6.0	\$ (0.2)	\$ (29.6)	\$ 27.0	\$ 16.8
Year-End Balances: Notes Payable, CRR Borrowings, Cash, and CRR Fund										
15	Notes Payable Balance	\$ 39.0	\$ 35.0	\$ 35.0	\$ 31.0	\$ 27.0	\$ 23.0	\$ 19.0	\$ 15.0	\$ 11.0
16	CRR Borrowings Balance	\$ 23.7	\$ 28.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Cash Balance	\$ -	\$ -	\$ 3.4	\$ 25.2	\$ 31.2	\$ 31.0	\$ 1.3	\$ 28.4	\$ 45.2
18	CRR Fund Balance	\$ 1,973.6	\$ 997.3	\$ 2,005.6	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0	\$ 2,000.0

Schedule may not foot due to rounding.



Key Takeaway: The management recommended option 1 projects a \$1.3 million cash balance at the end of 2027

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Management Recommended Sources and Uses Summary – Option 1

\$ in Millions

Sources and Uses									
	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 System Administration Fee Revenue	\$ 239.2	\$ 240.9	\$ 245.9	\$ 330.1	\$ 340.8	\$ 350.9	\$ 360.9	\$ 410.6	\$ 414.4
2* Reliability Organization Assessment	21.8	20.5	24.8	26.2	27.7	29.2	30.8	32.6	34.4
3 Interest Income	25.0	0.0	72.5	49.8	39.8	39.8	39.8	39.8	39.8
4 Other Revenues	8.6	20.5	16.0	16.7	16.6	17.5	18.4	19.3	20.3
5 CRR Borrowings	23.7	5.1	-	-	-	-	-	-	-
6 Decrease in Cash Balance	6.9	-	-	-	-	0.2	29.6	-	-
7 Total Sources	\$ 325.2	\$ 287.0	\$ 359.2	\$ 422.7	\$ 424.8	\$ 437.6	\$ 479.5	\$ 502.2	\$ 508.8
8 Department Expenditures	\$ 218.3	\$ 231.5	\$ 263.2	\$ 314.8	\$ 331.0	\$ 350.5	\$ 371.2	\$ 393.1	\$ 416.3
9 Project Expenditures	54.0	27.1	36.1	37.5	33.0	35.5	72.8	45.0	37.0
10 Market Design Project	-	2.4	2.4	17.0	22.0	17.2	-	-	-
11 MET Center Replacement Project	15.4	-	-	-	-	-	-	-	-
12* Reliability Organization Assessment	21.8	20.5	24.8	26.2	27.7	29.2	30.8	32.6	34.4
13 Debt Service	5.1	5.5	5.5	5.4	5.2	5.1	4.7	4.5	4.4
14 Investment in SPE M & N	10.6	-	-	-	-	-	-	-	-
15 Repayment of CRR Borrowings	-	-	23.7	-	-	-	-	-	-
16 Increase in Cash Balance	-	-	3.4	21.9	6.0	-	-	27.0	16.8
17 Total Uses	\$ 325.2	\$ 287.0	\$ 359.2	\$ 422.7	\$ 424.8	\$ 437.6	\$ 479.5	\$ 502.2	\$ 508.8

* Reliability Organization Assessment is a pass-through collected on behalf of the Texas Regional Entity; it is not set by ERCOT.

Schedule may not foot due to rounding.

Key Takeaway: In addition to the SAF rate, the PUCT approves ERCOT's total authorized spend. Line 17 provides ERCOT's total requested spending authority for 2024-2025



Review Proposed 2024-2025 Biennial Budget

Management Recommended Revenue Trends – Option 1

\$ in Millions

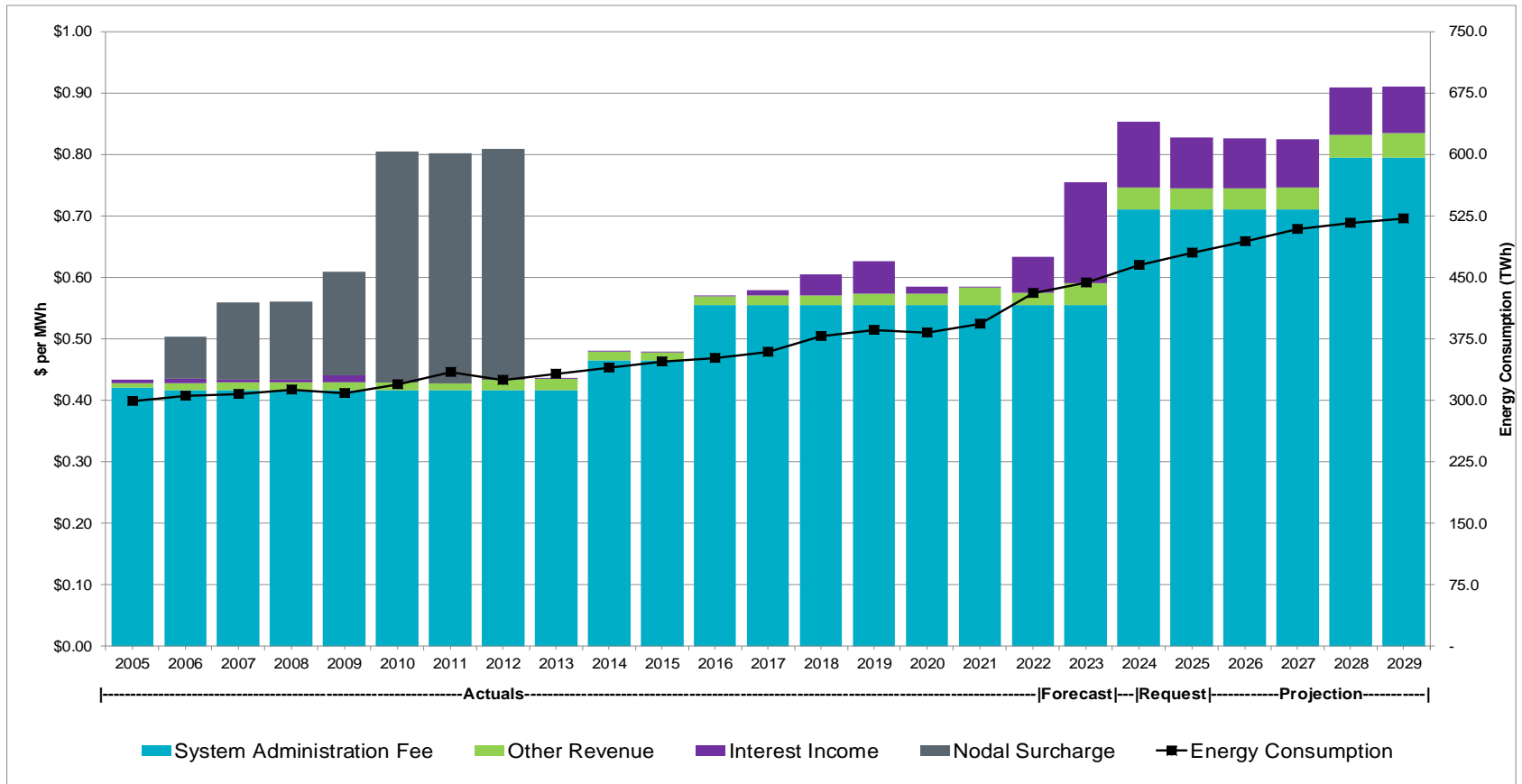
Line	Revenues	2022		2023				2024		2025		2026		2027		2028		2029	
		Actual		Budget		Forecast		Request		Request		Projections		Projections		Projections		Projections	
		\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
1	System Administration Fee (SAF)	\$ 239.2	96.5%	\$ 240.9	92.2%	\$ 245.9	93.9%	\$ 330.1	95.2%	\$ 340.8	95.3%	\$ 350.9	95.3%	\$ 360.9	95.2%	\$ 410.6	95.5%	\$ 414.4	95.3%
2	User Fees																		
3	Generation Interconnection Request (GINR)	1.4	0.5%	3.7	1.4%	4.5	1.7%	5.3	1.5%	5.3	1.5%	5.6	1.5%	5.9	1.6%	6.2	1.4%	6.6	1.5%
4	Wide Area Network (WAN)	3.1	1.3%	3.4	1.3%	4.3	1.6%	4.6	1.3%	4.5	1.3%	4.8	1.3%	5.0	1.3%	5.3	1.2%	5.6	1.3%
5	Weatherization Inspection	0.9	0.4%	10.6	4.0%	3.3	1.2%	3.1	0.9%	3.2	0.9%	3.3	0.9%	3.5	0.9%	3.7	0.9%	3.9	0.9%
6	Full Interconnection Study (FIS)	1.3	0.5%	1.8	0.7%	1.3	0.5%	1.0	0.3%	1.0	0.3%	1.0	0.3%	1.1	0.3%	1.1	0.3%	1.2	0.3%
7	Training	0.2	0.1%	0.7	0.3%	0.7	0.3%	0.7	0.2%	0.7	0.2%	0.8	0.2%	0.8	0.2%	0.9	0.2%	0.9	0.2%
8	Membership	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%	0.3	0.1%
9	Registration/Application	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%
10	Information Request	0.0	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
11	User Fees Total	7.2	2.9%	20.5	7.8%	14.3	5.5%	\$ 15.0	4.3%	\$ 15.0	4.2%	15.8	4.3%	16.7	4.4%	17.6	4.1%	18.6	4.3%
12	Other Revenues																		
13	SPE Servicing and Administration	1.3	0.5%	-	0.0%	1.7	0.6%	1.7	0.5%	1.7	0.5%	1.7	0.5%	1.7	0.4%	1.7	0.4%	1.7	0.4%
14	Miscellaneous	0.0	0.0%	-	0.0%	0.0	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
15	Total Revenues	\$ 247.8	100.0%	\$ 261.3	100.0%	\$ 261.9	100.0%	\$ 346.8	100.0%	\$ 357.4	100.0%	\$ 368.4	100.0%	\$ 379.3	100.0%	\$ 429.8	100.0%	\$ 434.7	100.0%

Key Takeaway: The System Administration Fee is projected to provide approximately 95% of ERCOT's revenues, the next largest source is less than 2%



Review Proposed 2024-2025 Biennial Budget

Management Recommended Revenue Trends – Option 1

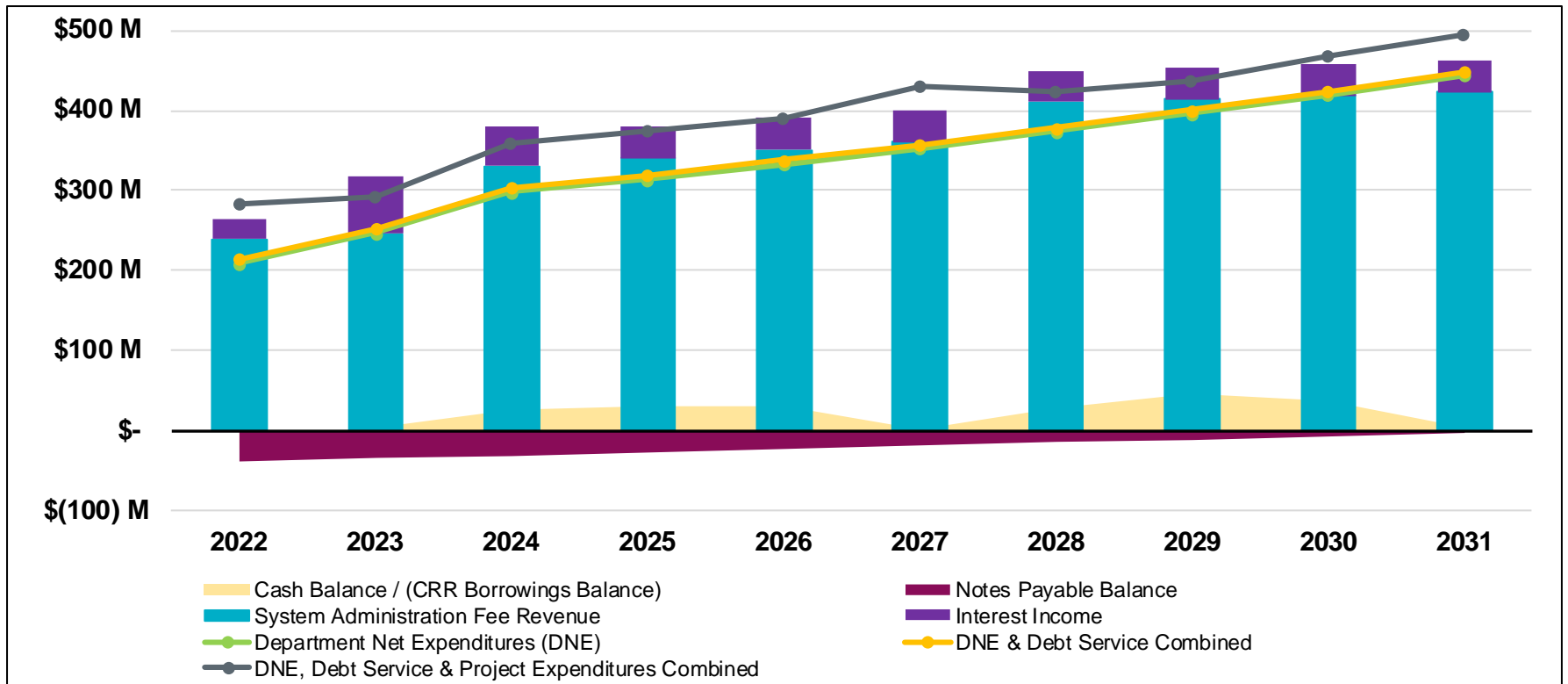


Note: Reliability Organization Assessment excluded

Key Takeaway: Trend shows a gradual increase in load with few exceptions, along with a step-up of the SAF rate. Additionally, from 2013-2023, ERCOT recovered costs at a lower \$/MWh level than the maximum three years of the Nodal Implementation Surcharge

Review Proposed 2024-2025 Biennial Budget

Management Recommended Budget Projections – Option 1



Key Takeaway: By increasing the SAF rate in 2024 and maintaining it through 2027, we expect to over collect in 2024, match closely in 2025-2026, and under collect in 2027. Similarly, we expect a need to increase the SAF Rate in 2028 and maintain it through 2031, with over collection in 2028-2029 and under collection in 2030-2031



6. Risks to Meeting the 2024-2025 Recommended Budget

1. Sensitivity Analyses

- Department Net Expenditure Growth and Load Growth
- Department Net Expenditure Growth and Project Expenditures
- Department Net Expenditure Growth and Interest Income Rates
- CRR Funding Balance and Interest Income Rates

2. Risks Summary and Mitigation

Risks to Meeting 2024-2025 Recommended Budget

Sensitivity Analyses: Department Net Expenditure Growth and Load Growth

Impact of Variances on Projected 2027 Cash Balance

\$ in Millions, except rates

		CAGR for Four Year Department Net Expenditures (2023-2027)						
		11.00%	10.50%	10.00%	9.30%	9.00%	8.50%	8.00%
CAGR for Four Year Load Growth (2023-2027)	2.00%	\$ (88.5)	\$ (73.3)	\$ (58.2)	\$ (37.5)	\$ (28.4)	\$ (13.8)	\$ 0.7
	2.50%	\$ (75.7)	\$ (60.4)	\$ (45.3)	\$ (24.6)	\$ (15.6)	\$ (0.9)	\$ 13.6
	3.00%	\$ (62.7)	\$ (47.5)	\$ (32.4)	\$ (11.6)	\$ (2.6)	\$ 12.1	\$ 26.6
	3.49%	\$ (49.8)	\$ (34.5)	\$ (19.4)	\$ 1.3	\$ 10.3	\$ 25.0	\$ 39.5
	4.00%	\$ (36.3)	\$ (21.1)	\$ (6.0)	\$ 14.8	\$ 23.8	\$ 38.4	\$ 53.0
	4.50%	\$ (23.0)	\$ (7.7)	\$ 7.4	\$ 28.1	\$ 37.1	\$ 51.8	\$ 66.3
	5.00%	\$ (9.5)	\$ 5.8	\$ 20.9	\$ 41.6	\$ 50.6	\$ 65.3	\$ 79.8

Key Takeaway: Redlined area shows where greater-than-projected department net expenditure growth and lower-than-projected load growth may result in a working capital shortage



Risks to Meeting 2024-2025 Recommended Budget

Sensitivity Analyses: Department Net Expenditure Growth and Project Expenditures Impact of Variances on Projected 2027 Cash Balance

\$ in Millions, except rates

		CAGR for Four Year Department Net Expenditures (2023-2027)						
		11.00%	10.50%	10.00%	9.30%	9.00%	8.50%	8.00%
Average Annual Project Expenditures (2023-2027)	\$ 64.0	\$ (87.0)	\$ (71.7)	\$ (56.6)	\$ (35.9)	\$ (26.9)	\$ (12.2)	\$ 2.3
	\$ 61.0	\$ (75.0)	\$ (59.7)	\$ (44.6)	\$ (23.9)	\$ (14.9)	\$ (0.2)	\$ 14.3
	\$ 58.0	\$ (63.0)	\$ (47.7)	\$ (32.6)	\$ (11.9)	\$ (2.9)	\$ 11.8	\$ 26.3
	\$ 54.7	\$ (49.8)	\$ (34.5)	\$ (19.4)	\$ 1.3	\$ 10.3	\$ 25.0	\$ 39.5
	\$ 52.0	\$ (39.0)	\$ (23.7)	\$ (8.6)	\$ 12.1	\$ 21.1	\$ 35.8	\$ 50.3
	\$ 49.0	\$ (27.0)	\$ (11.7)	\$ 3.4	\$ 24.1	\$ 33.1	\$ 47.8	\$ 62.3
	\$ 46.0	\$ (15.0)	\$ 0.3	\$ 15.4	\$ 36.1	\$ 45.1	\$ 59.8	\$ 74.3

Key Takeaway: Redlined area shows where greater-than-projected department net expenditure growth and greater-than-projected project expenditures may result in a working capital shortage



Risks to Meeting 2024-2025 Recommended Budget

Sensitivity Analyses: Department Net Expenditure Growth and Interest Income Rates Impact of Variances on Projected 2027 Cash Balance

\$ in Millions, except rates

		CAGR for Four Year Department Net Expenditures (2023-2027)							
		11.00%	10.50%	10.00%	9.30%	9.00%	8.50%	8.00%	
Average Annual Interest Income Rate (2024-2027)	0.50%	\$ (179.8)	\$ (164.6)	\$ (149.5)	\$ (128.7)	\$ (119.7)	\$ (105.1)	\$ (90.5)	
	1.00%	\$ (139.8)	\$ (124.6)	\$ (109.5)	\$ (88.7)	\$ (79.7)	\$ (65.0)	\$ (50.5)	
	1.50%	\$ (99.8)	\$ (84.5)	\$ (69.4)	\$ (48.7)	\$ (39.7)	\$ (25.0)	\$ (10.5)	
	2.13%	\$ (49.8)	\$ (34.5)	\$ (19.4)	\$ 1.3	\$ 10.3	\$ 25.0	\$ 39.5	
	2.50%	\$ (19.7)	\$ (4.5)	\$ 10.6	\$ 31.4	\$ 40.4	\$ 55.0	\$ 69.6	
	3.00%	\$ 20.3	\$ 35.5	\$ 50.6	\$ 71.4	\$ 80.4	\$ 95.0	\$ 109.6	
	3.50%	\$ 60.3	\$ 75.5	\$ 90.6	\$ 111.4	\$ 120.4	\$ 135.1	\$ 149.6	

Key Takeaway: Redlined area shows where greater-than-projected department net expenditure growth and/or lower-than-projected interest income rates may result in a working capital shortage



Risks to Meeting 2024-2025 Recommended Budget

Sensitivity Analyses: CRR Funding Balance and Interest Income Rates

Impact of Variances on Projected 2027 Cash Balance

\$ in Millions, except rates

		Average Annual CRR Funding Balance (2024-2027)									
		\$ 1,250.0	\$ 1,500.0	\$ 1,750.0	\$ 2,000.0	\$ 2,250.0	\$ 2,500.0	\$ 2,750.0			
Average Annual Interest Income Rate (2024-2027)	0.50%	\$ (143.7)	\$ (138.7)	\$ (133.7)	\$ (128.7)	\$ (123.7)	\$ (118.7)	\$ (113.7)			
	1.00%	\$ (118.7)	\$ (108.7)	\$ (98.7)	\$ (88.7)	\$ (78.7)	\$ (68.7)	\$ (58.7)			
	1.50%	\$ (93.7)	\$ (78.7)	\$ (63.7)	\$ (48.7)	\$ (33.7)	\$ (18.7)	\$ (3.7)			
	2.13%	\$ (62.4)	\$ (41.2)	\$ (19.9)	\$ 1.3	\$ 22.6	\$ 43.8	\$ 65.1			
	2.50%	\$ (43.7)	\$ (18.7)	\$ 6.3	\$ 31.3	\$ 56.3	\$ 81.3	\$ 106.3			
	3.00%	\$ (18.7)	\$ 11.3	\$ 41.3	\$ 71.3	\$ 101.3	\$ 131.3	\$ 161.3			
	3.50%	\$ 6.3	\$ 41.3	\$ 76.3	\$ 111.3	\$ 146.3	\$ 181.3	\$ 216.3			

Key Takeaway: Redlined area shows where lower-than-projected CRR funding balance and/or lower-than-projected interest income rates may result in a working capital shortage



Risks to Meeting 2024-2025 Recommended Budget: Risks Summary and Mitigation

Potential Risks

- Higher-than-Projected Cost Inflation
- New Costs
- Lower-than-Projected Load Growth
- Lower-than-Projected Interest Income Rates
- Lower-than-Projected CRR Balance

Mitigation Responses

- Increase Debt and/or ERCOT, Inc.'s Use of CRR Funds
- Increase Fees
- Reduce Department Net Expenditures (e.g., operational efficiencies)
- Reduce Project Expenditures

7. Appendices

- Department Net Expenditures by Spend Type and Project Expenditures
- Department Net Expenditures by Office
- Department Net Expenditures by Office by Spend Type
- Project Summary by Project Type
- Project Priority List Details

Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Spend Type and Project Expenditures

\$ in Millions

ERCOT

Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 Salaries	\$ 109.4	\$ 118.9	\$ 137.7	\$ 172.7	\$ 185.7	\$ 196.8	\$ 208.6	\$ 221.1	\$ 234.4
2 Benefits & Taxes	34.0	38.4	42.5	53.7	57.7	61.2	64.8	68.7	72.8
3 Project Funded Labor	(11.7)	(13.9)	(12.8)	(19.3)	(19.4)	(20.5)	(21.6)	(22.8)	(24.1)
4 Vacancy	-	(4.6)	-	(6.8)	(7.3)	(7.7)	(8.1)	(8.6)	(9.1)
5 Department Labor	\$ 131.6	\$ 138.7	\$ 167.5	\$ 200.3	\$ 216.7	\$ 229.8	\$ 243.7	\$ 258.4	\$ 274.0
6 Materials, Supplies & Equipment	0.7	0.6	0.7	1.3	1.0	1.0	1.1	1.1	1.2
7 HW/SW License & Maintenance	32.8	35.3	35.1	41.8	42.9	45.3	47.8	50.5	53.3
8 Outside Services	24.6	19.7	26.1	35.0	33.5	35.4	37.3	39.4	41.6
9 Utility, Maintenance & Facility	8.9	9.8	13.0	14.3	13.7	14.4	15.2	16.1	17.0
10 Employee Expenses	1.2	2.3	2.9	4.1	4.2	4.4	4.7	5.0	5.2
11 Insurance	12.4	10.2	9.1	10.4	11.8	12.5	13.2	13.9	14.7
12 Other Expenses	3.0	13.4	3.7	4.5	5.2	5.5	5.9	6.2	6.5
13 Department Expense	\$ 215.3	\$ 230.0	\$ 258.0	\$ 311.8	\$ 328.9	\$ 348.3	\$ 368.8	\$ 390.6	\$ 413.6
14 Minor Capital & Common Infrastructure	3.0	1.5	5.2	3.0	2.1	2.2	2.4	2.5	2.6
15 Subtotal - Department Expenditures	\$ 218.3	\$ 231.5	\$ 263.2	\$ 314.8	\$ 331.0	\$ 350.5	\$ 371.2	\$ 393.1	\$ 416.3
16									
17 Department Revenues	\$ (8.6)	\$ (20.5)	\$ (16.0)	\$ (16.7)	\$ (16.6)	\$ (17.5)	\$ (18.4)	\$ (19.3)	\$ (20.3)
18									
19 Total Department Net Expenditures	\$ 209.7	\$ 211.1	\$ 247.2	\$ 298.1	\$ 314.4	\$ 333.1	\$ 352.9	\$ 373.8	\$ 396.0
20									
21 Project Expenditures	54.0	27.1	36.1	37.5	33.0	35.5	72.8	45.0	37.0
22 Market Design Project	-	2.4	2.4	17.0	22.0	17.2	-	-	-
23 MET Center Replacement Project	15.4	-	-	-	-	-	-	-	-
24 Total Project Expenditures	\$ 69.4	\$ 29.5	\$ 38.6	\$ 54.5	\$ 55.0	\$ 52.7	\$ 72.8	\$ 45.0	\$ 37.0
25									
26 Total Expenditures	\$ 279.1	\$ 240.5	\$ 285.7	\$ 352.6	\$ 369.4	\$ 385.8	\$ 425.6	\$ 418.8	\$ 433.0

Schedule may not foot due to rounding.



Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Office

\$ in Millions

Department Net Expenditures										
Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection	
1	Chief Information Office	\$ 83.1	\$ 86.8	\$ 96.5	\$ 108.3	\$ 113.7	\$ 120.4	\$ 127.5	\$ 135.0	\$ 142.9
2	Chief Administrative Office	35.8	37.7	39.5	47.9	51.7	54.8	58.1	61.6	65.2
3	General Counsel	30.2	26.6	33.7	44.0	45.2	47.9	50.7	53.6	56.8
4	System Operations	23.7	23.9	28.0	37.7	40.1	42.5	45.0	47.7	50.6
5	Commercial Operations	15.5	16.8	19.2	22.5	24.1	25.5	27.1	28.7	30.4
6	System Planning & Weatherization	12.8	9.4	18.5	23.5	24.4	25.9	27.5	29.2	31.0
7	Public Affairs	6.9	8.2	8.1	9.6	10.2	10.8	11.4	12.1	12.8
8	Chief Executive Office	1.8	1.7	3.6	4.5	5.0	5.3	5.6	5.9	6.3
9	Total Department Net Expenditures	\$ 209.7	\$ 211.1	\$ 247.2	\$ 298.1	\$ 314.4	\$ 333.1	\$ 352.9	\$ 373.8	\$ 396.0

Notes:

- General Counsel office includes the Governance, Risk & Compliance office and Internal Audit
- Public Affairs office includes Client Services
- Schedule may not foot due to rounding



Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Office by Spend Type

\$ in Millions

Chief Information Office

Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 Salaries	\$ 38.4	\$ 41.5	\$ 45.3	\$ 53.9	\$ 58.1	\$ 61.5	\$ 65.2	\$ 69.1	\$ 73.3
2 Benefits & Taxes	12.1	13.4	14.1	16.8	18.1	19.2	20.3	21.5	22.8
3 Project Funded Labor	(8.7)	(10.0)	(9.6)	(13.7)	(14.0)	(14.8)	(15.6)	(16.5)	(17.4)
4 Vacancy	-	(1.4)	-	(2.1)	(2.3)	(2.4)	(2.5)	(2.7)	(2.8)
5 Department Labor	\$ 41.7	\$ 43.6	\$ 49.8	\$ 54.9	\$ 59.8	\$ 63.5	\$ 67.4	\$ 71.5	\$ 75.8
6 Materials, Supplies & Equipment	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
7 HW/SW License & Maintenance	32.5	34.9	34.7	41.3	42.4	44.7	47.2	49.9	52.7
8 Outside Services	3.7	4.2	5.7	6.8	6.5	6.9	7.3	7.7	8.1
9 Utility, Maintenance & Facility	4.1	4.5	5.1	6.4	5.9	6.2	6.5	6.9	7.3
10 Employee Expenses	0.4	0.7	0.9	1.1	1.1	1.2	1.3	1.3	1.4
11 Insurance	-	-	-	-	-	-	-	-	-
12 Other Expenses	1.0	0.9	0.8	0.9	0.9	1.0	1.1	1.1	1.2
13 Department Expense	\$ 83.4	\$ 88.9	\$ 97.2	\$ 111.5	\$ 116.8	\$ 123.6	\$ 130.9	\$ 138.6	\$ 146.7
14 Minor Capital & Common Infrastructure	2.8	1.2	3.6	1.5	1.5	1.5	1.6	1.7	1.8
15 Subtotal - Department Expenditures	\$ 86.2	\$ 90.1	\$ 100.8	\$ 113.0	\$ 118.2	\$ 125.2	\$ 132.5	\$ 140.3	\$ 148.5
16									
17* Department Revenues	\$ (3.1)	\$ (3.4)	\$ (4.3)	\$ (4.6)	\$ (4.5)	\$ (4.8)	\$ (5.0)	\$ (5.3)	\$ (5.6)
18									
19 Total Department Net Expenditures	\$ 83.1	\$ 86.8	\$ 96.5	\$ 108.3	\$ 113.7	\$ 120.4	\$ 127.5	\$ 135.0	\$ 142.9

* Private Wide-Area Network Fees

Schedule may not foot due to rounding.



Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Office by Spend Type

\$ in Millions

Chief Administrative Office

Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 Salaries	\$ 13.6	\$ 15.3	\$ 18.0	\$ 22.1	\$ 23.0	\$ 24.4	\$ 25.9	\$ 27.5	\$ 29.1
2 Benefits & Taxes	3.8	4.4	5.0	6.2	6.6	7.0	7.4	7.8	8.3
3 Project Funded Labor	(1.8)	(2.5)	(2.1)	(3.6)	(3.6)	(3.8)	(4.0)	(4.2)	(4.4)
4 Vacancy	-	(0.5)	-	(0.9)	(0.9)	(0.9)	(1.0)	(1.0)	(1.1)
5 Department Labor	\$ 15.6	\$ 16.7	\$ 20.9	\$ 23.9	\$ 25.2	\$ 26.7	\$ 28.3	\$ 30.0	\$ 31.9
6 Materials, Supplies & Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 HW/SW License & Maintenance	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
8 Outside Services	6.7	7.3	7.7	9.8	10.2	10.8	11.4	12.0	12.7
9 Utility, Maintenance & Facility	1.7	2.4	1.8	3.1	3.0	3.2	3.3	3.5	3.7
10 Employee Expenses	0.2	0.3	0.5	0.6	0.6	0.6	0.7	0.7	0.8
11 Insurance	12.4	10.2	9.1	10.4	11.8	12.5	13.2	13.9	14.7
12 Other Expenses	0.6	0.6	1.0	1.7	2.5	2.6	2.7	2.9	3.0
13 Department Expense	\$ 37.1	\$ 37.7	\$ 41.2	\$ 49.6	\$ 53.4	\$ 56.5	\$ 59.7	\$ 63.2	\$ 66.9
14 Minor Capital & Common Infrastructure	0.0	-	-	-	-	-	-	-	-
15 Subtotal - Department Expenditures	\$ 37.1	\$ 37.7	\$ 41.2	\$ 49.6	\$ 53.4	\$ 56.5	\$ 59.7	\$ 63.2	\$ 66.9
16									
17* Department Revenues	\$ (1.3)	\$ -	\$ (1.7)	\$ (1.7)	\$ (1.7)	\$ (1.7)	\$ (1.7)	\$ (1.7)	\$ (1.7)
18									
19 Total Department Net Expenditures	\$ 35.8	\$ 37.7	\$ 39.5	\$ 47.9	\$ 51.7	\$ 54.8	\$ 58.1	\$ 61.6	\$ 65.2

* SPE Servicing & Administration, Cyber Monitoring Fees, and Other Miscellaneous

Schedule may not foot due to rounding.



Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Office by Spend Type

\$ in Millions

General Counsel

Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 Salaries	\$ 12.2	\$ 13.3	\$ 14.9	\$ 18.4	\$ 20.5	\$ 21.7	\$ 23.0	\$ 24.4	\$ 25.8
2 Benefits & Taxes	3.9	4.5	4.8	6.0	6.6	7.0	7.4	7.9	8.3
3 Project Funded Labor	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
4 Vacancy	-	(0.6)	-	(0.7)	(0.8)	(0.9)	(0.9)	(1.0)	(1.0)
5 Department Labor	\$ 16.1	\$ 17.2	\$ 19.7	\$ 23.6	\$ 26.2	\$ 27.7	\$ 29.4	\$ 31.2	\$ 33.1
6 Materials, Supplies & Equipment	0.6	0.5	0.5	1.0	0.7	0.8	0.8	0.9	0.9
7 HW/SW License & Maintenance	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3
8 Outside Services	9.8	5.3	6.6	12.1	11.9	12.6	13.3	14.0	14.8
9 Utility, Maintenance & Facility	3.1	2.9	6.0	4.8	4.8	5.1	5.4	5.7	6.0
10 Employee Expenses	0.3	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.7
11 Insurance	-	-	-	-	-	-	-	-	-
12 Other Expenses	0.3	0.2	0.2	0.4	0.4	0.4	0.5	0.5	0.5
13 Department Expense	\$ 30.3	\$ 26.7	\$ 33.6	\$ 42.8	\$ 44.8	\$ 47.5	\$ 50.2	\$ 53.2	\$ 56.3
14 Minor Capital & Common Infrastructure	0.2	0.3	0.4	1.5	0.6	0.7	0.7	0.8	0.8
15 Subtotal - Department Expenditures	\$ 30.5	\$ 26.9	\$ 34.0	\$ 44.3	\$ 45.5	\$ 48.1	\$ 51.0	\$ 53.9	\$ 57.1
16									
17* Department Revenues	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.3)
18									
19 Total Department Net Expenditures	\$ 30.2	\$ 26.6	\$ 33.7	\$ 44.0	\$ 45.2	\$ 47.9	\$ 50.7	\$ 53.6	\$ 56.8

*Membership Dues

Schedule may not foot due to rounding.



Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Office by Spend Type

\$ in Millions

System Operations

Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 Salaries	\$ 17.0	\$ 17.9	\$ 20.6	\$ 28.4	\$ 30.4	\$ 32.3	\$ 34.2	\$ 36.2	\$ 38.4
2 Benefits & Taxes	5.4	5.9	6.5	9.0	9.6	10.2	10.8	11.4	12.1
3 Project Funded Labor	(0.1)	(0.4)	(0.1)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)
4 Vacancy	-	(0.6)	-	(1.1)	(1.2)	(1.3)	(1.3)	(1.4)	(1.5)
5 Department Labor	\$ 22.3	\$ 22.8	\$ 27.0	\$ 35.8	\$ 38.3	\$ 40.6	\$ 43.0	\$ 45.6	\$ 48.4
6 Materials, Supplies & Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 HW/SW License & Maintenance	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
8 Outside Services	0.6	0.1	0.2	0.9	0.7	0.8	0.8	0.8	0.9
9 Utility, Maintenance & Facility	0.0	-	0.0	-	-	-	-	-	-
10 Employee Expenses	0.1	0.3	0.4	0.5	0.5	0.6	0.6	0.6	0.7
11 Insurance	-	-	-	-	-	-	-	-	-
12 Other Expenses	0.8	1.3	1.0	1.2	1.2	1.2	1.3	1.4	1.5
13 Department Expense	\$ 23.9	\$ 24.6	\$ 28.7	\$ 38.5	\$ 40.8	\$ 43.3	\$ 45.9	\$ 48.6	\$ 51.5
14 Minor Capital & Common Infrastructure	-	-	-	-	-	-	-	-	-
15 Subtotal - Department Expenditures	\$ 23.9	\$ 24.6	\$ 28.7	\$ 38.5	\$ 40.8	\$ 43.3	\$ 45.9	\$ 48.6	\$ 51.5
16									
17* Department Revenues	\$ (0.2)	\$ (0.7)	\$ (0.7)	\$ (0.7)	\$ (0.7)	\$ (0.8)	\$ (0.8)	\$ (0.9)	\$ (0.9)
18									
19 Total Department Net Expenditures	\$ 23.7	\$ 23.9	\$ 28.0	\$ 37.7	\$ 40.1	\$ 42.5	\$ 45.0	\$ 47.7	\$ 50.6

*Operations Training Seminar Registration Fees & Blackstart Training Registration Fees

Schedule may not foot due to rounding.



Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Office by Spend Type

\$ in Millions

Commercial Operations

Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 Salaries	\$ 11.4	\$ 13.4	\$ 13.7	\$ 17.4	\$ 18.8	\$ 19.9	\$ 21.1	\$ 22.4	\$ 23.7
2 Benefits & Taxes	3.7	4.4	4.4	5.6	6.0	6.4	6.8	7.2	7.6
3 Project Funded Labor	(0.6)	(0.8)	(0.6)	(0.8)	(0.8)	(0.8)	(0.9)	(0.9)	(1.0)
4 Vacancy	-	(0.9)	-	(0.7)	(0.7)	(0.8)	(0.8)	(0.9)	(0.9)
5 Department Labor	\$ 14.5	\$ 16.1	\$ 17.5	\$ 21.5	\$ 23.3	\$ 24.7	\$ 26.2	\$ 27.7	\$ 29.4
6 Materials, Supplies & Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 HW/SW License & Maintenance	0.0	-	0.0	-	-	-	-	-	-
8 Outside Services	0.7	0.3	1.1	0.6	0.5	0.5	0.6	0.6	0.6
9 Utility, Maintenance & Facility	-	-	-	-	-	-	-	-	-
10 Employee Expenses	0.1	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
11 Insurance	-	-	-	-	-	-	-	-	-
12 Other Expenses	0.2	0.2	0.4	0.1	0.0	0.0	0.0	0.0	0.1
13 Department Expense	\$ 15.5	\$ 16.8	\$ 19.2	\$ 22.5	\$ 24.1	\$ 25.5	\$ 27.1	\$ 28.7	\$ 30.4
14 Minor Capital & Common Infrastructure	-	-	-	-	-	-	-	-	-
15 Subtotal - Department Expenditures	\$ 15.5	\$ 16.8	\$ 19.2	\$ 22.5	\$ 24.1	\$ 25.5	\$ 27.1	\$ 28.7	\$ 30.4
16									
17 Department Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18									
19 Total Department Net Expenditures	\$ 15.5	\$ 16.8	\$ 19.2	\$ 22.5	\$ 24.1	\$ 25.5	\$ 27.1	\$ 28.7	\$ 30.4

Schedule may not foot due to rounding.



Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Office by Spend Type

\$ in Millions

System Planning & Weatherization

Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 Salaries	\$ 10.8	\$ 10.9	\$ 16.6	\$ 21.9	\$ 23.4	\$ 24.8	\$ 26.3	\$ 27.9	\$ 29.6
2 Benefits & Taxes	3.5	3.7	5.4	7.1	7.6	8.1	8.6	9.1	9.6
3 Project Funded Labor	(0.3)	(0.1)	(0.2)	(0.5)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)
4 Vacancy	-	(0.4)	-	(0.9)	(0.9)	(1.0)	(1.0)	(1.1)	(1.2)
5 Department Labor	\$ 14.0	\$ 14.1	\$ 21.8	\$ 27.6	\$ 29.8	\$ 31.5	\$ 33.4	\$ 35.5	\$ 37.6
6 Materials, Supplies & Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 HW/SW License & Maintenance	0.0	-	0.0	-	-	-	-	-	-
8 Outside Services	2.1	1.0	3.9	4.0	3.0	3.1	3.3	3.5	3.7
9 Utility, Maintenance & Facility	0.0	0.0	0.0	-	-	-	-	-	-
10 Employee Expenses	0.1	0.2	0.4	0.9	1.0	1.0	1.1	1.1	1.2
11 Insurance	-	-	-	-	-	-	-	-	-
12 Other Expenses	0.1	10.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
13 Department Expense	\$ 16.3	\$ 25.4	\$ 26.3	\$ 32.7	\$ 33.8	\$ 35.8	\$ 38.0	\$ 40.2	\$ 42.6
14 Minor Capital & Common Infrastructure	0.0	-	1.2	0.1	0.0	0.0	0.0	0.0	0.0
15 Subtotal - Department Expenditures	\$ 16.3	\$ 25.4	\$ 27.4	\$ 32.8	\$ 33.9	\$ 35.9	\$ 38.0	\$ 40.3	\$ 42.7
16									
17* Department Revenues	\$ (3.5)	\$ (16.1)	\$ (9.0)	\$ (9.3)	\$ (9.4)	\$ (9.9)	\$ (10.5)	\$ (11.1)	\$ (11.7)
18									
19 Total Department Net Expenditures	\$ 12.8	\$ 9.4	\$ 18.5	\$ 23.5	\$ 24.4	\$ 25.9	\$ 27.5	\$ 29.2	\$ 31.0

*Generation Interconnection Study Fees & Inspection User Fees

Schedule may not foot due to rounding.



Review Proposed 2024-2025 Biennial Budget

Department Net Expenditures by Office by Spend Type

\$ in Millions

Public Affairs

Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection
1 Salaries	\$ 4.4	\$ 5.2	\$ 5.7	\$ 6.7	\$ 7.3	\$ 7.7	\$ 8.2	\$ 8.7	\$ 9.2
2 Benefits & Taxes	1.4	1.7	1.8	2.1	2.3	2.4	2.6	2.7	2.9
3 Project Funded Labor	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
4 Vacancy	-	(0.2)	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)
5 Department Labor	\$ 5.7	\$ 6.6	\$ 7.4	\$ 8.6	\$ 9.3	\$ 9.8	\$ 10.4	\$ 11.0	\$ 11.7
6 Materials, Supplies & Equipment	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
7 HW/SW License & Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8 Outside Services	1.2	1.5	0.6	0.8	0.7	0.7	0.7	0.8	0.8
9 Utility, Maintenance & Facility	-	-	-	-	-	-	-	-	-
10 Employee Expenses	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
11 Insurance	-	-	-	-	-	-	-	-	-
12 Other Expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
13 Department Expense	\$ 7.0	\$ 8.3	\$ 8.2	\$ 9.7	\$ 10.2	\$ 10.8	\$ 11.5	\$ 12.2	\$ 12.9
14 Minor Capital & Common Infrastructure	-	-	-	-	-	-	-	-	-
15 Subtotal - Department Expenditures	\$ 7.0	\$ 8.3	\$ 8.2	\$ 9.7	\$ 10.2	\$ 10.8	\$ 11.5	\$ 12.2	\$ 12.9
16									
17* Department Revenues	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)
18									
19 Total Department Net Expenditures	\$ 6.9	\$ 8.2	\$ 8.1	\$ 9.6	\$ 10.2	\$ 10.8	\$ 11.4	\$ 12.1	\$ 12.8

*Market Participant Registration Fees

Schedule may not foot due to rounding.



Review Proposed 2024-2025 Biennial Budget

Project Summary by Project Type

\$ in Millions

Project Expenditures										
Line	2022 Actual	2023 Budget	2023 Forecast	2024 Request	2025 Request	2026 Projection	2027 Projection	2028 Projection	2029 Projection	
1	Regulatory	\$ 3.0	\$ 2.0	\$ 0.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 2.0	\$ 2.0	\$ 3.0
2	Revision Requests	3.7	1.5	4.0	3.0	3.0	3.5	4.5	5.0	5.0
3	Internal Enhancements	6.4	2.6	8.5	11.5	11.5	13.0	11.3	11.3	11.0
4	Software Technical Health	10.5	9.9	13.0	10.0	10.0	10.5	11.0	11.8	13.0
5	IT Infrastructure	30.5	10.7	10.1	11.5	7.0	7.0	44.0	15.0	5.0
6	Market Design Project	-	2.4	2.4	17.0	22.0	17.2	-	-	-
7	MET Center Replacement Project	15.4	-	-	-	-	-	-	-	-
8	Total Project Expenditures	\$ 69.4	\$ 29.5	\$ 38.6	\$ 54.5	\$ 55.0	\$ 52.7	\$ 72.8	\$ 45.0	\$ 37.0

Schedule may not foot due to rounding



Review Proposed 2024-2025 Biennial Budget

Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
1	Regulatory	Securitization Phase 3	\$500k-\$1M	\$1M-\$2M
2	Regulatory	Creation of Direct Current Tie Operator Market Participant Role (NPRR857)	\$100k-\$250k	\$250k-\$500k
3	Regulatory	CAT/PUC-Report CAT	\$100k-\$250k	-
4	Regulatory	NERC FAC Standards Alignment	\$100k-\$250k	-
5	Regulatory	Securitization Phase 2A - Maine Invoice and Credit Exposure	<\$50k	-
6	Regulatory	Additional Regulatory Funding - 2024/2025	\$100k-\$250k	\$100k-\$250k

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
7	Revision Requests	NPRR1014 BESTF-4 Energy Storage Resource Single Model	\$1M-\$2M	\$1M-\$2M
8	Revision Requests	NPRR1095 TX SET 5_0 and SCR817 MarkeTrak Validation Revisions Aligning with Texas SET V5.0	\$500k-\$1M	<\$50k
9	Revision Requests	SCR818 Phase 2 Changes to Incorporate GIC Modeling Data into Existing Modeling Applications	\$100k-\$250k	\$100k-\$250k
10	Revision Requests	NPRR863 Creation of ERCOT Contingency Reserve Service (ECRS)	\$100k-\$250k	-
11	Revision Requests	SCR820 Operator Real-Time Messaging During Emergency	\$100k-\$250k	-
12	Revision Requests	NPRR1023 Change to CRR Repossession Process	\$100k-\$250k	-
13	Revision Requests	NPRR936 CRR Account Holder Limits	\$100k-\$250k	-
14	Revision Requests	SCR799 ERCOT Outage Study Cases in the System Operations Test Environment (SOTE)	\$100k-\$250k	-
15	Revision Requests	SCR819 Improving IRR Control to Manage GTC Stability Limits	\$50k-\$100k	-
16	Revision Requests	NOGRR226 Addition of Supplemental UFLS Stages	\$50k-\$100k	-
17	Revision Requests	NPRR879 SCED Base Point Base Point Deviation and Performance Evaluation Changes for IRRs that Carry Ancillary Services	\$50k-\$100k	-
18	Revision Requests	NPRR904 Revisions to Real-Time On-Line Reliability Deployment Price Adder for ERCOT-Directed Actions Related to DC Ties and to Correct Design Flaws	<\$50k	\$100k-\$250k
19	Revision Requests	NPRR1026 BESTF-7 Self-Limiting Facilities	<\$50k	\$100k-\$250k
20	Revision Requests	NPRR930 Process Pricing and Cost Recovery for Delayed Resource Outages	<\$50k	-
21	Revision Requests	SCR789 Update NMMS Topology Processor to PSS_E 34 (35) Capability – Phase 2	<\$50k	-
22	Revision Requests	SCR807 Increase CRR Transaction Capability and SCR816 CRR Auction Bid Credit Enhancement Implementation	<\$50k	-



Review Proposed 2024-2025 Biennial Budget

Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
23	Revision Requests	NPRR1121 Add a Posting Requirement to the Exceptional Fuel Cost Submission Process	<\$50k	-
24	Revision Requests	NPRR1058 Resource Offer Modernization	<\$50k	-
25	Revision Requests	NPRR1091 Changes to Address Market Impacts of Additional Non-Spin Procurement	<\$50k	-
26	Revision Requests	NPRR1092 Reduce RUC Offer Floor and Limit RUC Opt-Out Provision	<\$50k	-
27	Revision Requests	NPRR1098 DC Tie Reactive Power Capability Requirements	<\$50k	-
28	Revision Requests	NPRR1131 Controllable Load Resource Participation in Non-Spin	<\$50k	-
29	Revision Requests	NPRR1149 Implementation of Systematic Ancillary Service Failed Quantity Charges	<\$50k	-
30	Revision Requests	SCR813 NMMS Jointly-Rated Equipment Coordination Confirmation	<\$50k	-
31	Revision Requests	SCR821 Voltage Set Point Target Information for DGR or DESR	<\$50k	-
32	Revision Requests	NPRR941 Create a Lower Rio Grande Valley Hub	-	\$250k-\$500k
33	Revision Requests	NPRR1019 Pricing and Settlement Changes for Switchable Generation Resources (SWGRs) Instructed to Switch to ERCOT	-	\$100k-\$250k
34	Revision Requests	NPRR826 Mitigated Offer Caps for RMR Resources	-	\$100k-\$250k
35	Revision Requests	NPRR1020 - Allow Some Integrated Energy Storage Designs to Calculate Internal Loads - Data Agg portion	-	<\$50k

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
36	Internal Enhancements	Data Virtualization	\$500k-\$1M	\$500k-\$1M
37	Internal Enhancements	Outage Scheduler Modernization	\$500k-\$1M	\$500k-\$1M
38	Internal Enhancements	CMM (Credit Monitoring and Management) Phase 2	\$500k-\$1M	<\$50k
39	Internal Enhancements	NMMS IMM Schema upgrade to CIM 16	\$500k-\$1M	<\$50k
40	Internal Enhancements	Treasury Management System	\$500k-\$1M	<\$50k
41	Internal Enhancements	Energy Optimization Tool	\$500k-\$1M	-
42	Internal Enhancements	Future Case Builder	\$500k-\$1M	-
43	Internal Enhancements	Gas Monitoring Tool	\$500k-\$1M	-
44	Internal Enhancements	Metadata Auto-Tagging	\$500k-\$1M	-
45	Internal Enhancements	User Behavior Analytics	\$500k-\$1M	-



Review Proposed 2024-2025 Biennial Budget

Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
46	Internal Enhancements	CMM (Credit Monitoring and Management) Phase 3	\$250k-\$500k	\$250k-\$500k
47	Internal Enhancements	Data Governance Framework	\$250k-\$500k	\$250k-\$500k
48	Internal Enhancements	Modernize RUC	\$250k-\$500k	\$250k-\$500k
49	Internal Enhancements	Operational Data Interface	\$250k-\$500k	\$250k-\$500k
50	Internal Enhancements	Test Data Management	\$250k-\$500k	\$250k-\$500k
51	Internal Enhancements	Flexible Resource Monitoring and Forecasting	\$250k-\$500k	\$100k-\$250k
52	Internal Enhancements	API 2.0 Secure & Cert. Data	\$250k-\$500k	-
53	Internal Enhancements	Enhanced Access Monitoring	\$250k-\$500k	-
54	Internal Enhancements	Expand Information Governance Capabilities with ECMS (Enterprise Content Management System)	\$250k-\$500k	-
55	Internal Enhancements	Service Management - CMDB	\$250k-\$500k	-
56	Internal Enhancements	Tracing & Unit Tests	\$250k-\$500k	-
57	Internal Enhancements	Workday to Identity Management Integration Enhancements	\$250k-\$500k	-
58	Internal Enhancements	GridGeo Blackstart - Advanced OTS	\$250k-\$500k	-
59	Internal Enhancements	Internal Operator Logging	\$100k-\$250k	\$100k-\$250k
60	Internal Enhancements	Migrate Load Forecasts	\$100k-\$250k	\$100k-\$250k
61	Internal Enhancements	Online Replacement	\$100k-\$250k	\$100k-\$250k
62	Internal Enhancements	Replace NDCRC (Replace Net Dependable Capability and Reactive Capability)	\$100k-\$250k	\$100k-\$250k
63	Internal Enhancements	Service Management - Asset Mgmt	\$100k-\$250k	\$100k-\$250k
64	Internal Enhancements	Reactive Power Coordination	\$100k-\$250k	\$100k-\$250k
65	Internal Enhancements	Confluence Retention	\$100k-\$250k	<\$50k
66	Internal Enhancements	ECMS (Enterprise Content Management System) and Office365 Integration	\$100k-\$250k	-
67	Internal Enhancements	External Load Forecast	\$100k-\$250k	-
68	Internal Enhancements	Federated Search	\$100k-\$250k	-
69	Internal Enhancements	Improve data processing & query optimization	\$100k-\$250k	-
70	Internal Enhancements	Service Management – CSM Phase 2 - MPs	\$100k-\$250k	-



Review Proposed 2024-2025 Biennial Budget

Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
71	Internal Enhancements	SharePoint Event-Driven Retention Labels	\$100k-\$250k	-
72	Internal Enhancements	Website Search as a Service	\$100k-\$250k	-
73	Internal Enhancements	Siebel Lifecycle	\$50k-\$100k	\$50k-\$100k
74	Internal Enhancements	ERCOT Website Redesign	\$50k-\$100k	-
75	Internal Enhancements	PSS/E 36 Upgrade	\$50k-\$100k	-
76	Internal Enhancements	E-Discovery	<\$50k	\$100k-\$250k
77	Internal Enhancements	Additional Internal Enhancement Funding - 2024/2025	<\$50k	<\$50k
78	Internal Enhancements	Service Management - Change Mgmt	<\$50k	-
79	Internal Enhancements	Forecast Presentation Platform (FPP)	<\$50k	-
80	Internal Enhancements	Retail API Redesign	<\$50k	-
81	Internal Enhancements	Automation of Mothballed Status & Seasonal Operation Period	<\$50k	-
82	Internal Enhancements	Grid Geo - Off-Site Training OTS	-	\$500k-\$1M
83	Internal Enhancements	GridGeo - Additional Layers	-	\$500k-\$1M
84	Internal Enhancements	GridGeo Analysis/Playback	-	\$500k-\$1M
85	Internal Enhancements	Project and Portfolio Database	-	\$500k-\$1M
86	Internal Enhancements	RIOO Connectivity	-	\$250k-\$500k
87	Internal Enhancements	TRACE Reporting	-	\$250k-\$500k
88	Internal Enhancements	Automate Quarterly Access Reviews	-	\$100k-\$250k
89	Internal Enhancements	Cloud Migration & Data Warehouse Modernization	-	\$100k-\$250k
90	Internal Enhancements	Cond. Contingency Def.	-	\$100k-\$250k
91	Internal Enhancements	Dynamic Ancillary Service Quantities	-	\$100k-\$250k
92	Internal Enhancements	MAGE (Modeling and Graphic Editor) Upgrade 2025	-	\$100k-\$250k
93	Internal Enhancements	NMMS Usability Enhancements	-	\$100k-\$250k
94	Internal Enhancements	Self Service RSA	-	\$100k-\$250k
95	Internal Enhancements	Service Management - Event Mgmt	-	\$100k-\$250k



Review Proposed 2024-2025 Biennial Budget

Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
96	Software Technical Health	SQL Server Upgrade 2024	\$500k-\$1M	\$100k-\$250k
97	Software Technical Health	CMM Upgrade	\$500k-\$1M	-
98	Software Technical Health	Control Video Wall BCC1	\$500k-\$1M	-
99	Software Technical Health	Asset Tracking	\$500k-\$1M	-
100	Software Technical Health	Tech Refresh - MMS OS RHEL Migration	\$500k-\$1M	-
101	Software Technical Health	MMS/OS Refresh 2026	\$250k-\$500k	\$500k-\$1M
102	Software Technical Health	Monitoring of Baselines	\$250k-\$500k	\$500k-\$1M
103	Software Technical Health	MPIM (Market Participant Identity Management) MFA	\$250k-\$500k	\$250k-\$500k
104	Software Technical Health	Siebel Upgrade	\$250k-\$500k	\$250k-\$500k
105	Software Technical Health	DTR UI Rewrite	\$250k-\$500k	\$100k-\$250k
106	Software Technical Health	ERCOT WAN (Wide-Area Network) Replacement	\$250k-\$500k	\$100k-\$250k
107	Software Technical Health	APE Technical Health Improvements	\$250k-\$500k	-
108	Software Technical Health	DB OEM Upgrade	\$250k-\$500k	-
109	Software Technical Health	ETAG & MMS/OS RHEL Upgrade	\$250k-\$500k	-
110	Software Technical Health	Tech Health – MPIM (Market Participant Identity Management)	\$250k-\$500k	-
111	Software Technical Health	MarkeTrak Refresh 2024	\$100k-\$250k	\$100k-\$250k
112	Software Technical Health	Database Upgrade 2024	\$100k-\$250k	\$100k-\$250k
113	Software Technical Health	Data Manager Upgrade	\$100k-\$250k	-
114	Software Technical Health	Grid Conditions Communications	\$100k-\$250k	-
115	Software Technical Health	Security Scanning Refresh	\$100k-\$250k	-
116	Software Technical Health	EMS (Energy Management System) Upgrade	\$100k-\$250k	-
117	Software Technical Health	Centralized Account Management	\$50k-\$100k	\$250k-\$500k
118	Software Technical Health	NMMS (Network Model Management System) Upgrade	\$50k-\$100k	-
119	Software Technical Health	Tech Health: ListServ Cloud Upgrade	\$50k-\$100k	-



Review Proposed 2024-2025 Biennial Budget

Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
120	Software Technical Health	Tech Refresh - Integration Upgrade	\$50k-\$100k	-
121	Software Technical Health	Tech Refresh - Identity Management 2023	<\$50k	-
122	Software Technical Health	CRR Refresh 2025	-	\$250k-\$500k
123	Software Technical Health	Grid Geo - Database Upgrade	-	\$250k-\$500k
124	Software Technical Health	FlighTrak Refresh 2025	-	\$100k-\$250k
125	Software Technical Health	Tech Foundation -Software Technical Health Expected to be Approved in 2024/2025	\$1M-\$2M	\$3M-\$5M

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
126	IT Infrastructure	Second iTest Environment	\$10M-\$15M	\$3M-\$4M
127	IT Infrastructure	DC5 Network Core	\$500k-\$1M	\$500k-\$1M
128	IT Infrastructure	DC5 AIX Migrations to Linux	\$500k-\$1M	-
129	IT Infrastructure	DC5 Application Migrations	<\$50k	\$250k-\$500k
130	IT Infrastructure	DC5 Program Control	<\$50k	<\$50k
131	IT Infrastructure	Common Infrastructure	(\$2M-\$3M)	(\$2M-\$3M)
132	IT Infrastructure	Additional IT Infrastructure Funding - 2024/2025	\$500k-\$1M	\$2M-\$3M

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
133	Market Design Project	Real-Time Co-Optimization (NPRR1007-NPRR1013, NPRR1014, NPRR1029)	\$15M-\$20M	\$20M-\$25M
134	Market Design Project	PUCT Phase 2 Initiatives	\$1M-\$2M	\$1M-\$2M

