



## Item 5: CEO Update

*Pablo Vegas*

ERCOT President and Chief Executive Officer

Board of Directors Meeting

ERCOT Public

June 20, 2023

# Overview

- **Purpose**

This presentation recaps ERCOT's recent Operations activity and highlights strategic areas of focus

- **Voting Items / Requests**

No action is requested of the Board; for discussion only

- **Key Takeaways**

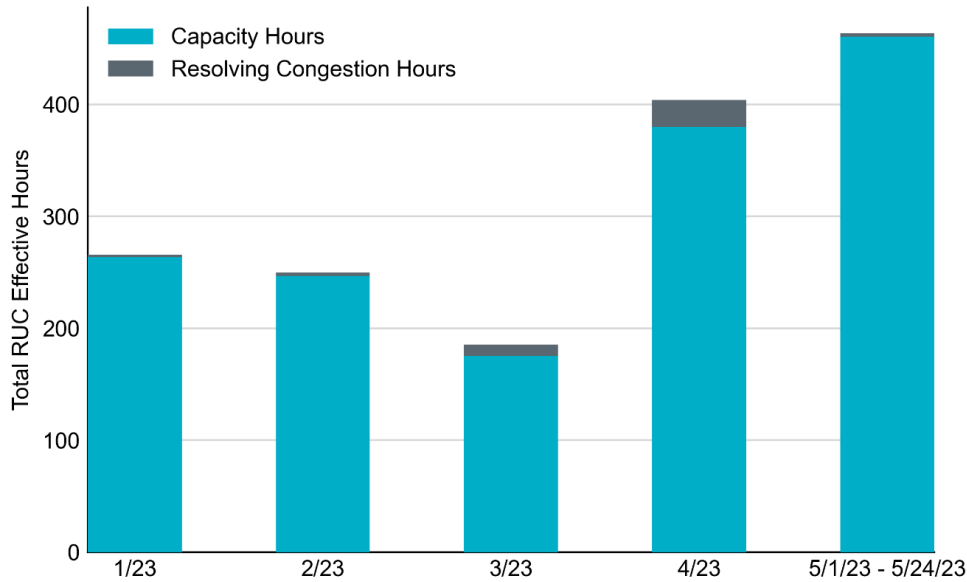
- ERCOT continues to utilize frequent Advanced Action Notices and Reliability Unit Commitments to maintain grid reliability
- Legislative session concluded with several key bills impacting ERCOT and Market Participants. HB1500 and SB2627 both have market implications
- ERCOT launched TXANS, a new communication tool, and ECRS, a new Ancillary Service
- Hurricane season preparedness and weatherization inspections ongoing

## Legislative Update

- Regular Session began January 10, ended May 29 (140 Days)
- More than 250 bills were filed relating to Energy, Public Utility Commission (PUC) or ERCOT
- HB1500 contains market redesign elements and continues the PUC, Office of Public Utility Counsel, and ERCOT
- SB2627 relates to funding mechanisms to support the construction, maintenance, modernization, and operation of electric generating facilities
- A special Session was called on May 29 to address property tax relief and border security
  - No topics involving electricity or ERCOT expected in special sessions

**Key Takeaway:** ERCOT, the Legislature, and PUC share the goal to keep the grid reliable, resilient, and affordable. We are analyzing the suite of electric-related legislation passed to understand what changes are required and their effect on grid operations.

# RUC Summary/AANs Issued



**Key Takeaway:** ERCOT issued several Advanced Action Notices (AANs) to ensure sufficient capacity remained available through the spring outage season.

108.7 effective Reliability Unit Commitment (RUC) Resource-hours in May were due to OSA VDIs for one Resource (SANDHSYD\_CC1).

AAN Issued	Amount	Effective
3/16	3,071 MW	3/20, HE 0700 - HE 1000
3/29	7,808 MW	4/4, HE 1600 - HE 2300
4/20	1,720 MW	4/21, HE 2000 - HE 2100
5/3	2,900 MW	5/5, HE 1500 - HE 2100
5/4	3,380 MW	5/8 – 5/10, HE 1600 – HE 2100 each day
5/11	4,500 MW	5/15 – 5/17, HE 1500 - HE 2200 each day
5/16	3,000 MW	5/19, HE 1600 - HE 1900
6/5	586 MW	6/7 – 6/9, HE 1700 – HE 2000



# ERCOT Contingency Reserve Service (ECRS)

- June 10 procurements began
- 1<sup>st</sup> new daily procured Ancillary Service in 20 years
- Necessary addition because load and generation are constantly changing due to:
  - Daily load patterns
  - Instantaneous load variation
  - Changes in variable generation output
  - Generators tripping offline

## Ancillary Service Products

- **Regulation Service (Reg Up and Reg Down)**
  - Reserved capacity deployed every 4 seconds to balance supply and demand and maintain frequency close to 60Hz between 5-minute SCED runs
- **Responsive Reserve Service (RRS)**
  - Reserved capacity procured to respond to low frequency events typically triggered by generating unit trips
- **ERCOT Contingency Reserve Service (ECRS)**
  - Capacity that can be started in 10 minutes to cover forecast errors or ramps and replace deployed reserves
- **Non-Spinning Reserve Service (Non-Spin)**
  - Capacity that can be started in 30 minutes to cover forecast errors, forced outages or ramps, and replace deployed reserves until additional resources can be committed

## Key Takeaways

- 2,073 average procured MW/hour
- \$25.26 average procured price

# Weatherization/Summer Season/Hurricane Preparation

- Implementing weather emergency preparation measures reasonably expected to ensure sustained operations during winter and summer weather conditions
- Submit detailed compliance report to PUC by June 20, addressing whether each generation entity and transmission service provider has submitted the declaration on time, late, or not at all
- 1,098 cumulative inspections to date, well ahead of the required rate
- System Operations Training team providing ERCOT staff detailed hurricane training, including a simulation scenario
- ERCOT holding a severe weather drill (hurricane) with Market Participants

**Key Takeaway:** ERCOT has initiated summer weatherization inspections and anticipates inspecting approximately 500 facilities between June and September, exceeding compliance requirements of the Weather Emergency Preparedness rule.

# Communications Update

- Launched TXANS, a new communication tool to inform the public on grid conditions
- More than 2,100 signed up to receive TXANS notifications in the first week
- Emergency Alert sign ups also increased
- Extensive media coverage
- Social Media Metrics (Facebook, Twitter, LinkedIn)
  - **Impressions:** 82,962 (**up** 295.3%)
  - **Engagements:** 3,575 (**up** 247.1%)
  - **Link Clicks:** 802 (**up** 174.7%)
  - **Audience Gained:** 133 (**up** 62.2%)



**Key Takeaway:** New dashboards and the Texas Advisory Notification System (TXANS) are examples of ERCOT's commitment to keep Texans informed.

# Employee Recognition

Thank you to all the ERCOT employees who participated in and made the ECRS deployment possible!

## ECRS

Jeanette Agron

Veera Balasubramanian

Kauh Biyani

Scott Bolling

Leo Castillo Jian Chen

Uday Kiran Chennapragada

Dean Cortez

Abhi Masanna Gari

Karthik Gopinath

Sruthi Hariharan

Lloyd Haskins

Ron Hernandez

Keely Hilton

Fatima Himani

Luis Hinojosa

Susan Jinright

Ryan King

Rao Kondapalli

Steve Krein

Sathyanarayan Krishnan

Shawn Lai

Steven Lang

Jamie Lavas

Katherine Li

Paul Li

Yu Li

Judy Luu

Yong Ma

Dave Maggio

Nitika Mago

Preethi Meher Malla

Srinivas Maracany

Vikram Maripeddi

Kevin McGarrahan

Matt Mereness

Norma Mester

Shireesha Methuku

John Michael

Angela Michelsen

Alfredo Moreno

Sarada Potluri

Tejaswi Potluri

Sidharth Rajagopalan

Aishwarya Rana

Chandrakanth Ranganathan

Nathan Smith

Venkata Tirupati

Ravi Tummala

Padma Veluservai

Rachel Villarreal

Denise Xu

Xiangjun Xu



## Employee Recognition

Thank you to the following ERCOT employees for their work on these recent projects: TXANS and 88<sup>th</sup> Legislature!

### TXANS

Marcos Benavides  
Robert Black  
Bernie Corpus  
Shad Chancey  
Penney Christian  
Scotty Clifton  
Olga Finneran  
Fausto Garcia  
Bryan Hanley  
Jimmy Hartman  
Julie House  
Blane Johnson  
Charles King  
Jason Lassiter  
Kirby Lee

Amy Lofton  
Olha Lyakhovets  
Mike McCarty  
Mark Miner  
Jimmy Mizell  
Sam Mogerman  
Priyanka Parthasarathy  
Christy Penders  
Charlotte Schuster  
Zach Tufenkjian  
Daniel Vazquez  
Trudi Webster  
Dan Woodfin

### 88<sup>th</sup> Legislature

Nathan Bigbee  
Robert Black  
Davida Dwyer  
Dave Maggio  
Kenan Ögelman  
Woody Rickerson  
Chad Seely  
Zach Tufenkjian  
Ben Utley  
Dan Woodfin