



**The Finance and Audit (F&A) Committee is
expected to consider
F&A Committee Agenda Item 5:**

***Recommendation regarding 2024-2025
Budget and Fee***

at its meeting on June 19, 2023.

**The Board of Directors is expected to hear
the F&A Committee's recommendation on
this matter as part of the
F&A Committee Report
at the Board meeting
on June 20, 2023.**

**Attached are the Board and Committee
materials in relation to these agenda items.**



Item 5: Recommendation regarding 2024-2025 Budget and Fee

Sean Taylor

Vice President and Chief Financial Officer

Finance and Audit Committee Meeting

ERCOT Public

June 19, 2023

Recommendation regarding 2024-2025 Budget and Fee F&A Committee Request

Why is this being presented today:

The ERCOT Finance and Audit (F&A) Committee Charter requires the Committee to review staff's proposed budget for the following years, including the amount and type of financing needed, both revenue and debt, to support the proposed budget and meet liquidity needs. The Charter further requires that, following the Committee's review of the above items, the Committee recommend to the Board of Directors (Board) a proposed budget and associated financing plan for the following years

ERCOT staff requests a vote from the F&A Committee to recommend that the Board approve staff's proposed 2024-2025 Biennial Budget which includes:

1. Appropriate funds and staff to address ERCOT's Strategic Objectives;
2. Compliance with the Financial Corporate Standard and associated financial performance measures as approved by the Board;
3. Funding for independent market monitoring, Public Utility Regulatory Act (PURA), and North American Electric Reliability Corporation (NERC) compliance functions;
4. Total authorized spend of \$424.0 million and \$426.2 million in 2024 and 2025, respectively; and
5. An increase in the system administration fee (SAF) rate fee from \$0.555 to \$0.710 per megawatt-hour effective January 1, 2024, representing a compound annual growth rate of 3.1% since our last increase in 2016

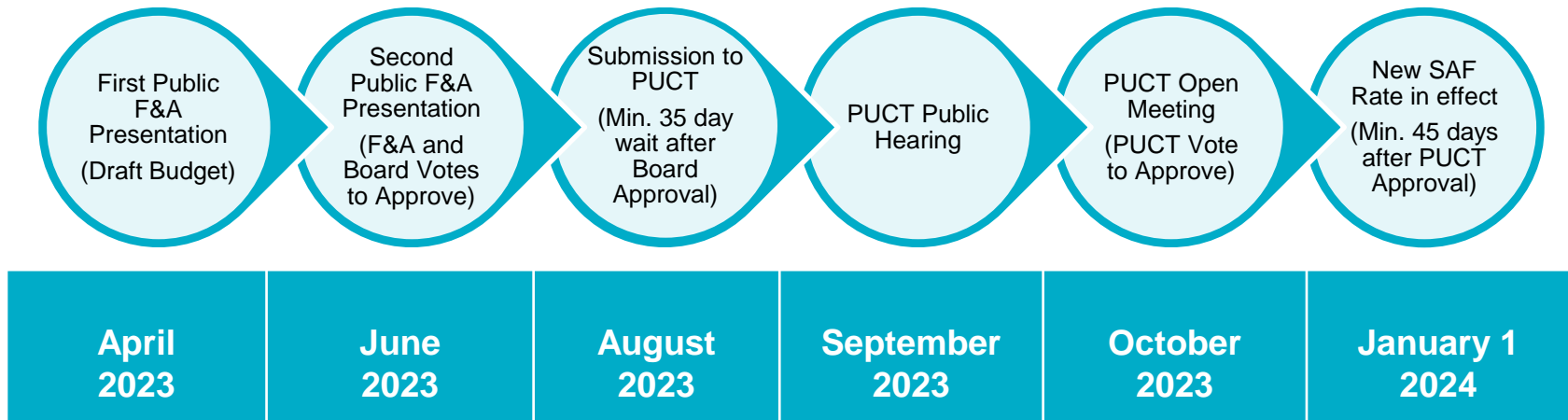


Recommendation regarding 2024-2025 Budget and Fee Agenda

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
 - Financial Ratios – Option 1
6. Risks to Meeting the 2024-2025 Recommended Budget
7. Appendices

1. Approval Timeline

Recommendation regarding 2024-2025 Budget and Fee Approval Timeline

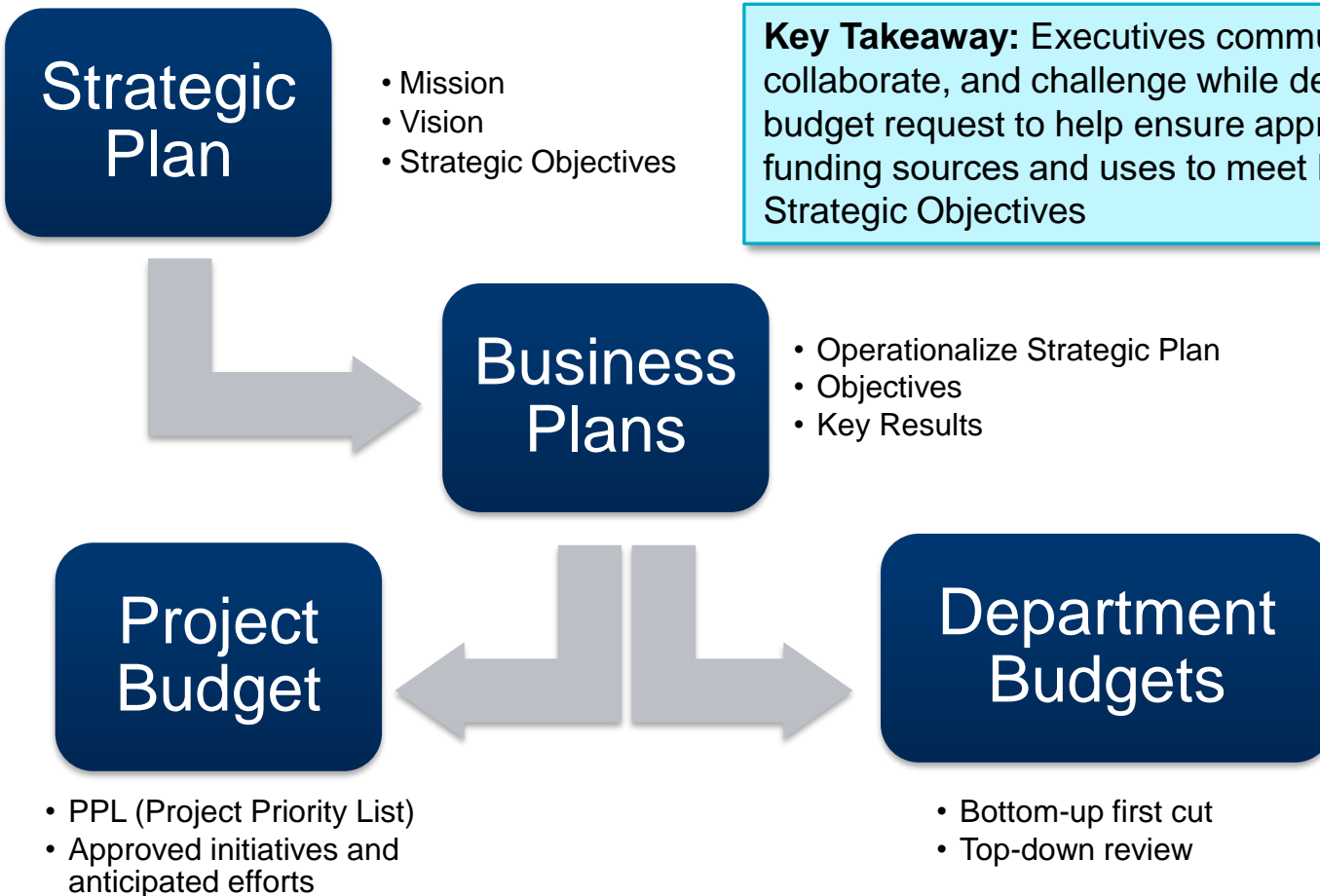


Key Takeaway: In order for the System Administration Fee (SAF) rate to increase effective January 1, 2024, as recommended by ERCOT management, Public Utility Commission of Texas (PUCT) approval must take place at least 45 days prior to January 1, 2024. Board approval is needed at the June 2023 Board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

2. Overview of the Budget Process

Recommendation regarding 2024-2025 Budget and Fee

Overview of the Budget Process

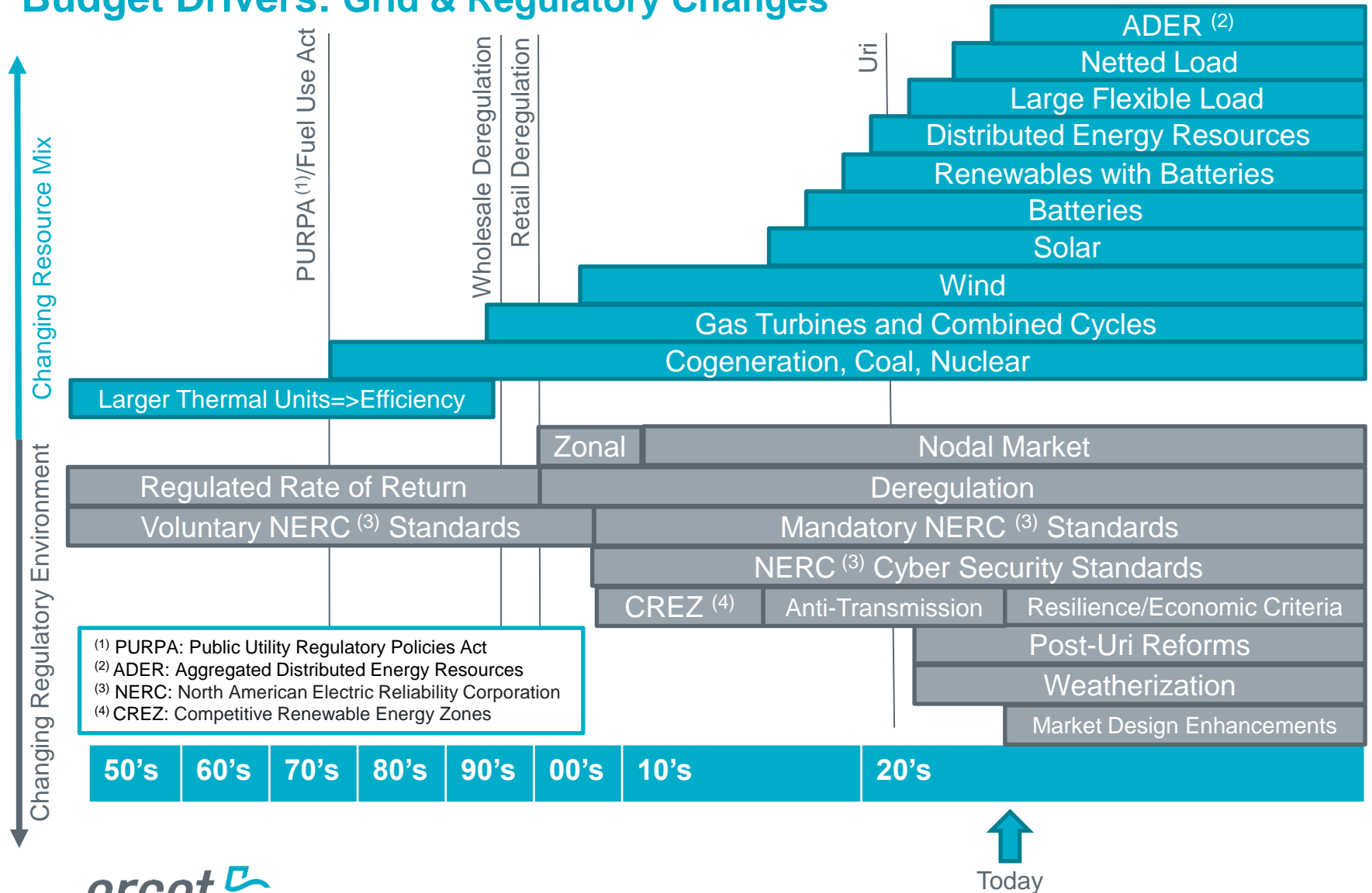


3. Budget Drivers

- Expenditures
- Revenues
- Interest Income
- Debt Strategy

Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Grid & Regulatory Changes



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Expenditures - Assumptions

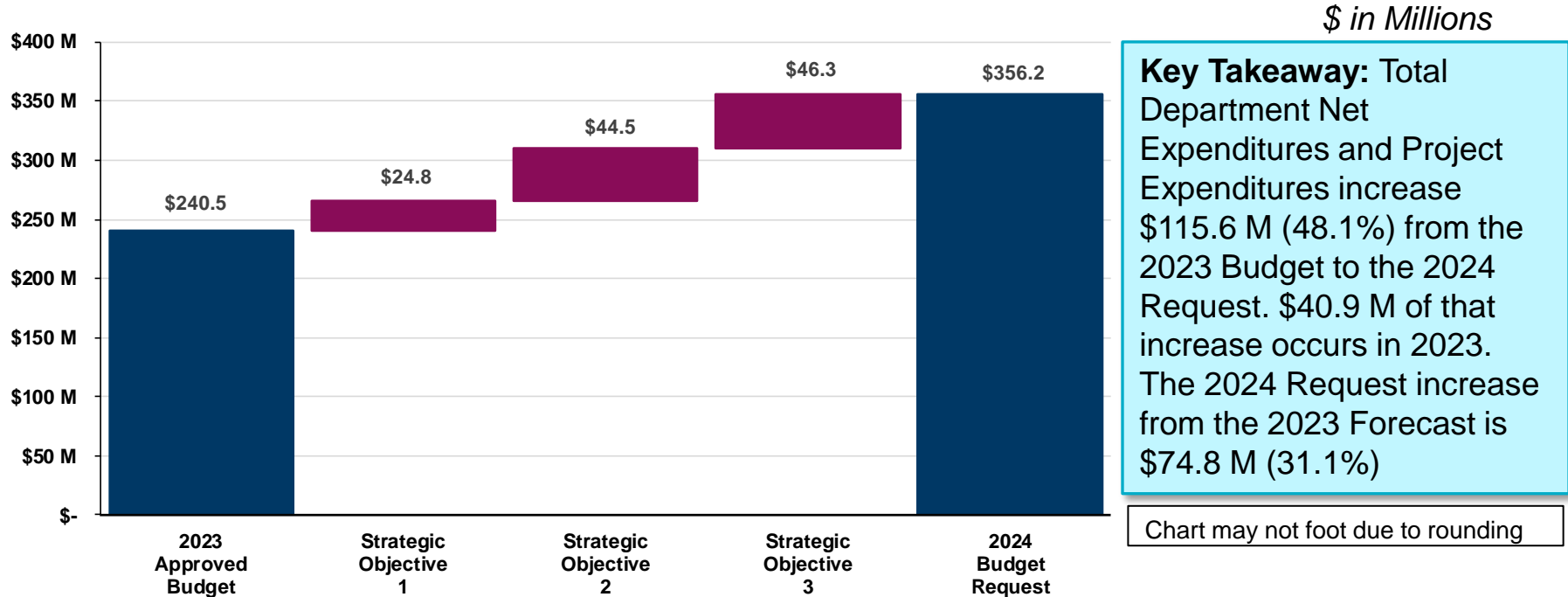
Primary Expenditure Assumptions

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 identified department and project expenditures by their primary strategic objective or normal growth
5. Financial Key Performance Indicator (KPI) is that actual spend be within +/- 3% of budget



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Department Net Expenditures & Project Expenditures by Strategic Objective - 2023 Budget vs 2024 Request



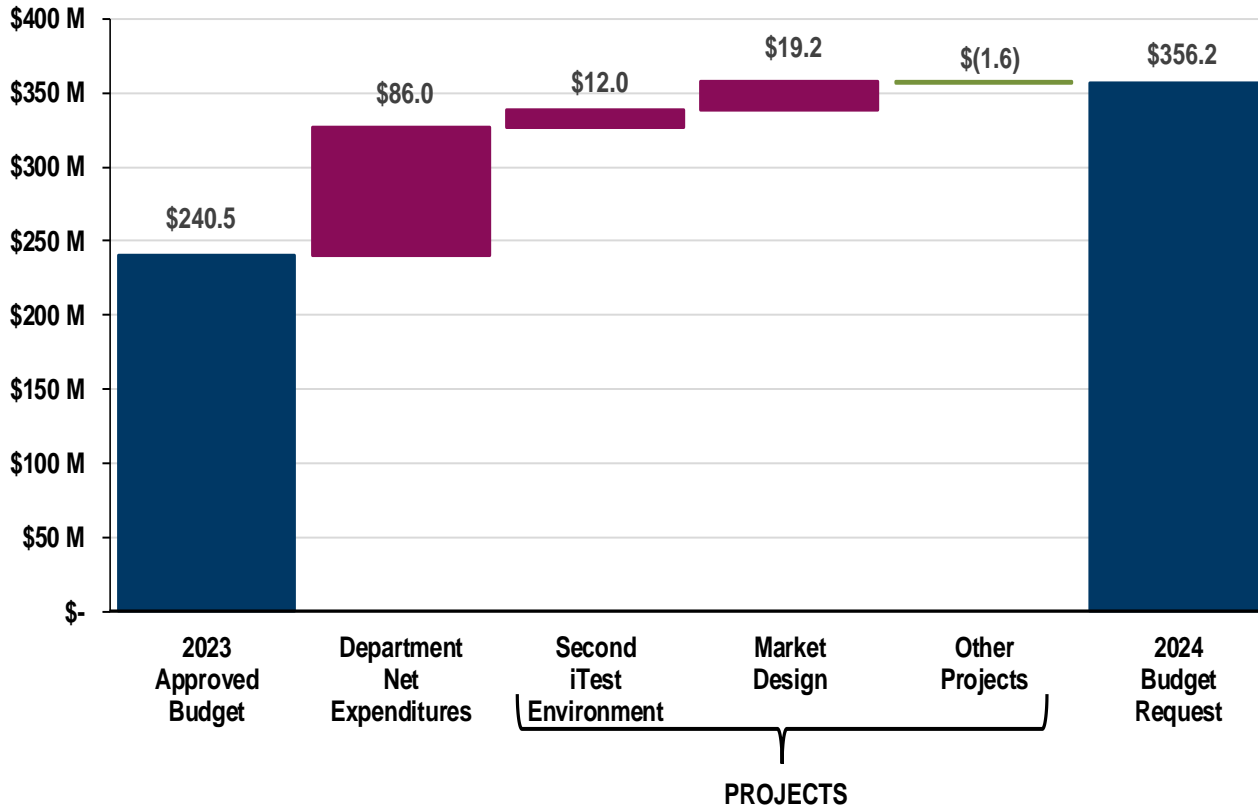
- Strategic Objective 1: Be an industry leader for grid reliability and resilience
- Strategic Objective 2: Enhance the ERCOT region’s economic competitiveness with respect to trends in wholesale power rates and retail electricity prices
- Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission



Recommendation regarding 2024-2025 Budget and Fee

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

\$ in Millions



Key Takeaway: Of the \$115.6 M total spending increase from 2023 Budget to 2024 Request, \$29.6 M (25.6%) is due to increased project spend, primarily driven by Market Design

Chart may not foot due to rounding



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Projects At Least \$1 Million for 2024 and 2025 Combined

\$ in Millions

Line	Office	Strategic Objective	Project Name	2024 Budget Request	2025 Budget Request	2024-2025 Total	Appendix Line Number
1	Commercial Operations	2	Market Design Project	\$ 21.6	\$ 17.2	\$ 38.8	132 - 134
2	Chief Information Office	2	Second iTest Environment	12.0	4.0	16.0	124
3	Chief Information Office	1	Data Center 5.0 (DC5) Program	4.1	0.1	4.2	125 - 129
4	Commercial Operations	2	Securitization Phase 3	1.0	1.0	2.0	1
5	Chief Information Office	2	Monitoring of North America Electric Reliability Corporation (NERC) Asset Baselines	0.5	1.0	1.5	45
6	System Operations	1	Outage Scheduler (OS) Modernization	0.5	1.0	1.5	36
7	Chief Information Office	2	Data Virtualization	0.5	1.0	1.5	35
8	Chief Information Office	2	Market Management System (MMS) Outage Scheduler (OS) Refresh 2026	0.5	1.0	1.5	100
9	Chief Information Office	1	Structured Query Language (SQL) Server Upgrade 2024	0.8	0.3	1.1	96
10	Commercial Operations	2	Siebel Upgrade	0.5	0.5	1.0	102
11	Commercial Operations	2	Credit Monitoring and Management (CMM) Upgrade	1.0	-	1.0	97
12	Chief Information Office	1	Control Video Wall - Bastrop Control Center (BCC1)	1.0	-	1.0	98
Subtotal				\$ 43.9	\$ 27.1	\$ 70.9	
Other Projects				15.2	23.1	38.3	
Total Projects				\$ 59.1	\$ 50.2	\$ 109.3	

Key Takeaway: Twelve projects have spend greater than \$1.0 M projected for 2024-2025, representing 64.9% of the total project spend for the two years. Market Design is projected to be 35.5% of the total project spend for 2024-2025

Note: Schedule may not foot due to rounding



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Incremental Dollars & Employees by Office & Strategic Objective - 2023 Budget vs 2024 Request

\$ in Millions

Line		Total		Strategic Objective 1		Strategic Objective 2		Strategic Objective 3	
		Dollars	Employees	Dollars	Employees	Dollars	Employees	Dollars	Employees
1	Chief Information Office	\$ 29.4	24	\$ 0.3	5	\$ 18.2	8	\$ 10.9	11
2	Chief Administrative Office	8.3	18	(1.1)	3	0.8	8	8.6	7
3	General Counsel	15.4	14	4.1	6	-	-	11.3	8
4	System Operations	12.7	42	7.7	42	-	-	5.0	-
5	Commercial Operations	28.8	13	-	-	25.5	13	3.3	-
6	System Planning & Weatherization	16.2	58	13.7	58	-	-	2.5	-
7	Public Affairs	1.9	2	-	-	-	-	1.9	2
8	Chief Executive Office	2.8	-	-	-	-	-	2.8	-
9	Totals	\$ 115.6	171	\$ 24.8	114	\$ 44.5	29	\$ 46.3	28

Schedule may not foot due to rounding.

Key Takeaways:

- The \$115.6 M increase includes 171 incremental employee positions, representing a 20.3% increase from the 2023 Budget of 843 to the 2024 Request of 1,014
- 114 (66.7%) of the 171 incremental employee positions are in support of Strategic Objective 1
- Some incremental employee positions are funded outside of the System Administration Fee



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers - 2023 Budget vs 2024 Request: Chief Information Office

Line	Principal Budget Drivers	Baseline	Current	Incremental Employees	Incremental Dollars
1	Strategic Objective 1: Be an industry leader for grid reliability and resilience				
2	# Virtual machines (Reliability)	2021: 501	2024: 904	-	\$2.9
3	# Projects on projects priority list (Reliability)	2021: 40 to 50	2024: 50 to 60	5	\$1.8
4	Hardware/Software inflation assumption	2023: 3%	2024: 10%	-	\$0.9
5	Market Participants on the ERCOT Wide Area Network	2022: 159	2024: 219	-	\$0.5
6	Decline in the hardware-driven projects	Tech Refresh and Data Center 5.0	N/A	-	(\$5.4)
7	Strategic Objective 2: Enhance the ERCOT region's economic competitiveness with respect to trends in wholesale power rates and retail electricity prices				
8	Second iTest Environment project	N/A	Included in request	-	\$12.0
9	# Projects on projects priority list (Markets)	2021: 20 to 25	2024: 35 to 40	8	\$4.5
10	# Virtual machines (Markets)	2021: 949	2024: 2,026	-	\$1.1
11	Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission				
12	Average Salaries, Benefits, & Taxes	2023 Budget: \$151k	2024 Request: \$175 k	-	\$7.1
13	New graduate development program	N/A	6 employees	6	\$1.1
14	# Projects on projects priority list (other)	2021: 1 to 5	2024: 10 to 15	2	\$1.1
16	# Virtual machines (Other)	2021: 990	2024: 1,698	3	\$0.7
15	General employee support	2023 Budget: 843 employee positions	2024 Request: 1,014 employee positions	-	\$0.3

Line		2023 Budget vs 2024 Request			Strategic Objectives		
		2023 Budget	2024 Request	2024 Request	1	2	3
1	Department Labor	\$ 43.6	\$ 54.9	\$ 11.3	\$ 0.4	\$ 1.8	\$ 9.1
2	Department Non-Labor	46.6	57.7	11.1	6.6	2.9	1.7
3	Department Revenues	(3.4)	(4.6)	(1.2)	(1.2)	-	-
4	Total Department Net Expenditures	\$ 86.8	\$ 107.9	\$ 21.1	\$ 5.7	\$ 4.6	\$ 10.8
5	Project Expenditures	13.8	22.1	8.3	(5.4)	13.6	0.1
6	Total Expenditures	\$ 100.5	\$ 130.0	\$ 29.5	\$ 0.3	\$ 18.2	\$ 10.9
7	Employees	289	313	24	5	8	11



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Chief Information Office

Efficiencies/Savings since last budget cycle:

- Consolidation of hardware and software platforms resulting in project spend reductions
- Negotiated license locks resulting in future project spend reductions
- Investment in development and testing to improve project development and deployment

Deferred from prior budget cycle:

- Second iTest Environment project
- 2 Employee positions (1 Application Architecture Manager, 1 Grid & Market Solutions staff)

Items previously cut in this cycle:

- 22 employee positions (6 Deskside Support Technicians, 6 Grid & Market Solutions staff, 4 Client Platform Administration Analysts, 2 Quality Assurance Analysts, 1 Applications Developer, 1 Audio Video Technician, 1 Change & Configuration Coordinator, 1 Network Administrator)
- Investments for Artificial Intelligence

Planned improvements and risk management

- Second iTest Environment project

Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers - 2023 Budget vs 2024 Request: Chief Administrative Office

Line	Principal Budget Drivers	Baseline	Current	Incremental Employees	Incremental Dollars
1	Strategic Objective 1: Be an industry leader for grid reliability and resilience				
2	Concurrent projects requiring a project manager	Concurrent projects 2021: ~25	Concurrent projects 2024: ~30	3	\$ -
3	Reliability Monitor responsibilities	Contracted professional services to complete Reliability Monitor functionalities	Responsibilities are now performed within ERCOT by the General Counsel Office	-	(\$0.7)
4	Strategic Objective 2: Enhance the ERCOT region's economic competitiveness with respect to trends in wholesale power rates and retail electricity prices				
5	Total assets	2020: \$1.9 billion	2022: \$7.0 billion; \$4.4 billion excluding Special Purpose Entities (SPEs)	1	\$0.9
6	Treasury activity	2020: 102,000 wires, \$24 billion	2022: 150,000 wires, \$83 billion	1	\$0.8
7	Supply chain management	2020 purchase orders: \$103 million	2022 purchase orders: \$135 million New requirements (cyber and trade laws)	1	\$0.2
8	Concurrent projects requiring a project manager	Concurrent projects 2021: ~20	Concurrent projects 2024: ~25	2	\$ -
9	Securitization	N/A	Implemented; set up SPEs M and N entities	3	\$ -
10	Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission				
11	Increase in employee positions being recruited	February 2021: 771 employees	March 2023: 843 employees 2024 Request: 1,014 employees	4	\$3.6
12	Average Salaries, Benefits, & Taxes	2023 Budget: \$210K	2024 Request: \$246K	-	\$2.8
13	Higher voluntary attrition	January 2021: 3.3%	March 2023: 11.1%	2	\$2.7
14	Market Rules development	Average comments filed, market meetings only in person or only virtual, and reports final at Board level	30% increase in comments filed, market meetings support and PUCT approval filings	1	\$0.2

Line		2023 Budget vs 2024 Request			Strategic Objectives		
		2023 Budget	2024 Request	2024 Request	1	2	3
1	Department Labor	\$ 16.9	\$ 23.9	\$ 7.0	\$ 0.1	\$ 2.4	\$ 4.5
2	Department Non-Labor	20.9	25.7	4.8	(0.7)	1.4	4.1
3	Department Revenues	-	(1.7)	(1.7)	-	(1.7)	-
4	Total Department Net Expenditures	\$ 37.8	\$ 47.9	\$ 10.1	\$ (0.6)	\$ 2.1	\$ 8.6
5	Project Expenditures	2.4	0.6	(1.8)	(0.5)	(1.3)	-
6	Total Expenditures	\$ 40.2	\$ 48.5	\$ 8.3	\$ (1.1)	\$ 0.8	\$ 8.6
7	Employees	83	101	18	3	8	7



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Chief Administrative Office

Efficiencies/Savings since last budget cycle:

- 4 repurposed employee positions (2 HR professionals, 1 treasury analyst, 1 enterprise architect principal)
- Created programs to develop entry level talent and increased sourcing abilities via direct hire placement
- The Project Portfolio Management Tool has reduced manual processes, improved business continuity and improved data-driven scenario planning for the Project and Portfolio Management Teams

Deferred from prior budget cycle:

- 4 employee positions (2 project managers, 1 HR governance/compliance, 1 procurement specialist)
- 2 contingent worker positions (1 HR governance/compliance, 1 procurement specialist)
- Employee development programs
- Employee experience programs

Items previously cut in this cycle:

- 3 employee positions (1 procurement specialist, 1 accountant, 1 HR recruiter)
- Minimized request for training dollars
- Minimized request for employee spot and recognition awards
- Reduced employee and wellness events
- Indefinitely deferred Voluntary Knowledge Transfer Program previously approved

Planned improvements and risk management:

- 3 employee positions (2 project managers, 1 HR professional)
- 2 contingent worker positions (recruiters)
- Training and engagement programs
- Travel and employee expenses
- Planned internal enhancement projects



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers - 2023 Budget vs 2024 Request: General Counsel

Line	Principal Budget Drivers	Baseline	Current	Incremental Employees	Incremental Dollars
1	Strategic Objective 1: Be an industry leader for grid reliability and resilience				
2	Heating, Ventilation, and Air Conditioning (HVAC) Equipment Replacement	Equipment is more than 20 years old and R22 coolant is no longer available	Replacement of HVAC Chillers and associated pumps that are end of life	-	\$1.6
3	Reliability Monitor responsibilities	ERCOT did not have this regulatory responsibility prior to 11/3/2022	Now responsible for monitoring ERCOT & Market Participants (MPs) compliance with state reliability rules	4	\$0.8
4	Cyber hardware refresh	Current hardware is from 2018	Refresh hardware for the threat detection and response solution	-	\$0.7
5	Increased Cyber staffing demands	Traditional use of technologies	Increased use cloud technology, use of containers, multi-tiered domains, etc. have increased need for Cyber staff support	2	\$0.4
6	Space adjustments & furniture replacement	Current office space and furniture is mostly original to each facility	Minor modifications to office spaces & replacement of broken/aged furniture	-	\$0.4
7	Installation of Met Center security fence	Was not in 2023 budget	Install security fence around Met Center	-	\$0.2
8	Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission				
9	Lawsuits, bankruptcies and regulatory policy	One major lawsuit, minimum disputes and normal regulatory changes	Multitude of lawsuits and disputes, and substantial increase in complex regulations	6	\$6.0
10	Average Salaries, Benefits, & Taxes	2023 Budget: \$159K	2024 Request: \$196K	-	\$3.7
11	Board Member compensation and expenses	5 Unaffiliated Board Members (Pre SB2)	8 Independent Board Members (Post SB2)	-	\$0.6
12	Information Governance	Manual/Semi-automated Lifecycle Management Processes	Enhance automation tools and create Custodian Network	1	\$0.6
13	# of internal audits performed	~18 audits with no Securitization consulting	Additional audits, in-depth audits, plus Securitization consulting	1	\$0.2

Line		2023 Budget vs 2024 Request			Strategic Objectives		
		2023 Budget	2024 Request	2024 Request	1	2	3
1	Department Labor	\$ 17.0	\$ 23.8	\$ 6.8	\$ 1.1	\$ -	\$ 5.7
2	Department Non-Labor	9.8	18.6	8.8	3.4	-	5.4
3	Department Revenues	(0.3)	(0.3)	0.0	-	-	0.0
4	Total Department Net Expenditures	\$ 26.5	\$ 42.1	\$ 15.6	\$ 4.5	\$ -	\$ 11.1
5	Project Expenditures	1.6	1.4	(0.2)	(0.4)	-	0.2
6	Total Expenditures	\$ 28.0	\$ 43.5	\$ 15.4	\$ 4.1	\$ -	\$ 11.3
7	Employees	107	121	14	6	-	8



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: General Counsel

Efficiencies/Savings since last budget cycle:

- Lower maintenance costs by replacing end of life and outdated systems that support grid and market operations
- Integration of new building technologies to reduce operating costs
- Leased office space on Congress to efficiently participate in Legislative activities
- Reduced outside contracts for preventive maintenance and installation by repurposing employee positions
- Reduced energy costs by changing out the fluorescent lighting to LEDs
- Reduced planned grounds maintenance service

Deferred from prior budget cycle:

- Facility equipment replacements
- Met Center security fence

Items previously cut in this cycle:

- 1 employee position (Facilities Technician)
- Refresh Taylor furniture, Taylor security desks, and former Taylor boardroom
- Taylor security gate replacement
- Taylor collaborative space furniture effort

Planned improvements and risk management:

- Legal and Information Governance (IG) employee positions
- Outside counsel assistance
- Siebel Information Lifecycle Management Assessment
- Travel and employee expenses
- Downtown Austin office space
- Chiller replacements, furniture upgrades, and Met Center security fence

Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers - 2023 Budget vs 2024 Request: System Operations

Line	Principal Budget Drivers	Baseline	Current	Incremental Employees	Incremental Dollars
1	Strategic Objective 1: Be an industry leader for grid reliability and resilience				
2	Complexity of forecasting	2014: 12,700 MWh of renewables; 1.2 GWh price responsive demand	2025: projected 74,000 MWh renewables; >5 GWh price responsive demand, Electric Vehicles (EVs), Distributed Energy Resources (DERs), etc.	5	\$1.3
3	# of Stability Limits	2014: 4 Generation Transmission Constraints (GTCs)	2023: 19 GTCs	5	\$1.0
4	MWh of Energy Storage Resources (ESRs)	2014: 0 ESRs	2025: 8,500 MWh	4	\$1.0
5	# of Inverter-Based Resources (IBRs)	2020: 250 IBRs	2023: 600 IBRs	4	\$0.8
6	# of new operators hired annually	2023: 52 operator positions	2024: Consistently hire 7 to 8 new operators each year for last 5 years; will grow with new desk addition	4	\$0.8
7	Fuel/emissions tracking	2014: None; 2023: Limited gas coordination	2024: tracking fuel constraints, and tracking emissions limits due to Cross-State Air Pollution Rule (CSAPR)	4	\$0.8
8	# Operations Improvement (OI) and Lessons Learned (LL) items	2021: Only 40 OI/LL items created; and only 18 of those resolved	2024: Reduce OI backlog, maintain timely resolution, and support increased transparency	3	\$0.6
9	# Voltage Violations	Constant at ~600k/year for several years	Needs to be significantly lower; exact metric unavailable without some experience	2	\$0.4
10	# Large Flexible Loads (LFLs)	2014: 0 LFLs	2022: 2,100 MWh LFLs 2025: projecting 21,000 MWh LFLs	2	\$0.4
11	Aggregated Distributed Energy Resources (ADER)	2022: ADER Pilot Project	2023+: Evaluate performance in pilot and expand	2	\$0.4
12	Transmission Congestion	2014: \$312M congestion rent for top 10 elements	2022: \$1.1B congestion rent for top 10 elements	2	\$0.4
13	# modeled Transmission Elements	2014: 2.2M elements	2023: 4.2M elements	2	\$0.4
14	# of event analyses needed, presentations and data requests	No specific metrics, but have increased significantly post-Uri	Ability to do near-miss analyses and support data requests in a timely manner	2	\$0.4
15	# of outages coordinated	2017: 111k outages	2022: 171k outages; Growing at ~4% per year	1	\$0.2
16	Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission				
17	Average Salaries, Benefits, & Taxes	2023 Budget: \$169K	2024 Request: \$206K	-	\$5.0



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: System Operations

Line		2023 Budget vs 2024 Request			Strategic Objectives		
		2023 Budget	2024 Request	2024 Request	1	2	3
1	Department Labor	\$ 22.8	\$ 36.4	\$ 13.7	\$ 8.7	\$ -	\$ 5.0
2	Department Non-Labor	1.8	2.7	0.9	0.9	-	-
3	Department Revenues	(0.7)	(0.7)	(0.0)	(0.0)	-	-
4	Total Department Net Expenditures	\$ 23.9	\$ 38.4	\$ 14.6	\$ 9.6	\$ -	\$ 5.0
5	Project Expenditures	6.8	5.0	(1.9)	(1.9)	-	-
6	Total Expenditures	\$ 30.7	\$ 43.4	\$ 12.7	\$ 7.7	\$ -	\$ 5.0
7	Employees	135	177	42	42	-	-

Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: System Operations

Efficiencies/Savings since last budget cycle:

- Reallocated activities across existing and new Control Room desks and perform any Real Time gas information monitoring on Reliability Unit Commitment (RUC) and Reliability Risk (RR) desks
- Research and coordination activities are covered by individual groups

Deferred from prior budget cycle:

- Improved processes and analyses:
 - Operations Support for Supervisory Control and Data Acquisition (SCADA)
 - Stability analyses
 - Next day transmission studies
 - Inverter-Based Resources (IBR) and Distributed Energy Resources (DER) analyses
 - Event and near-miss analyses
 - Operational load forecasts
 - Off-peak outage coordination studies
- Operator development positions
- Additional Control Room Transmission/Voltage desk

Items previously cut in this cycle:

- Improved seasonal transmission analysis
- Forward-Looking Operations Tools (FLOAT) project canceled

Planned improvements and risk management:

- Software for forecasting for Energy Storage Resources (ESR) and Large Flexible Load (LFL)
- Number of transmission and stability analyses
- Support of external activities and research

Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers - 2023 Budget vs 2024 Request: Commercial Operations

Line	Principal Budget Drivers	Baseline	Current	Incremental Employees	Incremental Dollars
1	Strategic Objective 2: Enhance the ERCOT region's economic competitiveness with respect to trends in wholesale power rates and retail electricity prices				
2	High-Profile Market Design Projects	1 high-profile project every 3 years.	Expect 2 high-profile projects each year	3.5	\$22.1
3	Securitization	N/A	Implemented; set up Special Purpose Entities (SPEs) M and N	0.5	\$1.1
4	Increase in complexity and volume of work	N/A	Increased volume of day-to-day-work and deliverables relating to: 1) additional generation resources and meters; 2) retail volume, Lubbock, Texas set 5.0; 3) Congestion Revenue Rights (CRR) long-term auction sequence support; 4) restore full team of 6 Day-Ahead Market (DAM) engineers to maintain shift work, training, and testing duties	5	\$1.0
5	Reliability Unit Commitment (RUC) Activity Analysis and Reporting	Performed ad hoc and infrequently (e.g., 1x per every two weeks)	Analysis performed daily with increased depth of analysis. Reporting performed monthly. Review of methodology to reduce RUC	-	\$0.3
6	Firm Fuel Supply Service (FFSS) Program	N/A	Manual process relying on experts	0.5	\$0.1
7	Evaluating Fuel Cost Disputes	Negligible	2022: 123 operating days	0.5	\$0.1
8	Aggregate Distributed Energy Resource (ADER) Pilot Program	N/A	Manual process relying on experts	-	\$ -
9	ERCOT Board and PUCT Reporting	Monthly and bi-monthly reports	Weekly, monthly, and bi-monthly reports	-	\$ -
10	Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission				
11	Average Salaries, Benefits, & Taxes	2023 Budget: \$161K	2024 Request: \$193K	-	\$3.3

Line		2023 Budget vs 2024 Request			Strategic Objectives		
		2023 Budget	2024 Request	2024 Request	1	2	3
1	Department Labor	\$ 16.1	\$ 21.8	\$ 5.8	\$ -	\$ 2.5	\$ 3.3
2	Department Non-Labor	0.7	1.1	0.4	-	0.4	-
3	Department Revenues	-	-	-	-	-	-
4	Total Department Net Expenditures	\$ 16.8	\$ 22.9	\$ 6.1	\$ -	\$ 2.8	\$ 3.3
5	Project Expenditures	3.9	26.5	22.6	-	22.6	-
6	Total Expenditures	\$ 20.6	\$ 49.4	\$ 28.8	\$ -	\$ 25.5	\$ 3.3
7	Employees	100	113	13	-	13	-



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Commercial Operations

Efficiencies/Savings since last budget cycle:

- 2 Repurposed positions to meet higher-priority demands (1 Strategic Planner, 1 Market Design Director)

Deferred from prior budget cycle:

- 4 employee positions
 - 2 Congestion Revenue Rights (CRR) Engineers
 - 1 Day-Ahead Market (DAM) Shift Engineer
 - 1 Principal
- Consulting services
- Energy Power Research Institute (EPRI) membership

Items previously cut in this cycle:

- 2 employee positions (Design & Strategy professionals)

Planned improvements and risk management:

- Employee training
- Consulting engagements

Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers - 2023 Budget vs 2024 Request: System Planning & Weatherization

Line	Principal Budget Drivers	Baseline	Current	Incremental Employees	Incremental Dollars
1	Strategic Objective 1: Be an industry leader for grid reliability and resilience				
2	# of Generation Interconnection Requests # of Full Interconnect Study Reviews	2020: 421 of annual Interconnection requests 2018: 44 reviews; 2020: 142 reviews	2025: Estimated 770 annual Interconnection requests 2022: 219 reviews	13	\$1.8
3	PUCT mandated Inspections of Resource and Transmission facilities	2020: None mandated	2023: Minimum of 700 onsite inspections required to meet requirement	11	\$2.0
4	# of Large Flexible Loads (LFLs) requests # of MWs requested	1 project 400 MWh in service	88 separate projects 41,770 MWh requested	6	\$1.1
5	Market Design Project	N/A	included in request	-	\$1.1
6	# of Engineer Development Program (EDP) Graduates	2020: 5 to 6 per year	2024: 8 to 10 per year	5	\$0.9
7	# of criteria used to justify new Transmission projects	1. Reliability 2. Production cost	1. Reliability 2. Production cost 3. Congestion reduction 4. Resiliency	4	\$0.8
8	MWh of Energy Storage Resources (ESRs) MWh of Solar MWh of Wind	2014: 0 2014: 0 2014: 12,700 MWh	2025: 8,500 MWh 2025: 35,000 MWh 2025: 39,000 MWh	4	\$0.8
9	# of Stability Limits # of Inverter-Based Resources (IBRs)	2014: 4 2020: 250	2023: 19 2023: 600	3	\$0.6
10	# of Declarations of Weather Preparedness to evaluate	2020: None mandated	2023: ~800 Declarations for Transmission Service Providers (TSPs) and Resource Owners (each representing multiple sites)	3	\$0.6
11	# of Data Elements in Network Model Management System (NMMS)	2020: 4.1 million Data Elements	2025: Estimated 5.3 million Data Elements	2	\$0.4
12	# of Modifications / year	2020: 99k Modifications per year	2025: Estimated 214k Modifications per year	2	\$0.4
13	# of Resource Adequacy Reports and North-America Electric Reliability Corporation (NERC) data requests per year	2021 = 9 reports and data requests • 4 Seasonal Assessment Resource Assessments (SARA) • 2 Capacity, Demand and Reserves (CDR) • 3 NERC Assessments	2024 = 20 reports and data requests • 12 Monthly Resource Assessments (MORA) with Probability metrics (replaces the 4 SARAs per year) • 4 Capacity, Demand and Reserves Reports (CDR) • 4 NERC Assessments requiring cumulative 60% more time for compliance	2	\$0.4
14	# of units on system	2020: 850 units on system	2025: Estimated 1,300 units on system	2	\$0.4
15	# of Sub-synchronous Resonance Topology Screenings	2017: 170 screenings 2020: 260 screenings	2022: 537 screenings	1	\$0.2
16	Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission				
17	Average Salaries, Benefits, & Taxes	2023 Budget: \$161K	2024 Request: \$189K	-	\$2.5



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: System Planning & Weatherization

Line		2023 Budget vs 2024 Request			Strategic Objectives		
		2023 Budget	2024 Request	2024 Request	1	2	3
1	Department Labor	\$ 14.1	\$ 27.6	\$ 13.5	\$ 11.0	\$ -	\$ 2.5
2	Department Non-Labor	11.3	6.7	(4.6)	(4.6)	-	-
3	Department Revenues	(16.1)	(10.6)	5.5	5.5	-	-
4	Total Department Net Expenditures	\$ 9.4	\$ 23.7	\$ 14.3	\$ 11.8	\$ -	\$ 2.5
5	Project Expenditures	0.2	2.2	1.9	1.9	-	-
6	Total Expenditures	\$ 9.6	\$ 25.8	\$ 16.3	\$ 13.7	\$ -	\$ 2.5
7	Employees	88	146	58	58	-	-

Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: System Planning & Weatherization

Efficiencies/Savings since last budget cycle:

- Implemented Resource Integration & Ongoing Operations (RIOO) and saved 5 employee positions across multiple departments
- Generation Interconnection fee change recovered more in revenue
- Implemented the Small Generation Interconnection process to streamline small generation work
- Automated large portions of Generation and Inter-Control Center Communications Protocol (ICCP) modeling saved 1 employee position
- Implemented data collection system for Weatherization process saved 1 employee position
- Developed 11 tool improvements for Planning saved 0.5 employee position
- Use of Weatherization Inspection team to perform Blackstart Unit testing saved 0.25 employee position
- Chose to not fill a Transmission Weatherization Inspection Manager

Deferred from prior budget cycle:

- 19 employee positions
 - 7 Model Engineers
 - 6 Engineer Development Program (EDP) Engineers
 - 3 Planning Engineers
 - 2 Stability Engineers
 - 1 Resource Adequacy Engineer
- Energy Power Research Institute (EPRI) membership

Items previously cut in this cycle:

- 7 employee positions
 - 2 Planning Engineers
 - 3 Model Engineers
 - 1 Resource Adequacy Engineer
 - 1 Stability Engineer

Planned improvements and risk management:

- Large Flexible Load (LFL) group driven by demand
- Engineer Development Program (EDP)



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers - 2023 Budget vs 2024 Request: Public Affairs

Line	Principal Budget Drivers	Baseline	Current	Incremental Employees	Incremental Dollars
1	Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission				
2	Average Salaries, Benefits, & Taxes	2023 Budget: \$170K	2024 Request: \$210K	-	\$1.6
3	Improve external Communications	Small, siloed Communications team; little public expectation	Robust Communications team; reorganized department to better meet vastly increased public/legislative expectations.	1	\$0.2
4	Improve internal Communications	Small, siloed Communications team	Dedicated internal Communications personal and resources	1	\$0.2

Line		2023 Budget vs 2024 Request			Strategic Objectives		
		2023 Budget	2024 Request	2024 Request	1	2	3
1	Department Labor	\$ 6.6	\$ 8.6	\$ 2.0	\$ -	\$ -	\$ 2.0
2	Department Non-Labor	1.7	1.1	(0.6)	-	-	(0.6)
3	Department Revenues	(0.1)	(0.1)	(0.0)	-	-	(0.0)
4	Total Department Net Expenditures	\$ 8.2	\$ 9.6	\$ 1.3	\$ -	\$ -	\$ 1.3
5	Project Expenditures	0.9	1.4	0.5	-	-	0.5
6	Total Expenditures	\$ 9.2	\$ 11.0	\$ 1.9	\$ -	\$ -	\$ 1.9
7	Employees	39	41	2	-	-	2



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Public Affairs

Efficiencies/Savings since last budget cycle:

- Lowered costs for outside public relations firms
- Eliminated costs related to media buys

Planned improvements and risk management:

- Taxonomy tool
- Video, photography, editing

Recommendation regarding 2024-2025 Budget and Fee

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%	\$ 241.2	93.6%
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%	4.1	1.6%
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%	3.4	1.3%
5	Weatherization Inspection	-	0.0%	-	0.0%	2.7	1.2%	0.9	0.4%	10.6	4.0%	4.7	1.8%
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%	0.9	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%	14.7	5.7%
12	Other Revenues												
13	SPE Servicing and Administration	-	0.0%	-	0.0%	0.1	0.0%	1.3	0.5%	-	0.0%	1.7	0.7%
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%	\$ 257.5	100.0%

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



Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Revenues

Primary Revenue Assumptions

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

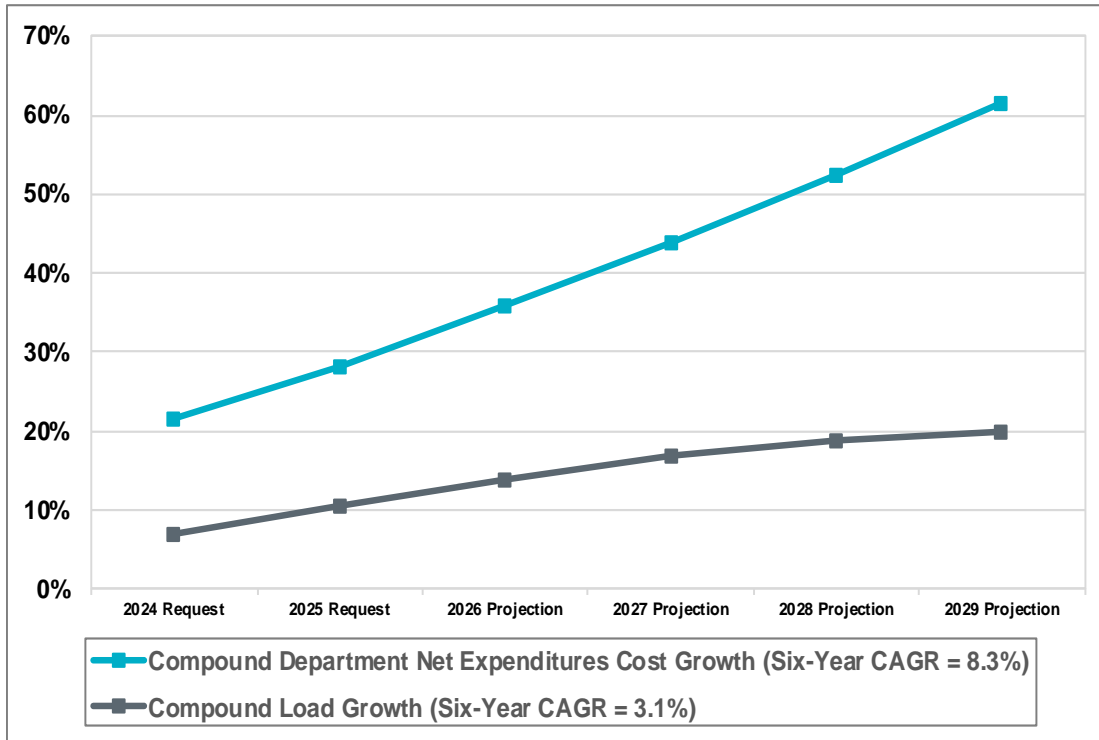
2. Load Forecast
 - Utilize multi-year load forecast from ERCOT Load Forecasting & Analysis team
 - The model used to forecast the System Administration Fee (SAF) is the same model used for Seasonal Assessment of Resource Adequacy (SARA) and the Capacity, Demand, and Reserves (CDR) Report
 - The SAF 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

Recommendation regarding 2024-2025 Budget and Fee

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

Recommendation regarding 2024-2025 Budget and Fee

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



Recommendation regarding 2024-2025 Budget and Fee

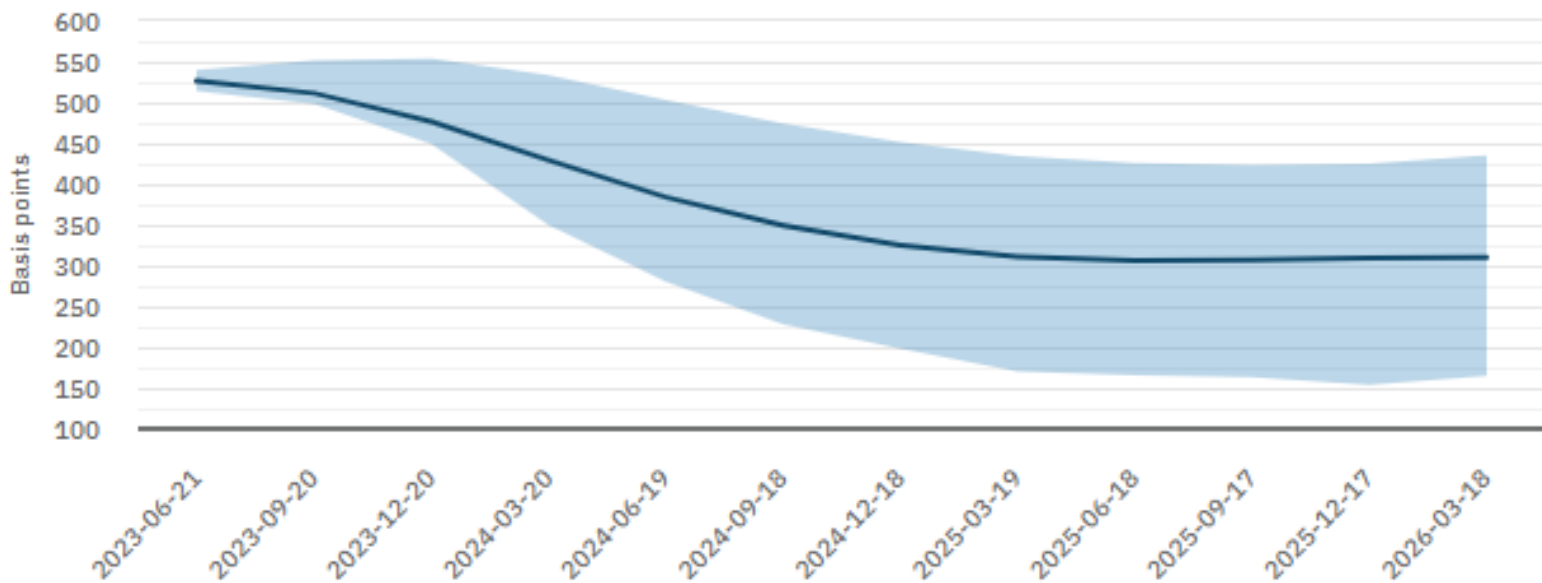
Budget Drivers: Interest Income

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

Current target range: 500 - 525 basis points

Source: Atlanta Fed (as of 5/23/23)

<https://www.atlantafed.org/cenfis/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

Recommendation regarding 2024-2025 Budget and Fee

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%

Recommendation regarding 2024-2025 Budget and Fee

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

Recommendation regarding 2024-2025 Budget and Fee

Budget Drivers: Debt Strategy

Primary Debt Strategy Assumptions

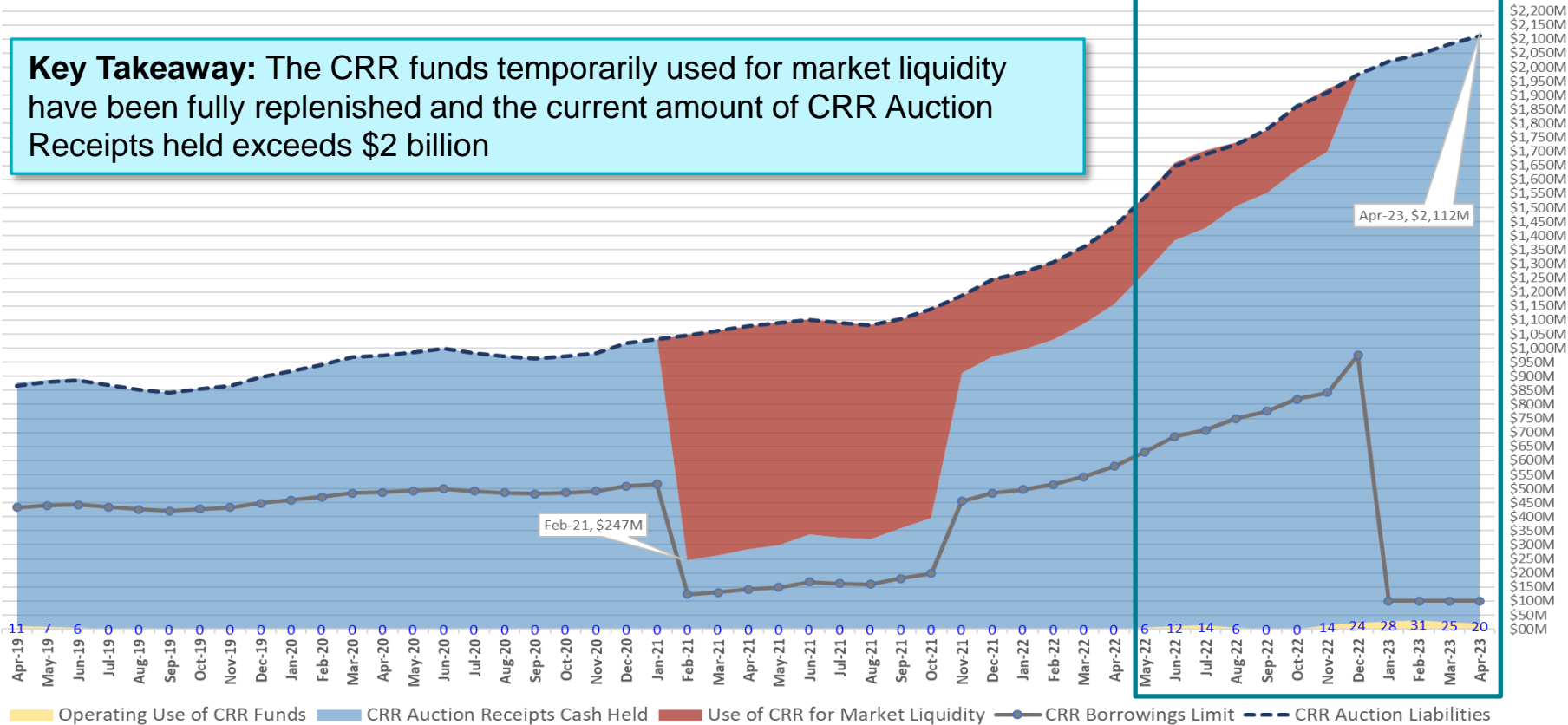
1. No new debt issuance
2. ERCOT's 3% Notes Payable continue to be paid down by \$4 million per year
3. CRR borrowing balance
 - No CRR borrowing balance at end of 2027
 - Any given year's CRR borrowing balance should not exceed revolver capacity of \$100 million, currently
 - ERCOT experiences working 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

Recommendation regarding 2024-2025 Budget and Fee

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

Recommendation regarding 2024-2025 Budget and Fee 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)	\$ 8.0	\$ 5.4	\$ (4.3)	\$ (16.4)	\$ (67.6)	\$ (106.4)	\$ (155.9)	\$ (230.8) \$ (330.2)
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%				8.5%			
8	8 Year CAGR		3.1%							
9	System Administration Fee Rate	\$ 0.555	\$ 0.555	\$ 0.710	\$ 0.710	\$ 0.710	\$ 0.710	\$ 0.770	\$ 0.770	\$ 0.770 \$ 0.770
10	(CRR Borrowings Balance)/Cash Balance	\$ (23.7)	\$ 8.0	\$ 26.3	\$ 38.2	\$ 48.4	\$ 20.0	\$ 35.5	\$ 40.6	\$ 21.2 \$ (22.4)
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%		14.5%		2.7%		2.6%	
13	8 Year CAGR		2.1%							
14	System Administration Fee Rate	\$ 0.555	\$ 0.555	\$ 0.655	\$ 0.655	\$ 0.750	\$ 0.750	\$ 0.770	\$ 0.770	\$ 0.790 \$ 0.790
15	(CRR Borrowings Balance)/Cash Balance	\$ (23.7)	\$ 8.0	\$ 0.7	\$ (13.8)	\$ 16.2	\$ 8.1	\$ 23.6	\$ 28.8	\$ 19.8 \$ (13.0)
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)	\$ 8.0	\$ (20.2)	\$ (27.3)	\$ (3.8)	\$ 18.7	\$ 54.8	80.8	\$ 82.4 \$ 60.2

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
- Financial Ratios – Option 1

Recommendation regarding 2024-2025 Budget and Fee 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	\$ 0.770	\$ 0.770
2	Energy Consumption (TWh)	431.0	434.0	434.5	465.0	480.0	494.3	508.3	516.4	521.2
2A	Year over Year %	9.6%	0.7%	0.8%	7.0%	3.2%	3.0%	2.8%	1.6%	0.9%
3	System Administration Fee Revenue \$	239.2	\$ 240.9	\$ 241.2	\$ 330.1	\$ 340.8	\$ 350.9	\$ 360.9	\$ 397.6	\$ 401.4
4	Department Net Expenditures	\$ 209.7	\$ 211.1	\$ 244.3	\$ 297.1	\$ 313.3	\$ 331.9	\$ 351.6	\$ 372.5	\$ 394.6
4A	Year over Year %	11.0%	0.6%	16.5%	21.6%	5.4%	5.9%	5.9%	5.9%	5.9%
5	Project Expenditures	54.0	27.1	34.7	37.5	33.0	35.5	72.8	45.0	37.0
6	Market Design Project	-	2.4	2.4	21.6	17.2	8.0	-	-	-
7	MET Center Replacement Project	15.4	-	-	-	-	-	-	-	-
8	Total Net Expenditures \$	279.1	\$ 240.5	\$ 281.4	\$ 356.2	\$ 363.5	\$ 375.4	\$ 424.3	\$ 417.5	\$ 431.6
9	Net Available Before Non-Operating \$	(39.9)	\$ 0.3	\$ (40.3)	\$ (26.1)	\$ (22.6)	\$ (24.4)	\$ (63.4)	\$ (19.8)	\$ (30.2)
10	Debt Service	\$ (5.1)	\$ (5.5)	\$ (5.4)	\$ (5.4)	\$ (5.2)	\$ (5.1)	\$ (4.7)	\$ (4.5)	\$ (4.4)
11	Interest Income	25.0	0.0	77.4	49.8	39.8	39.8	39.8	39.8	39.8
11A	Interest Rate %	1.51%	0.01%	3.72%	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)	\$ 72.0	\$ 44.4	\$ 34.6	\$ 34.6	\$ 35.1	\$ 35.3	\$ 35.4
14	Net Available \$	(30.6)	\$ (5.1)	\$ 31.7	\$ 18.3	\$ 11.9	\$ 10.2	\$ (28.4)	\$ 15.5	\$ 5.2
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	\$ -	\$ -	\$ 8.0	\$ 26.3	\$ 38.2	\$ 48.4	\$ 20.0	\$ 35.5	\$ 40.6
18	CRR Fund Balance	\$ 1,973.6	\$ 997.3	\$ 2,021.6	\$ 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 \$20.0 million cash balance at the end of 2027

Recommendation regarding 2024-2025 Budget and Fee Management Recommended Sources and Uses Summary – Option 1

\$ in Millions

Sources and Uses				2024	2025	2026	2027	2028	2029
	2022 Actual	2023 Budget	2023 Forecast	Request	Request	Projection	Projection	Projection	Projection
1 System Administration Fee Revenue	\$ 239.2	\$ 240.9	\$ 241.2	\$ 330.1	\$ 340.8	\$ 350.9	\$ 360.9	\$ 397.6	\$ 401.4
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	77.4	49.8	39.8	39.8	39.8	39.8	39.8
4 Other Revenues	8.6	20.5	16.4	18.0	18.0	18.9	19.9	20.9	21.9
5 CRR Borrowings	23.7	5.1	-	-	-	-	-	-	-
6 Decrease in Cash Balance	6.9	-	-	-	-	-	28.4	-	-
7 Total Sources	\$ 325.2	\$ 287.0	\$ 359.7	\$ 424.0	\$ 426.2	\$ 438.8	\$ 479.7	\$ 490.8	\$ 497.4
8 Department Expenditures	\$ 218.3	\$ 231.5	\$ 260.7	\$ 315.1	\$ 331.2	\$ 350.8	\$ 371.4	\$ 393.3	\$ 416.5
9 Project Expenditures	54.0	27.1	34.7	37.5	33.0	35.5	72.8	45.0	37.0
10 Market Design Project	-	2.4	2.4	21.6	17.2	8.0	-	-	-
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	5.4	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	-	-	8.0	18.3	11.9	10.2	-	15.5	5.2
17 Total Uses	\$ 325.2	\$ 287.0	\$ 359.7	\$ 424.0	\$ 426.2	\$ 438.8	\$ 479.7	\$ 490.8	\$ 497.4

* 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



Recommendation regarding 2024-2025 Budget and Fee Management Recommended Revenue Trends – Option 1

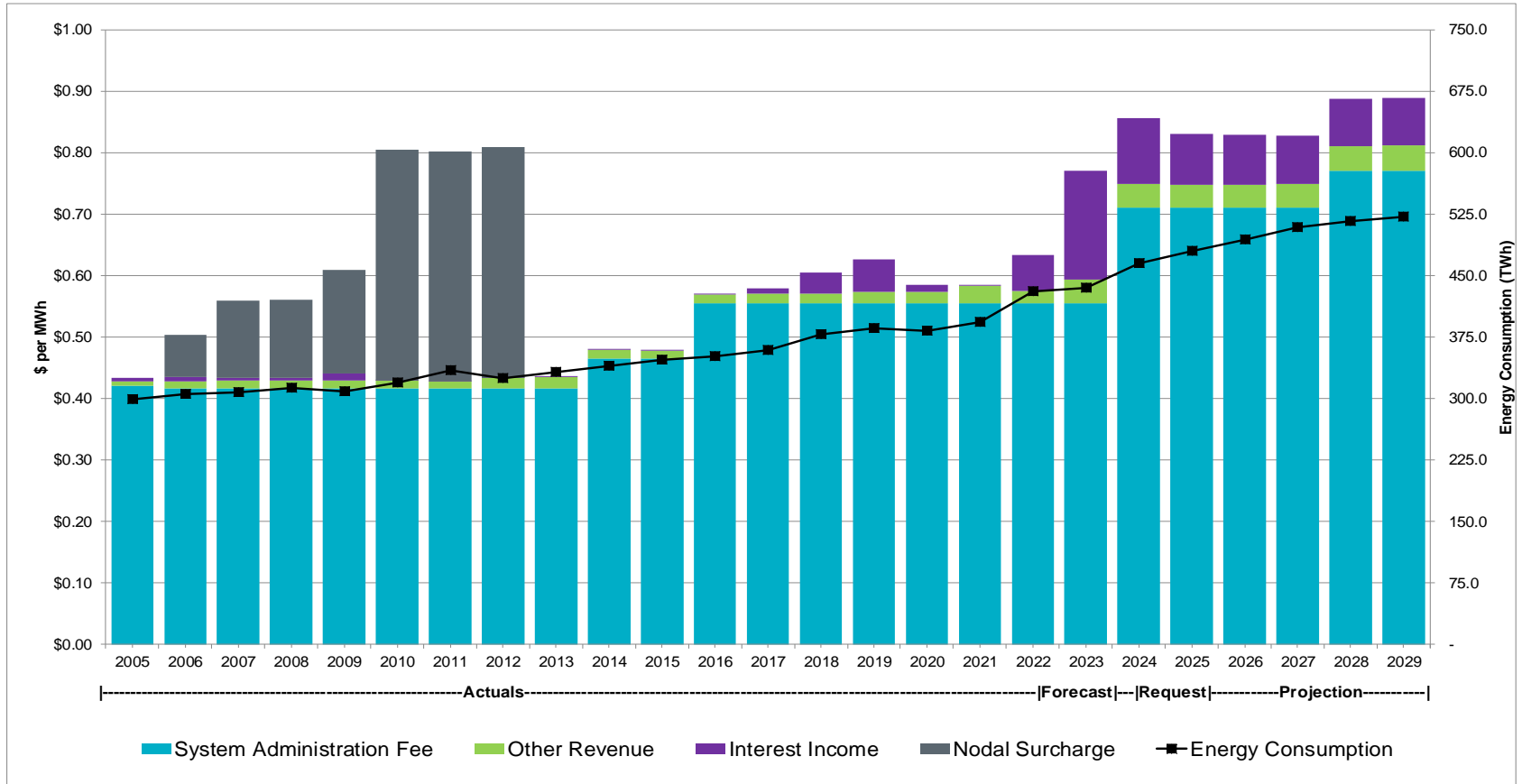
\$ in Millions

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%	\$ 241.2	93.6%	\$ 330.1	94.8%	\$ 340.8	95.0%	\$ 350.9	94.9%	\$ 360.9	94.8%	\$ 397.6	95.0%	\$ 401.4	94.8%
2	User Fees																		
3	Generation Interconnection Request (GINR)	1.4	0.5%	3.7	1.4%	4.1	1.6%	5.3	1.5%	5.3	1.5%	5.6	1.5%	5.9	1.5%	6.2	1.5%	6.6	1.6%
4	Wide Area Network (WAN)	3.1	1.3%	3.4	1.3%	3.4	1.3%	4.6	1.3%	4.5	1.3%	4.8	1.3%	5.0	1.3%	5.3	1.3%	5.6	1.3%
5	Weatherization Inspection	0.9	0.4%	10.6	4.0%	4.7	1.8%	4.4	1.3%	4.5	1.3%	4.8	1.3%	5.0	1.3%	5.3	1.3%	5.6	1.3%
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%	0.9	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%	14.7	5.7%	\$ 16.3	4.7%	\$ 16.3	4.5%	17.2	4.7%	18.2	4.8%	19.2	4.6%	20.3	4.8%
12	Other Revenues																		
13	SPE Servicing and Administration	1.3	0.5%	-	0.0%	1.7	0.7%	1.7	0.5%	1.7	0.5%	1.7	0.4%	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%	\$ 257.5	100.0%	\$ 348.1	100.0%	\$ 358.8	100.0%	\$ 369.8	100.0%	\$ 380.8	100.0%	\$ 418.5	100.0%	\$ 423.3	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%



Recommendation regarding 2024-2025 Budget and Fee Management Recommended Revenue Trends – Option 1

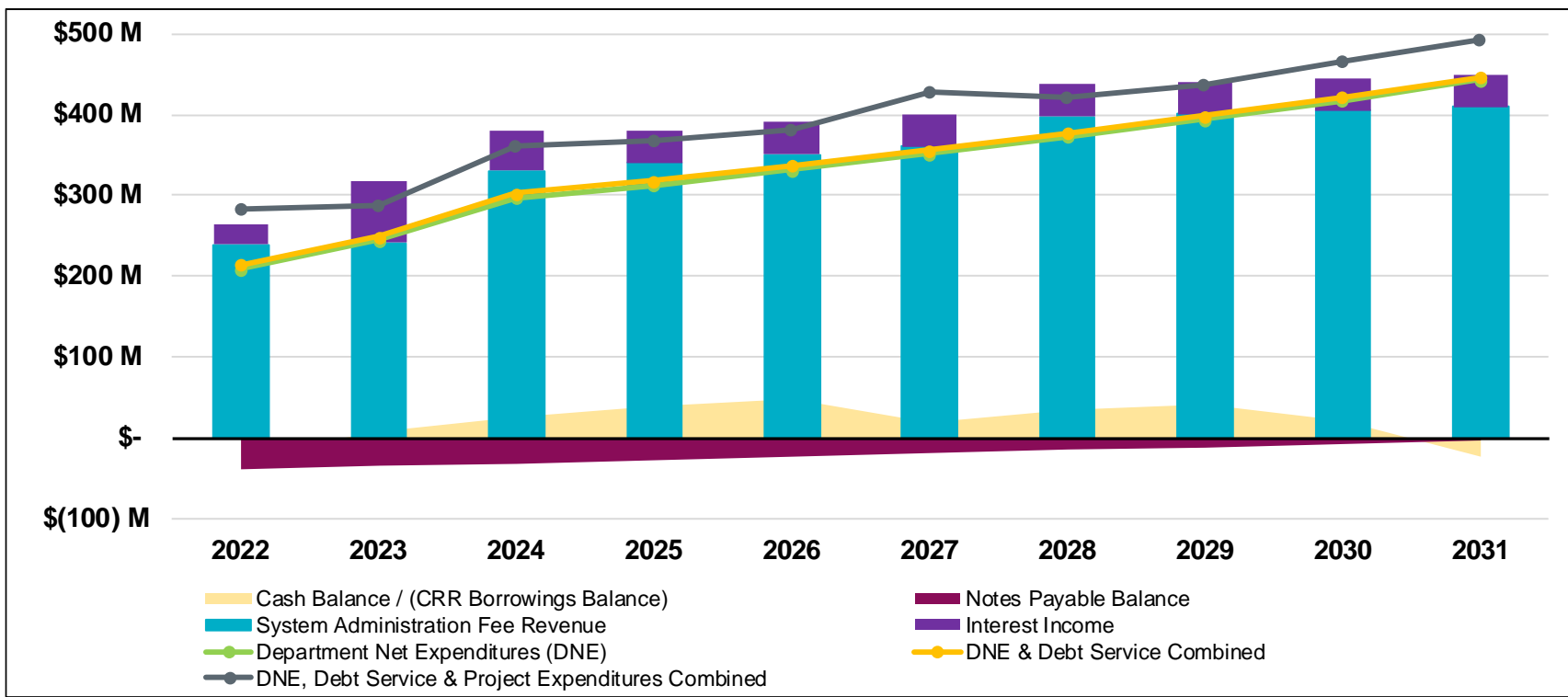


Note: Reliability Organization Assessment excluded

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



Recommendation regarding 2024-2025 Budget and Fee 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; over collect in 2028; match closely in 2029; and under collect in 2030-2031



Recommendation regarding 2024-2025 Budget and Fee Management Recommended Financial Ratios – Option 1

Debt Service Coverage Ratio									
	2022	2023	2023	2024	2025	2026	2027	2028	2029
	Actual	Budget	Forecast	Request	Request	Projection	Projection	Projection	Projection
1	Revenues								
2	\$ 239.2	\$ 240.9	\$ 241.2	\$ 330.1	\$ 340.8	\$ 350.9	\$ 360.9	\$ 397.6	\$ 401.4
3	21.8	20.5	24.8	26.2	27.7	29.2	30.8	32.6	34.4
4	25.0	0.0	77.4	49.8	39.8	39.8	39.8	39.8	39.8
5	8.6	20.5	16.4	18.0	18.0	18.9	19.9	20.9	21.9
6	\$ 294.6	\$ 281.8	\$ 359.7	\$ 424.0	\$ 426.2	\$ 438.8	\$ 451.4	\$ 490.8	\$ 497.4
7	Less: Non-Project Expenditures								
8	218.3	231.5	260.7	315.1	331.2	350.8	371.4	393.3	416.5
9	21.8	20.5	24.8	26.2	27.7	29.2	30.8	32.6	34.4
10	\$ 54.5	\$ 29.8	\$ 74.2	\$ 82.8	\$ 67.3	\$ 58.8	\$ 49.1	\$ 64.9	\$ 46.5
11	1.1	1.5	1.4	1.4	1.2	1.1	0.7	0.5	0.4
12	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
13	\$ 5.1	\$ 5.5	\$ 5.4	\$ 5.4	\$ 5.2	\$ 5.1	\$ 4.7	\$ 4.5	\$ 4.4
14	10.7	5.4	13.7	15.3	12.9	11.5	10.4	14.6	10.7
Liquidity Ratio									
	2022	2023	2023	2024	2025	2026	2027	2028	2029
	Actual	Budget	Forecast	Request	Request	Projection	Projection	Projection	Projection
15	\$ 36.4	\$ 38.6	\$ 43.4	\$ 52.5	\$ 55.2	\$ 58.5	\$ 61.9	\$ 65.6	\$ 69.4
16	2.5	2.7	2.7	2.7	2.6	2.6	2.4	2.2	2.2
17	11.6	4.9	6.2	9.9	8.4	7.3	12.1	7.5	6.2
18	\$ 50.5	\$ 46.2	\$ 52.3	\$ 65.1	\$ 66.2	\$ 68.3	\$ 76.4	\$ 75.3	\$ 77.8
19	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0
20	2.0	2.2	1.9	1.5	1.5	1.5	1.3	1.3	1.3

Schedule may not foot due to rounding

Key Takeaways:

- Debt Service Coverage ratio is projected to be adequate to meet ERCOT's 1.10 : 1.00 targeted ratio
- Liquidity ratio is projected to be adequate to meet ERCOT's targeted liquidity



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

Recommendation regarding 2024-2025 Budget and Fee

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%	9.53%	9.00%	8.50%	8.00%
CAGR for Four Year Load Growth (2023-2027)	2.00%	\$ (75.2)	\$ (60.1)	\$ (45.2)	\$ (31.2)	\$ (15.8)	\$ (1.3)	\$ 13.1
	2.50%	\$ (62.6)	\$ (47.5)	\$ (32.6)	\$ (18.6)	\$ (3.2)	\$ 11.3	\$ 25.7
	3.00%	\$ (49.8)	\$ (34.8)	\$ (19.9)	\$ (5.8)	\$ 9.6	\$ 24.1	\$ 38.4
	4.00%	\$ (24.0)	\$ (8.9)	\$ 6.0	\$ 20.0	\$ 35.4	\$ 49.9	\$ 64.2
	4.00%	\$ (24.0)	\$ (8.9)	\$ 6.0	\$ 20.0	\$ 35.4	\$ 49.9	\$ 64.3
	4.50%	\$ (10.9)	\$ 4.2	\$ 19.1	\$ 33.1	\$ 48.5	\$ 63.0	\$ 77.4
	5.00%	\$ 2.4	\$ 17.4	\$ 32.4	\$ 46.4	\$ 61.8	\$ 76.3	\$ 90.6

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



Recommendation regarding 2024-2025 Budget and Fee

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%	9.53%	9.00%	8.50%	8.00%
Average Annual Project Expenditures (2023-2027)	\$ 64.0	\$ (69.9)	\$ (54.8)	\$ (39.9)	\$ (25.9)	\$ (10.5)	\$ 4.0	\$ 18.4
	\$ 61.0	\$ (57.9)	\$ (42.8)	\$ (27.9)	\$ (13.9)	\$ 1.5	\$ 16.0	\$ 30.4
	\$ 58.0	\$ (45.9)	\$ (30.8)	\$ (15.9)	\$ (1.9)	\$ 13.5	\$ 28.0	\$ 42.4
	\$ 52.5	\$ (24.0)	\$ (8.9)	\$ 6.0	\$ 20.0	\$ 35.4	\$ 49.9	\$ 64.2
	\$ 50.0	\$ (13.9)	\$ 1.2	\$ 16.1	\$ 30.1	\$ 45.5	\$ 60.0	\$ 74.4
	\$ 47.0	\$ (1.9)	\$ 13.2	\$ 28.1	\$ 42.1	\$ 57.5	\$ 72.0	\$ 86.4
	\$ 44.0	\$ 10.1	\$ 25.2	\$ 40.1	\$ 54.1	\$ 69.5	\$ 84.0	\$ 98.4

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



Recommendation regarding 2024-2025 Budget and Fee

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%	9.53%	9.00%	8.50%	8.00%	
Average Annual Interest Income Rate (2024-2027)	0.50%	\$ (154.3)	\$ (139.2)	\$ (124.3)	\$ (110.3)	\$ (94.9)	\$ (80.4)	\$ (66.0)	
	1.00%	\$ (114.2)	\$ (99.1)	\$ (84.2)	\$ (70.2)	\$ (54.8)	\$ (40.3)	\$ (26.0)	
	1.50%	\$ (74.1)	\$ (59.1)	\$ (44.1)	\$ (30.1)	\$ (14.7)	\$ (0.2)	\$ 14.1	
	2.13%	\$ (24.0)	\$ (8.9)	\$ 6.0	\$ 20.0	\$ 35.4	\$ 49.9	\$ 64.2	
	2.50%	\$ 6.1	\$ 21.1	\$ 36.0	\$ 50.1	\$ 65.5	\$ 79.9	\$ 94.3	
	3.00%	\$ 46.1	\$ 61.2	\$ 76.1	\$ 90.2	\$ 105.5	\$ 120.0	\$ 134.4	
	3.50%	\$ 86.2	\$ 101.3	\$ 116.2	\$ 130.2	\$ 145.6	\$ 160.1	\$ 174.5	

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



Recommendation regarding 2024-2025 Budget and Fee

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%	\$ (125.0)	\$ (120.0)	\$ (115.0)	\$ (110.0)	\$ (105.0)	\$ (100.0)	\$ (95.0)			
	1.00%	\$ (100.0)	\$ (90.0)	\$ (80.0)	\$ (70.0)	\$ (60.0)	\$ (50.0)	\$ (40.0)			
	1.50%	\$ (75.0)	\$ (60.0)	\$ (45.0)	\$ (30.0)	\$ (15.0)	\$ 0.0	\$ 15.0			
	2.13%	\$ (43.7)	\$ (22.5)	\$ (1.2)	\$ 20.0	\$ 41.3	\$ 62.5	\$ 83.8			
	2.50%	\$ (25.0)	\$ 0.0	\$ 25.0	\$ 50.0	\$ 75.0	\$ 100.0	\$ 125.0			
	3.00%	\$ 0.0	\$ 30.0	\$ 60.0	\$ 90.0	\$ 120.0	\$ 150.0	\$ 180.0			
	3.50%	\$ 25.0	\$ 60.0	\$ 95.0	\$ 130.0	\$ 165.0	\$ 200.0	\$ 235.0			

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



Recommendation regarding 2024-2025 Budget and Fee 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

Recommendation regarding 2024-2025 Budget and Fee

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	\$ 137.4	\$ 173.6	\$ 186.5	\$ 197.7	\$ 209.6	\$ 222.2	\$ 235.5
2 Benefits & Taxes	34.0	38.4	41.7	54.0	58.0	61.5	65.2	69.1	73.2
3 Project Funded Labor	(11.7)	(13.9)	(12.7)	(19.3)	(19.4)	(20.5)	(21.6)	(22.8)	(24.1)
4 Vacancy	-	(4.6)	-	(6.8)	(7.3)	(7.7)	(8.2)	(8.6)	(9.1)
5 Department Labor	\$ 131.6	\$ 138.7	\$ 166.5	\$ 201.6	\$ 217.8	\$ 231.0	\$ 244.9	\$ 259.7	\$ 275.5
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	34.9	41.4	42.4	44.8	47.3	50.0	52.8
8 Outside Services	24.6	19.7	26.6	34.4	32.8	34.6	36.5	38.6	40.8
9 Utility, Maintenance & Facility	8.9	9.8	12.0	14.3	13.7	14.4	15.3	16.1	17.0
10 Employee Expenses	1.2	2.3	2.7	4.1	4.2	4.4	4.7	4.9	5.2
11 Insurance	12.4	10.2	9.0	10.4	11.8	12.5	13.2	13.9	14.7
12 Other Expenses	3.0	13.4	3.4	4.7	5.5	5.8	6.1	6.4	6.8
13 Department Expense	\$ 215.3	\$ 230.0	\$ 255.7	\$ 312.0	\$ 329.1	\$ 348.5	\$ 369.1	\$ 390.8	\$ 413.9
14 Minor Capital & Common Infrastructure	3.0	1.5	5.0	3.0	2.1	2.2	2.4	2.5	2.6
15 Subtotal - Department Expenditures	\$ 218.3	\$ 231.5	\$ 260.7	\$ 315.1	\$ 331.2	\$ 350.8	\$ 371.4	\$ 393.3	\$ 416.5
16									
17 Department Revenues	\$ (8.6)	\$ (20.5)	\$ (16.4)	\$ (18.0)	\$ (18.0)	\$ (18.9)	\$ (19.9)	\$ (20.9)	\$ (21.9)
18									
19 Total Department Net Expenditures	\$ 209.7	\$ 211.1	\$ 244.3	\$ 297.1	\$ 313.3	\$ 331.9	\$ 351.6	\$ 372.5	\$ 394.6
20									
21 Project Expenditures	54.0	27.1	34.7	37.5	33.0	35.5	72.8	45.0	37.0
22 Market Design Project	-	2.4	2.4	21.6	17.2	8.0	-	-	-
23 MET Center Replacement Project	15.4	-	-	-	-	-	-	-	-
24 Total Project Expenditures	\$ 69.4	\$ 29.5	\$ 37.1	\$ 59.1	\$ 50.2	\$ 43.5	\$ 72.8	\$ 45.0	\$ 37.0
25									
26 Total Expenditures	\$ 279.1	\$ 240.5	\$ 281.4	\$ 356.2	\$ 363.5	\$ 375.4	\$ 424.3	\$ 417.5	\$ 431.6

Schedule may not foot due to rounding.



Recommendation regarding 2024-2025 Budget and Fee

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	\$ 95.3	\$ 107.9	\$ 113.3	\$ 120.0	\$ 127.0	\$ 134.5	\$ 142.3
2	Chief Administrative Office	35.8	37.8	39.0	47.9	51.7	54.8	58.1	61.6	65.3
3	General Counsel	30.2	26.5	34.4	42.1	43.1	45.6	48.3	51.1	54.1
4	System Operations	23.7	23.9	27.9	38.4	40.8	43.3	45.9	48.6	51.5
5	Commercial Operations	15.5	16.8	18.6	22.9	24.6	26.1	27.7	29.4	31.1
6	System Planning & Weatherization	12.8	9.4	17.2	23.7	24.6	26.1	27.6	29.3	31.1
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	3.8	4.5	5.0	5.3	5.6	5.9	6.3
9	Total Department Net Expenditures	\$ 209.7	\$ 211.1	\$ 244.3	\$ 297.1	\$ 313.3	\$ 331.9	\$ 351.6	\$ 372.5	\$ 394.6

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



Recommendation regarding 2024-2025 Budget and Fee

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	\$ 69.2	\$ 73.3
2	Benefits & Taxes	12.1	13.4	13.9	16.8	18.1	19.2	20.3	21.5	22.8
3	Project Funded Labor	(8.7)	(10.0)	(10.1)	(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	\$ 49.1	\$ 54.9	\$ 59.8	\$ 63.5	\$ 67.4	\$ 71.5	\$ 75.9
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	34.3	40.8	41.9	44.3	46.7	49.4	52.1
8	Outside Services	3.7	4.2	5.5	6.8	6.5	6.9	7.3	7.7	8.1
9	Utility, Maintenance & Facility	4.1	4.5	4.3	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	\$ 95.1	\$ 111.1	\$ 116.4	\$ 123.2	\$ 130.4	\$ 138.0	\$ 146.1
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	\$ 98.6	\$ 112.5	\$ 117.8	\$ 124.7	\$ 132.0	\$ 139.8	\$ 147.9
16										
17*	Department Revenues	\$ (3.1)	\$ (3.4)	\$ (3.4)	\$ (4.6)	\$ (4.5)	\$ (4.8)	\$ (5.0)	\$ (5.3)	\$ (5.6)
18										
19	Total Department Net Expenditures	\$ 83.1	\$ 86.8	\$ 95.3	\$ 107.9	\$ 113.3	\$ 120.0	\$ 127.0	\$ 134.5	\$ 142.3

* Private Wide-Area Network Fees

Schedule may not foot due to rounding.



Recommendation regarding 2024-2025 Budget and Fee

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	\$ 15.5	\$ 18.1	\$ 22.1	\$ 23.1	\$ 24.4	\$ 25.9	\$ 27.5	\$ 29.1
2	Benefits & Taxes	3.8	4.4	4.9	6.2	6.6	7.0	7.4	7.8	8.3
3	Project Funded Labor	(1.8)	(2.5)	(2.0)	(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	\$ 16.9	\$ 21.0	\$ 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	7.4	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	0.4	0.6	0.6	0.6	0.7	0.7	0.8
11	Insurance	12.4	10.2	9.0	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	\$ 37.8	\$ 40.8	\$ 49.6	\$ 53.4	\$ 56.5	\$ 59.8	\$ 63.2	\$ 66.9
14	Minor Capital & Common Infrastructure	0.0	-	-	-	-	-	-	-	-
15	Subtotal - Department Expenditures	\$ 37.1	\$ 37.8	\$ 40.8	\$ 49.6	\$ 53.4	\$ 56.5	\$ 59.8	\$ 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	\$ 37.8	\$ 39.0	\$ 47.9	\$ 51.7	\$ 54.8	\$ 58.1	\$ 61.6	\$ 65.3

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

Schedule may not foot due to rounding.



Recommendation regarding 2024-2025 Budget and Fee

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	\$ 13.1	\$ 15.2	\$ 18.6	\$ 20.5	\$ 21.7	\$ 23.0	\$ 24.4	\$ 25.9
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)	0.4	(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	\$ 17.0	\$ 20.4	\$ 23.8	\$ 26.2	\$ 27.8	\$ 29.4	\$ 31.2	\$ 33.1
6 Materials, Supplies & Equipment	0.6	0.5	0.6	1.0	0.7	0.8	0.8	0.9	0.9
7 HW/SW License & Maintenance	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
8 Outside Services	9.8	5.3	6.7	10.0	9.7	10.3	10.9	11.5	12.1
9 Utility, Maintenance & Facility	3.1	2.9	5.8	4.8	4.8	5.1	5.4	5.7	6.0
10 Employee Expenses	0.3	0.4	0.3	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	\$ 26.5	\$ 34.3	\$ 40.9	\$ 42.7	\$ 45.2	\$ 47.9	\$ 50.7	\$ 53.7
14 Minor Capital & Common Infrastructure	0.2	0.3	0.3	1.5	0.6	0.7	0.7	0.8	0.8
15 Subtotal - Department Expenditures	\$ 30.5	\$ 26.8	\$ 34.7	\$ 42.3	\$ 43.4	\$ 45.9	\$ 48.6	\$ 51.4	\$ 54.5
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	\$ 26.5	\$ 34.4	\$ 42.1	\$ 43.1	\$ 45.6	\$ 48.3	\$ 51.1	\$ 54.1

*Membership Dues

Schedule may not foot due to rounding.



Recommendation regarding 2024-2025 Budget and Fee

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	\$ 20.8	\$ 29.0	\$ 31.0	\$ 32.9	\$ 34.8	\$ 36.9	\$ 39.1
2 Benefits & Taxes	5.4	5.9	6.4	9.2	9.8	10.4	11.0	11.7	12.4
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)	(1.4)	(1.4)	(1.5)
5 Department Labor	\$ 22.3	\$ 22.8	\$ 27.1	\$ 36.4	\$ 39.0	\$ 41.4	\$ 43.9	\$ 46.5	\$ 49.3
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	0.3	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	0.3	0.5	0.5	0.6	0.6	0.6	0.6
11 Insurance	-	-	-	-	-	-	-	-	-
12 Other Expenses	0.8	1.3	0.9	1.2	1.2	1.2	1.3	1.4	1.5
13 Department Expense	\$ 23.9	\$ 24.6	\$ 28.7	\$ 39.1	\$ 41.5	\$ 44.0	\$ 46.7	\$ 49.5	\$ 52.4
14 Minor Capital & Common Infrastructure	-	-	-	-	-	-	-	-	-
15 Subtotal - Department Expenditures	\$ 23.9	\$ 24.6	\$ 28.7	\$ 39.1	\$ 41.5	\$ 44.0	\$ 46.7	\$ 49.5	\$ 52.4
16									
17* Department Revenues	\$ (0.2)	\$ (0.7)	\$ (0.9)	\$ (0.7)	\$ (0.7)	\$ (0.8)	\$ (0.8)	\$ (0.9)	\$ (0.9)
18									
19 Total Department Net Expenditures	\$ 23.7	\$ 23.9	\$ 27.9	\$ 38.4	\$ 40.8	\$ 43.3	\$ 45.9	\$ 48.6	\$ 51.5

*Operations Training Seminar Registration Fees & Blackstart Training Registration Fees

Schedule may not foot due to rounding.



Recommendation regarding 2024-2025 Budget and Fee

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	\$ 13.5	\$ 17.7	\$ 19.1	\$ 20.2	\$ 21.4	\$ 22.7	\$ 24.1
2	Benefits & Taxes	3.7	4.4	4.3	5.7	6.1	6.5	6.9	7.3	7.7
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)	(0.8)	(0.8)	(0.8)	(0.9)	(0.9)
5	Department Labor	\$ 14.5	\$ 16.1	\$ 17.2	\$ 21.8	\$ 23.6	\$ 25.0	\$ 26.5	\$ 28.1	\$ 29.8
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	0.9	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	0.3	0.3	0.2	0.3	0.3	0.3	0.3
13	Department Expense	\$ 15.5	\$ 16.8	\$ 18.6	\$ 22.9	\$ 24.6	\$ 26.1	\$ 27.7	\$ 29.4	\$ 31.1
14	Minor Capital & Common Infrastructure	-	-	-	-	-	-	-	-	-
15	Subtotal - Department Expenditures	\$ 15.5	\$ 16.8	\$ 18.6	\$ 22.9	\$ 24.6	\$ 26.1	\$ 27.7	\$ 29.4	\$ 31.1
16										
17	Department Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18										
19	Total Department Net Expenditures	\$ 15.5	\$ 16.8	\$ 18.6	\$ 22.9	\$ 24.6	\$ 26.1	\$ 27.7	\$ 29.4	\$ 31.1

Schedule may not foot due to rounding.



Recommendation regarding 2024-2025 Budget and Fee

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	\$ 15.9	\$ 21.9	\$ 23.4	\$ 24.8	\$ 26.3	\$ 27.9	\$ 29.6
2 Benefits & Taxes	3.5	3.7	5.1	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	\$ 20.8	\$ 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	4.8	5.5	4.4	4.7	4.9	5.2	5.5
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	\$ 26.2	\$ 34.2	\$ 35.3	\$ 37.4	\$ 39.6	\$ 42.0	\$ 44.4
14 Minor Capital & Common Infrastructure	0.0	-	1.1	0.1	0.0	0.0	0.0	0.0	0.0
15 Subtotal - Department Expenditures	\$ 16.3	\$ 25.4	\$ 27.3	\$ 34.3	\$ 35.3	\$ 37.4	\$ 39.6	\$ 42.0	\$ 44.5
16									
17* Department Revenues	\$ (3.5)	\$ (16.1)	\$ (10.1)	\$ (10.6)	\$ (10.7)	\$ (11.3)	\$ (12.0)	\$ (12.7)	\$ (13.4)
18									
19 Total Department Net Expenditures	\$ 12.8	\$ 9.4	\$ 17.2	\$ 23.7	\$ 24.6	\$ 26.1	\$ 27.6	\$ 29.3	\$ 31.1

*Generation Interconnection Study Fees & Inspection User Fees

Schedule may not foot due to rounding.



Recommendation regarding 2024-2025 Budget and Fee

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	\$ 5.8	\$ 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	\$ 7.5	\$ 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.



Recommendation regarding 2024-2025 Budget and Fee 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	\$ 2.3	\$ 1.5	\$ 1.5	\$ 1.5	\$ 2.0	\$ 2.0	\$ 3.0
2	Revision Requests	3.7	1.8	2.4	3.0	3.0	3.5	4.5	5.0	5.0
3	Internal Enhancements	6.4	2.6	6.2	10.8	13.4	13.0	11.3	11.3	11.0
4	Software Technical Health	10.5	9.9	13.3	9.1	9.0	10.5	11.0	11.8	13.0
5	IT Infrastructure	30.5	10.7	10.4	13.1	6.1	7.0	44.0	15.0	5.0
6	Market Design Project	-	2.4	2.4	21.6	17.2	8.0	-	-	-
7	MET Center Replacement Project	15.4	-	-	-	-	-	-	-	-
8	Total Project Expenditures	\$ 69.4	\$ 29.5	\$ 37.1	\$ 59.1	\$ 50.2	\$ 43.5	\$ 72.8	\$ 45.0	\$ 37.0

Schedule may not foot due to rounding

Recommendation regarding 2024-2025 Budget and Fee 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

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



Recommendation regarding 2024-2025 Budget and Fee Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
22	Revision Requests	NPRR1121 Add a Posting Requirement to the Exceptional Fuel Cost Submission Process	<\$50k	-
23	Revision Requests	NPRR1058 Resource Offer Modernization	<\$50k	-
24	Revision Requests	NPRR1091 Changes to Address Market Impacts of Additional Non-Spin Procurement	<\$50k	-
25	Revision Requests	NPRR1092 Reduce RUC Offer Floor and Limit RUC Opt-Out Provision	<\$50k	-
26	Revision Requests	NPRR1098 DC Tie Reactive Power Capability Requirements	<\$50k	-
27	Revision Requests	NPRR1131 Controllable Load Resource Participation in Non-Spin	<\$50k	-
28	Revision Requests	NPRR1149 Implementation of Systematic Ancillary Service Failed Quantity Charges	<\$50k	-
29	Revision Requests	SCR813 NMMS Jointly-Rated Equipment Coordination Confirmation	<\$50k	-
30	Revision Requests	SCR821 Voltage Set Point Target Information for DGR or DESR	<\$50k	-
31	Revision Requests	NPRR941 Create a Lower Rio Grande Valley Hub	-	\$250k-\$500k
32	Revision Requests	NPRR1019 Pricing and Settlement Changes for Switchable Generation Resources (SWGRs) Instructed to Switch to ERCOT	-	\$250k-\$500k
33	Revision Requests	NPRR826 Mitigated Offer Caps for RMR Resources	-	\$250k-\$500k
34	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
35	Internal Enhancements	Data Virtualization	\$500k-\$1M	\$500k-\$1M
36	Internal Enhancements	Outage Scheduler Modernization	\$500k-\$1M	\$500k-\$1M
37	Internal Enhancements	CMM (Credit Monitoring and Management) Phase 2	\$500k-\$1M	<\$50k
38	Internal Enhancements	NMMS IMM Schema upgrade to CIM 16	\$500k-\$1M	<\$50k
39	Internal Enhancements	Treasury Management System	\$500k-\$1M	<\$50k
40	Internal Enhancements	Energy Optimization Tool	\$500k-\$1M	<\$50k
41	Internal Enhancements	Future Case Builder	\$500k-\$1M	-
42	Internal Enhancements	Gas Monitoring Tool	\$500k-\$1M	-
43	Internal Enhancements	Metadata Auto-Tagging	\$500k-\$1M	-
44	Internal Enhancements	User Behavior Analytics	\$500k-\$1M	-



Recommendation regarding 2024-2025 Budget and Fee

Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
45	Software Technical Health	Monitoring of NERC Asset Baselines	\$250k-\$500k	\$500k-\$1M
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	-



Recommendation regarding 2024-2025 Budget and Fee

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
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



Recommendation regarding 2024-2025 Budget and Fee

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	Tech Refresh - MMS OS RHEL Migration	\$500k-\$1M	-
100	Software Technical Health	MMS/OS Refresh 2026	\$250k-\$500k	\$500k-\$1M
101	Software Technical Health	MPIM (Market Participant Identity Management) MFA	\$250k-\$500k	\$250k-\$500k
102	Software Technical Health	Siebel Upgrade	\$250k-\$500k	\$250k-\$500k
103	Software Technical Health	DTR UI Rewrite	\$250k-\$500k	\$100k-\$250k
104	Software Technical Health	ERCOT WAN (Wide-Area Network) Replacement	\$250k-\$500k	\$100k-\$250k
105	Software Technical Health	APE Technical Health Improvements	\$250k-\$500k	-
106	Software Technical Health	DB OEM Upgrade	\$250k-\$500k	-
107	Software Technical Health	ETAG & MMS/OS RHEL Upgrade	\$250k-\$500k	-
108	Software Technical Health	Tech Health – MPIM (Market Participant Identity Management)	\$250k-\$500k	-
109	Software Technical Health	MarkeTrak Refresh 2024	\$100k-\$250k	\$100k-\$250k
110	Software Technical Health	Database Upgrade 2024	\$100k-\$250k	\$100k-\$250k
111	Software Technical Health	Data Manager Upgrade	\$100k-\$250k	-
112	Software Technical Health	Grid Conditions Communications	\$100k-\$250k	-
113	Software Technical Health	Security Scanning Refresh	\$100k-\$250k	-
114	Software Technical Health	EMS (Energy Management System) Upgrade	\$100k-\$250k	-
115	Software Technical Health	Centralized Account Management	\$50k-\$100k	\$250k-\$500k
116	Software Technical Health	NMMS (Network Model Management System) Upgrade	\$50k-\$100k	-
117	Software Technical Health	Tech Health: ListServ Cloud Upgrade	\$50k-\$100k	-



Recommendation regarding 2024-2025 Budget and Fee

Project Expenditures: Project Priority List Details

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
118	Software Technical Health	Tech Refresh - Integration Upgrade	\$50k-\$100k	-
119	Software Technical Health	Tech Refresh - Identity Management 2023	<\$50k	-
120	Software Technical Health	CRR Refresh 2025	-	\$250k-\$500k
121	Software Technical Health	Grid Geo - Database Upgrade	-	\$250k-\$500k
122	Software Technical Health	FlighTrak Refresh 2025	-	\$100k-\$250k
123	Software Technical Health	Tech Foundation -Software Technical Health Expected to be Approved in 2024/2025	-	\$3M-\$4M

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
124	IT Infrastructure	Second iTest Environment	\$10M-\$15M	\$3M-\$4M
125	IT Infrastructure	DC5 Network Core	\$2M-\$3M	\$50k-\$100k
126	IT Infrastructure	DC5 AIX Migrations to Linux	\$500k-\$1M	-
127	IT Infrastructure	DC5 Pre-Project Purchases	\$250k-\$500k	-
128	IT Infrastructure	DC5 Program Control	\$50k-\$100k	<\$50k
129	IT Infrastructure	DC5 Application Migrations	<\$50k	-
130	IT Infrastructure	Common Infrastructure	(\$2M-\$3M)	(\$1M-\$2M)
131	IT Infrastructure	Additional IT Infrastructure Funding - 2024/2025	-	\$2M-\$3M

Line	Project Category	Project Name	2024 Budget Range	2025 Budget Range
132	Market Design Project	Real-Time Co-Optimization (NPRR1007-NPRR1013, NPRR1014)	\$15M-\$20M	\$15M-\$20M
133	Market Design Project	PUCT Phase 2 Initiatives	\$1M-\$2M	\$1M-\$2M
134	Market Design Project	NPRR1014 BESTF-4 Energy Storage Resource Single Model	\$1M-\$2M	\$1M-\$2M





Date: June 13, 2023
To: Board of Directors
From: Bill Flores, Finance and Audit (F&A) Committee Chair
Subject: 2024-2025 Budget and Fee

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: June 20, 2023

Item No.: 11.1

Issue:

Electric Reliability Council of Texas, Inc. (ERCOT) must have a Board of Directors (Board)-approved budget per its Bylaws.

Background/History:

Public Utility Commission of Texas (PUCT) Substantive Rule 25.363, ERCOT Budget and Fees

P.U.C. SUBST. R. 25.363(e) provides that the ERCOT budget (Budget) and any change in the system administration fee are subject to review and approval by the PUCT. P.U.C. SUBST. R. 25.363(d) further specifies that the review and approval of a proposed Budget, or a proceeding to authorize and set the range for the amount of the fee is not a contested case.

P.U.C. SUBST. R. 25.363(e) provides that, prior to submission of the Budget for Board approval, ERCOT shall consult with PUCT staff in connection with the development of the Budget and provide PUCT staff with information concerning budget strategies, staffing requirements, categories of expenses, capital outlays, exceptional expenses and capital items, and proposals to incur additional debt.

PUCT Order

On December 2, 2021, PUCT issued an Order in Docket No. 38533 approving ERCOT's 2022-2023 Biennial Budget. The Order also requires ERCOT to submit its proposed 2024-2025 biennial budget no later than September 1, 2023.

ERCOT Bylaws

Sections 4.10 (*Duties*) and 10.3 (*Budget*) of the ERCOT Bylaws require that the Board approve the Budget.

ERCOT Board Policies and Procedures

Section 3.3 of the Board Policies and Procedures provides as follows:

The CEO or the CEO's designee will present to the Board by October of each year when the Budget is to be approved, or at such other time as directed by the Board, a Budget to carry out the Board's directives for the

following year or longer as directed by the Board. The Budget will include projections of ERCOT's overall financial performance and financing plans, and describe the services, projects, programs, and the associated revenues and expenditures for the next fiscal year. Adoption of the Budget by the Board and as approved by the PUCT authorizes the CEO to complete work plans and make associated expenditures as provided for in accordance with the Budget.

F&A Committee Charter

Section (IV)(C)(1) of the Finance & Audit Committee Charter states:

At least annually, the Committee shall:

- a. Review staff's proposed budget for the following year(s);
- b. Review staff's recommendation of the amount and type of financing needed, both revenue and debt financing, to support the proposed budget and meet the Company's liquidity needs; and
- c. Following the Committee's review of the above items, recommend to the Board, a proposed budget and associated financing plan for the following year(s).

The F&A Committee is expected to recommend Board approval of ERCOT's recommended 2024-2025 Biennial Budget at the Board's June 20, 2023 meeting.

Key Factors Influencing Issue:

- ERCOT requires approval of the Budget by the Board and the PUCT for funding to enable ERCOT to fulfill its statutory functions as an independent organization as required by Section 39.151(a) of the Public Utility Regulatory Act (PURA). For instance, ERCOT must have adequate funds and staff in 2024 and 2025 to:
 - Maintain compliance with the Financial Corporate Standard and associated financial performance measures as approved by the Board;
 - Address ERCOT's Strategic Objectives:
 - Strategic Objective 1: Be an industry leader for grid reliability and resilience,
 - Strategic Objective 2: Enhance the ERCOT region's economic competitiveness with respect to trends in wholesale power rates and retail electricity prices, and
 - Strategic Objective 3: Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission; and
 - Fund independent market monitoring, PURA, and North American Electric Reliability Corporation (NERC) compliance functions.
- In the fourth quarter of 2022 and the first two quarters of 2023, ERCOT staff discussed financial assumptions, methodologies, schedules, and a system

administration fee rate relating to the 2024-2025 Biennial Budget with PUCT staff designated by the PUCT Executive Director.

- ERCOT staff will present its recommended 2024-2025 Biennial Budget to the F&A Committee on June 19, 2023.
- The Budget recommended by ERCOT staff will require an increase in the ERCOT system administration fee rate from \$0.555 to \$0.710 per megawatt-hour effective January 1, 2024.

Conclusion/Recommendation:

ERCOT staff recommends, and the F&A Committee is expected to recommend, that the Board:

- Approve the recommended 2024-2025 Biennial Budget as set forth in **Attachment A**, which includes \$424,027,936 and \$426,184,988 total spending authorization for operating expenses, project spending, and debt service obligations for 2024 and 2025, respectively;
- Approve the recommended increase to the ERCOT system administration fee rate from \$0.555 to \$0.710 per megawatt-hour effective January 1, 2024 as set forth in **Attachment B**; and
- Authorize ERCOT Legal to file the Board-approved 2024-2025 Biennial Budget for approval by the PUCT, pursuant to P.U.C. SUBST. R. 25.363(d).



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to accept the recommendations of ERCOT staff and the Finance and Audit (F&A) Committee that the Board approve the ERCOT recommended 2024-2025 Biennial Budget (Budget), which includes operating expenses, project spending, and debt service obligations;

WHEREAS, Sections 4.10 (*Duties*) and 10.3 (*Budget*) of the Amended and Restated Bylaws of Electric Reliability Council of Texas, Inc., approved on December 20, 2022 (Bylaws), requires that the Board approve the Budget;

WHEREAS, ERCOT staff discussed financial assumptions, methodologies and schedules relating to the Budget in a public meeting with the F&A Committee, and consulted with the staff of the Public Utility Commission of Texas (PUCT) regarding development of the Budget;

WHEREAS, ERCOT staff presented its recommended 2024-2025 Biennial Budget, which includes a total spending authorization of \$424,027,936 and \$426,184,988 respectively; and

WHEREAS, the Budget recommended by ERCOT staff will require an increase in the ERCOT system administration fee rate from \$0.555 to \$0.710 per megawatt-hour effective January 1, 2024;

THEREFORE, BE IT RESOLVED, that the Board hereby:

- Approves the recommended 2024-2025 Biennial Budget as set forth in **Attachment A**, which includes \$424,027,936 and \$426,184,988 total spending authorization for operating expenses, project spending, and debt service obligations for 2024 and 2025, respectively; and
- Approves the request for a recommended increase to the ERCOT system administration fee rate from \$0.555 to \$0.710 per megawatt-hour effective January 1, 2024 as set forth in **Attachment B**; and
- Authorizes ERCOT Legal to file the Board-approved 2024-2025 Biennial Budget for approval by the PUCT, pursuant to P.U.C. SUBST. R. 25.363(d).



CORPORATE SECRETARY'S CERTIFICATE

I, Jonathan M. Levine, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its June 20, 2023 meeting, the Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of June, 2023.

Jonathan M. Levine
Assistant Corporate Secretary

Attachment A

ERCOT

Fiscal Years 2024-2025 Budget Request

(\$ in Millions)

Sources and Uses				2024	2025	2026	2027	2028	2029
	2022	2023	2023	Request	Request	Projection	Projection	Projection	Projection
	Actual	Budget	Forecast						
1 System Administration Fee Revenue	\$ 239.2	\$ 240.9	\$ 241.2	\$ 330.1	\$ 340.8	\$ 350.9	\$ 360.9	\$ 397.6	\$ 401.4
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	77.4	49.8	39.8	39.8	39.8	39.8	39.8
4 Other Revenues	8.6	20.5	16.4	18.0	18.0	18.9	19.9	20.9	21.9
5 CRR Borrowings	23.7	5.1	-	-	-	-	-	-	-
6 Decrease in Cash Balance	6.9	-	-	-	-	-	28.4	-	-
7 Total Sources	\$ 325.2	\$ 287.0	\$ 359.7	\$ 424.0	\$ 426.2	\$ 438.8	\$ 479.7	\$ 490.8	\$ 497.4
8 Department Expenditures	\$ 218.3	\$ 231.5	\$ 260.7	\$ 315.1	\$ 331.2	\$ 350.8	\$ 371.4	\$ 393.3	\$ 416.5
9 Project Expenditures	54.0	27.1	34.7	37.5	33.0	35.5	72.8	45.0	37.0
10 Market Design Project	-	2.4	2.4	21.6	17.2	8.0	-	-	-
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	5.4	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	-	-	8.0	18.3	11.9	10.2	-	15.5	5.2
17 Total Uses	\$ 325.2	\$ 287.0	\$ 359.7	\$ 424.0	\$ 426.2	\$ 438.8	\$ 479.7	\$ 490.8	\$ 497.4

* 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.

Attachment B

ERCOT

Fiscal Years 2024-2025 Budget Request

(\$ in Millions)

Budget Summary										
Line		2022	2023	2023	2024	2025	2026	2027	2028	2029
		Actual	Budget	Forecast	Request	Request	Projection	Projection	Projection	Projection
1	System Administration Fee Rate (SAF)	\$ 0.555	\$ 0.555	\$ 0.555	\$ 0.710	\$ 0.710	\$ 0.710	\$ 0.710	\$ 0.770	\$ 0.770
2	Energy Consumption (TWh)	431.0	434.0	434.5	465.0	480.0	494.3	508.3	516.4	521.2
2A	Year over Year %	9.6%	0.7%	0.8%	7.0%	3.2%	3.0%	2.8%	1.6%	0.9%
3	System Administration Fee Revenue	\$ 239.2	\$ 240.9	\$ 241.2	\$ 330.1	\$ 340.8	\$ 350.9	\$ 360.9	\$ 397.6	\$ 401.4
4	Department Net Expenditures	\$ 209.7	\$ 211.1	\$ 244.3	\$ 297.1	\$ 313.3	\$ 331.9	\$ 351.6	\$ 372.5	\$ 394.6
4A	Year over Year %	11.0%	0.6%	16.5%	21.6%	5.4%	5.9%	5.9%	5.9%	5.9%
5	Project Expenditures	54.0	27.1	34.7	37.5	33.0	35.5	72.8	45.0	37.0
6	Market Design Project	-	2.4	2.4	21.6	17.2	8.0	-	-	-
7	MET Center Replacement Project	15.4	-	-	-	-	-	-	-	-
8	Total Net Expenditures	\$ 279.1	\$ 240.5	\$ 281.4	\$ 356.2	\$ 363.5	\$ 375.4	\$ 424.3	\$ 417.5	\$ 431.6
9	Net Available Before Non-Operating	\$ (39.9)	\$ 0.3	\$ (40.3)	\$ (26.1)	\$ (22.6)	\$ (24.4)	\$ (63.4)	\$ (19.8)	\$ (30.2)
10	Debt Service	\$ (5.1)	\$ (5.5)	\$ (5.4)	\$ (5.4)	\$ (5.2)	\$ (5.1)	\$ (4.7)	\$ (4.5)	\$ (4.4)
11	Interest Income	25.0	0.0	77.4	49.8	39.8	39.8	39.8	39.8	39.8
11A	Interest Rate %	1.51%	0.01%	3.72%	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)	\$ 72.0	\$ 44.4	\$ 34.6	\$ 34.6	\$ 35.1	\$ 35.3	\$ 35.4
14	Net Available	\$ (30.6)	\$ (5.1)	\$ 31.7	\$ 18.3	\$ 11.9	\$ 10.2	\$ (28.4)	\$ 15.5	\$ 5.2
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	\$ -	\$ -	\$ 8.0	\$ 26.3	\$ 38.2	\$ 48.4	\$ 20.0	\$ 35.5	\$ 40.6
18	CRR Fund Balance	\$ 1,973.6	\$ 997.3	\$ 2,021.6	\$ 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.