MEMORANDUM

To:	Human Resources and Governance (HR&G) Committee
From:	Mara Spak, Vice President, Human Resources
Date:	March 31, 2025
Re:	Item 7 – 2024 Objectives and Key Results (OKRs) Final Results and New 2025 OKRs Report

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Executive Summary

Each year, ERCOT establishes objectives and key results to measure performance of work toward the Objectives in the Strategic Plan approved by the ERCOT Board of Directors (Board). The Human Resources and Governance (HR&G) Committee recently discussed management of risks related to the new 2025 ERCOT Objectives and Key Results (OKRs).

The attached report displays the final results of the 2024 OKRs and the new 2025 OKRs that guide and measure performance of work for corporate priorities in alignment with the 2024-2028 Strategic Plan. 2024 OKRs were completed except for one OKR for which ERCOT has realigned remaining activities to occur in 2025.

Completion Targets

Other than the Key Result that is due by August 2025, to advance and improve ERCOT's enterprise risk management (ERM) initiative, the ERCOT 2025 OKRs are targeted for completion by December 2025.

Questions for the Board

Staff would especially appreciate the Committee's feedback on the following question(s):

1. Does the Committee have additional suggestions for future reports?

Objectives and Key Results (OKRs)

2024 Final Results and New 2025 OKRs

March 28, 2025

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2024-2028 Objectives

Following stakeholder discussion and analysis of external and internal factors to identify drivers and risks, on June 20, 2023 the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) approved the high-level priorities that guide ERCOT work via the 2024-2028 Strategic Plan. The plan aims to deliver the most value to the consumers of Texas with the following objectives:

1. Be an industry leader for grid reliability and resilience – **Objective 1**
2. Enhance the ERCOT region's economic competitiveness with respect to trends in wholesale power rates and retail electricity prices to consumer – **Objective 2**
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 – **Objective 3**

Annually, ERCOT establishes Objectives and Key Results (OKRs) to track achievement of Objectives in the Strategic Plan as measured by Key Results for the current year.

2024 / 2025 Key Results

ERCOT establishes Key Results to help measure performance of work to achieve Objectives in the Strategic Plan.

2024 OKRs were completed except the OKR to improve enterprise quality assurance. ERCOT has realigned remaining activities for the remaining work to occur in 2025.

2025 OKRs were created to continue work for corporate priorities in alignment with the 2024-2028 Strategic Plan.

2025 ERCOT Enterprise OKRs

Objective 1

Be an industry leader for grid reliability and resilience.

Key Results	
Improve **Grid Stability**	Dec-25
Modernize Transmission Planning processes to match the challenges of a rapidly changing grid	Dec-25
Increase **cyber security awareness** of employees	Dec-25
Improve rules, processes and internal procedures related to **RMR/MRA and Contract for Capacity requirements**	Dec-25
Enhance **infrastructure patching period for production assets**	Aug-25
Better manage the grid with large penetration of **distributed energy resources**	Dec-25

Objective 2

Enhance the ERCOT region's economic competitiveness with respect to trends in wholesale power rates and retail electricity prices to consumers.

Key Results	
Implement key milestones for the **Real-Time Co-optimization plus Batteries (RTC+B) Program**	Dec-25
Inclusion of **operational probabilistic assessment in ancillary services**	Dec-25
Implement key milestones for HB1500 **Dispatchable Reliability Reserve Service (DRRS) Requirements**	Dec-25
Enhance **demand response** approach and programs	Dec-25

Advance and improve **enterprise risk management (ERM)** initiative at ERCOT	Aug-25
Enabling **AI and Data Analytics capabilities** to empower data driven decision making	Dec-25
Better manage the grid with large penetration of **energy storage resources**	Dec-25

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.

Key Results	
Promote better **talent identification and acclimation** into ERCOT	Dec-25

2024 ERCOT Enterprise OKRs

Objective 1

Be an industry leader for grid reliability and resilience.

Key Results		
Develop requirements for future Resources to allow continued development of **Inverter Based Resources** to ensure reliability and stability	Completed 10/31/24	✓
Develop requirements for **existing and future Resources and large loads** that reduce the risk of having a loss of load event due to **system instability**	Completed 07/15/24	✓

Establish processes necessary to support the continued evaluation of the **Reliability Standard**	Completed 12/01/24	✓
Incorporate the limited duration parameters of **Energy Storage Resources** in appropriate ERCOT systems and analyses	Completed 06/27/24	✓
Modernize Transmission Planning processes to match the challenges of a rapidly changing grid	Completed 07/15/24	✓
Implement PUC Approved **Performance Credit Mechanism (PCM)** key milestones	Completed 12/06/24	✓
Increase **cyber security awareness** of employees	Completed 12/18/24	✓

Objective 2

Enhance the ERCOT region's economic competitiveness with respect to trends in wholesale power rates and retail electricity prices to consumers.

Key Results		
Implement key milestones for the **Real-Time Co-optimization plus Batteries (RTC+B)** Program	Completed 09/13/24	✓
Implement key milestones for HB1500 **Dispatchable Reliability Reserve Service (DRRS)** Requirements	Completed 05/29/24	✓
Improve **enterprise quality assurance and continuous improvement**	Not Completed in 2024: Realigned remaining activities to occur in 2025	🔴
Implement key milestones to **reduce treasury operational complexities**	Completed 10/17/24	✓

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.

Key Results		
Increase **meaningful participation in academic and industry forums**, and through **hosting groups** who want to learn more about ERCOT	Completed 10/28/24	✓
Advance **transparency, communication, and improved use of digital channels** by completing key market facing and internal initiatives	Completed 12/18/24	✓
Achieve key milestones for the **Grid Transformation** effort	Completed 12/18/24	✓
Elevate ERCOT's **culture of excellence**	Completed 12/18/24	✓

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