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Item 11: CEO Update

Pablo Vegas
President and CEO

Board of Directors

February 9 & 10, 2026

*Revised 02/05/2026, slides 3 and 8

Purpose

Presentation highlights ERCOT's recent Operations and Planning activities and highlights strategic areas of focus

Key Takeaways

- The reforms and improvements made to the ERCOT grid since 2021 through collaborative efforts with the Texas Legislature, the Public Utility Commission of Texas, and Market Participants are having a positive impact.
- ERCOT is developing a new process to evaluate Large Load interconnection requests through a "Batch Study."
- ERCOT was named runner-up for its Operational Excellence focus in the *Best Achievement in Driving Change & Transforming Organizational Culture* category at the OPEX Business Transformation World Summit.

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Winter Storm Fern Operations

- Maintenance outages were recalled and rescheduled in advance of the winter storm.
- Fleet performed well overall.
- ~340 MW were generated from Firm Fuel Supply Service commitments.
- Braunig Unit 3 was utilized under the Reliability Must-Run commitment.
- Life Cycle Power Mobile Generation was deployed.
- Texas Commission on Environmental Quality Enforcement Discretion was obtained.
- Department of Energy 202c Orders were obtained.
- Large Loads worked with ERCOT through the storm.
- Multi-Agency Coordination occurred before and during the winter storm.

Weatherization Inspections
Jan. 22, 2026

Key Takeaway: ERCOT and its Market Participants demonstrated a strong performance under challenging conditions. Continuous improvement efforts will focus on refining processes for backup generation under the 202(c) Orders and leveraging tools developed under Senate Bill 6 for future events.

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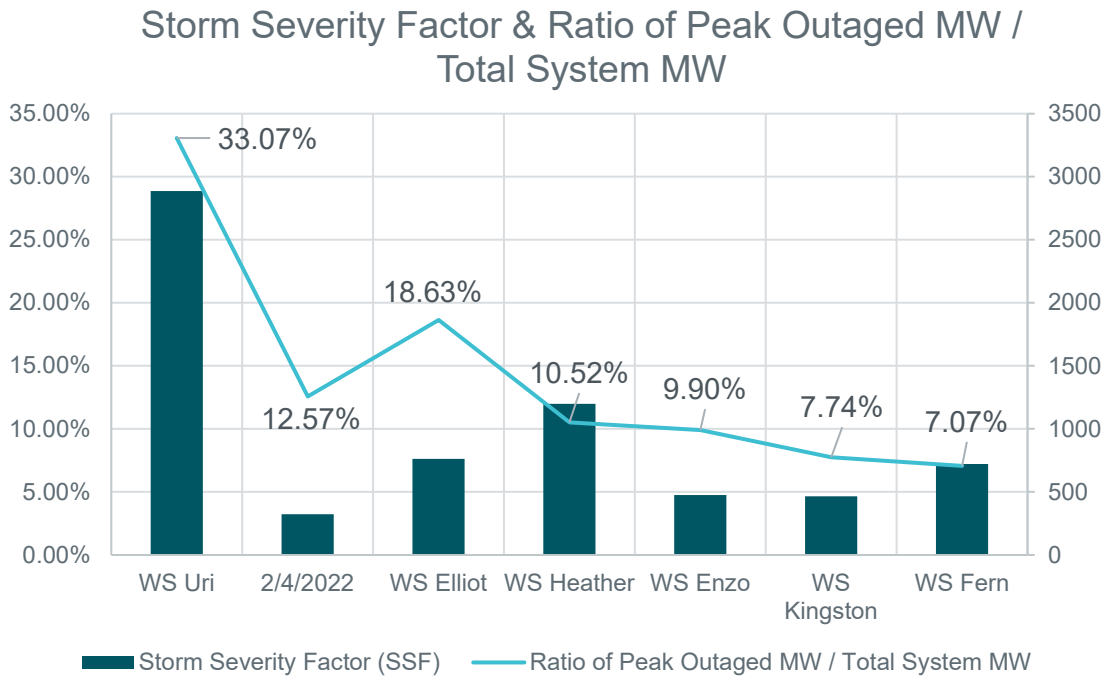
Extreme Cold Weather Reliability Improvement in ERCOT

Event Name	Storm Severity Factor (SSF)	Ratio of Peak Outaged MW / Total System MW	Start Date
WS Uri	2886.5	33.07%	2/12/2021
WS Landon	323.5	12.57%	2/4/2022
WS Elliot	763	18.63%	12/23/2022
WS Heather	1200	10.52%	1/15/2024
WS Enzo	475	9.90%	1/20/2025
WS Kingston	466.5	7.74%	2/20/2025
WS Fern	722	7.07%	1/25/2026



These MW levels represent dispatchable generation only and do not include IRRs nor BESS.

Key Takeaway: Even though Winter Storm Fern had the third-highest storm severity factor of the six winter storms evaluated since Winter Storm Uri, it had the lowest level of forced outages as a percentage of total ERCOT dispatchable generation capacity.

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Communications By the #s During Winter Storm Fern

ERCOT.com saw a 1,128% spike on January 24.

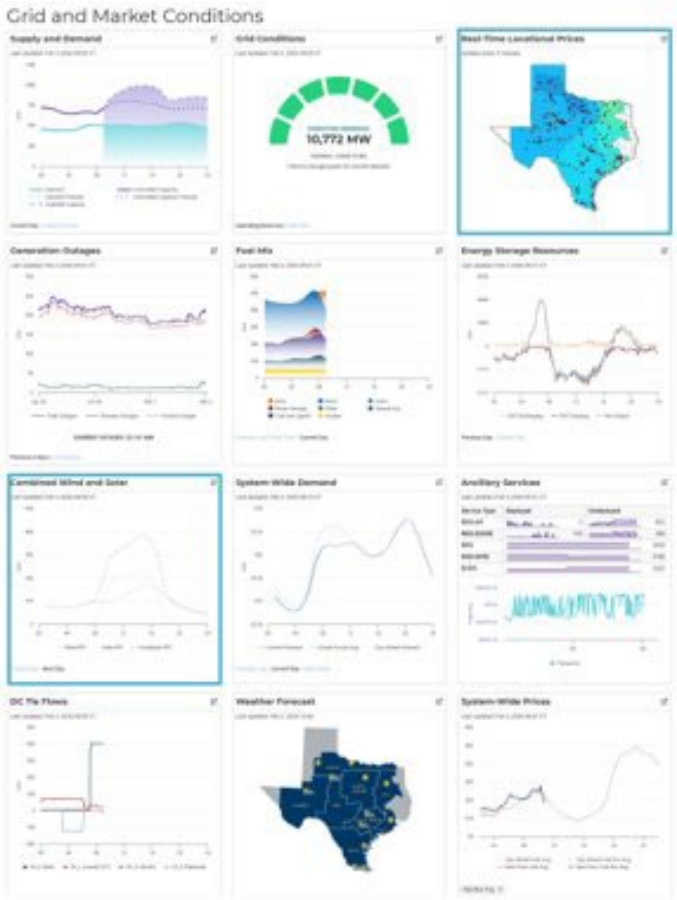
Page/Dashboard	Views
Real-Time Locational Prices	2.4 million
Grid and Market Conditions	1.4 million
Locational Marginal Pricing by Load Zone	983,914
Combined Wind and Solar	926,916

Mobile App Downloads: 6,000

Social Media
- Impressions: 996,211
- Engagements: 57,037
- Video views: 2,800

TXANS (Texas Advisory & Notification System)
- Weather Watch
- Gained more than 2,000 new subscribers

ERCOT Emergency Alerts LISTSERV
- Gained more than 800 new subscribers



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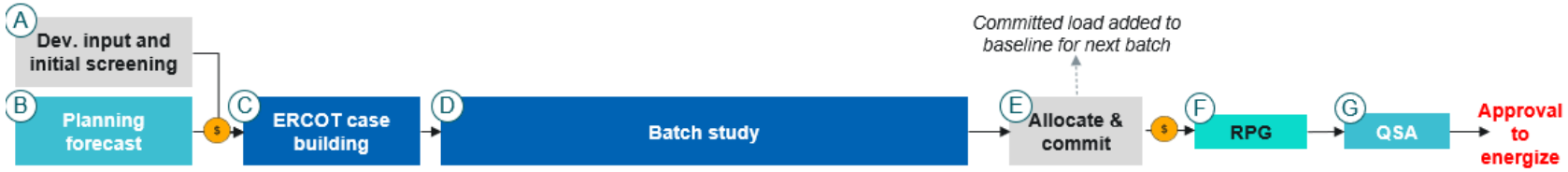
Preliminary Batch Study Process Overview

Box widths roughly correlate with relative duration of each step



Pre-study inputs

(A) Developer input and initial screening studies

Developers submit interconnection requests and required information to relevant T(D)SPs, which in turn perform preliminary analysis before submitting all information to ERCOT to include in batch studies; developers meet SB6 entry requirements[1]

(B) ERCOT annual planning forecast

ERCOT builds full forward-looking model of system through next 6+ years, including both large (≥75 MW) and small loads

Planning forecast + new large load requests form baseline for each batch's case building

Study / modeling

(C) ERCOT case building

ERCOT defines set of variables and parameters to run batch studies (Steady State and Stability) based on latest planning forecast and loads that have successfully entered the batch

(D) Batch study

ERCOT performs a Steady State study and Stability screening[2] using parameters defined in case building to assess how much load the system can reliably serve and where; each study considers 3 scenarios across 5 study years for 15 total "cases"

Post-study outputs

(E) Allocate and commit

ERCOT notifies T(D)SPs and developers of load allocation and expected Tx upgrades, ramping over following 5 years; developers have limited timeframe to decline or meet SB6 commitment requirements[1] to accept

(F) RPG (Regional Planning Group)

Stakeholders comment on Tx upgrades and align on actual transmission build plan

(G) QSA (Quarterly Stability Assessment)

ERCOT studies stability and reliability of full grid at regular intervals; loads must meet requirements ~5-8 months before actual energization

1. To be laid out in PUCT rule 58481
2. Steady State and Stability Studies are focused on transmission adequacy, i.e., this is not intended to be an assessment of resource adequacy

$ Deposit required (SB6[1])
ERCOT batch process
Other ERCOT action
Developer / TSP action
RPG

Key Takeaways:

- There is broad agreement that a batch-based approach is necessary.
- Uncertainty in the current process creates risk for developers of existing Large Load Interconnection (LLI) requests.
- Treatment of existing and advanced LLI requests is a critical consideration.
- Transparency and consistency are recurring themes.
- Alignment with the transmission planning process is viewed as essential.

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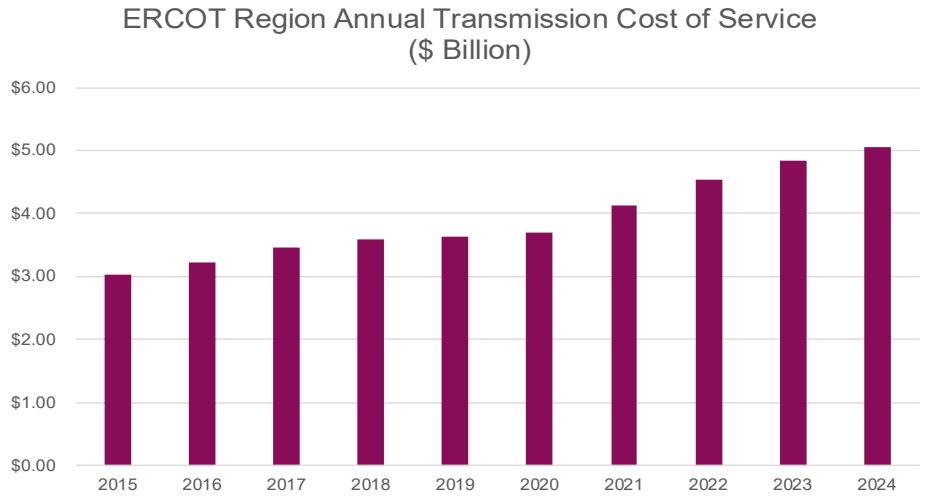
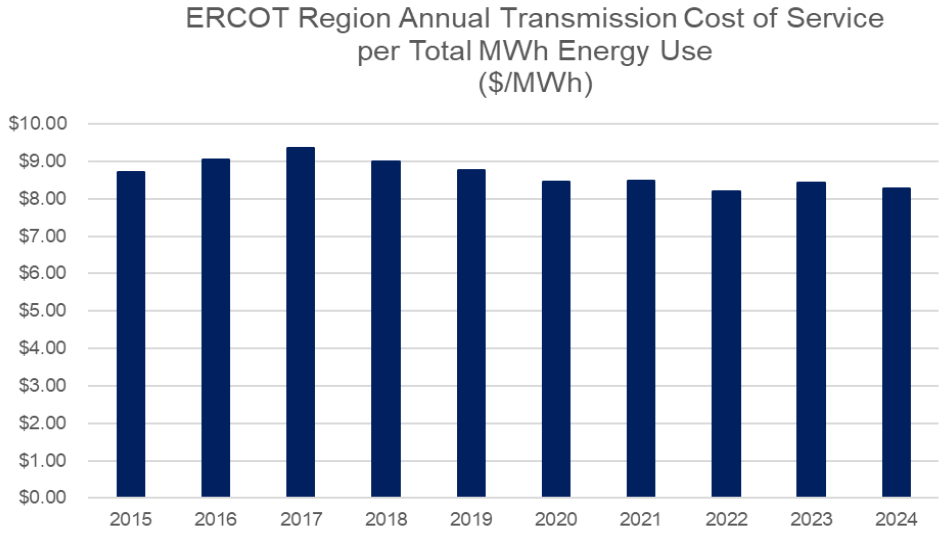
Transmission Cost of Service



This represents the annual investment in transmission infrastructure that is authorized into the Transmission Cost of Service (TCOS). TCOS is the total pool of invested dollars that establishes the transmission rates customers pay. Transmission investment growth aligns with the strong economic and population growth Texas has been experiencing.



Despite increasing annual investment in transmission infrastructure, the system's average cost per MWh, when adjusted for inflation, has trended flat to declining as overall energy use also continues to grow.

Key Takeaway: Increased transmission investment is supporting strong Texas economic growth at a level that is commensurate with prior years.

1. TCOS values are based on ERCOT's Yearly Wholesale Transmission Service Charges filed with PUCT
2. Total MWh Energy Use values are based on ERCOT's Demand and Energy Report published on the ERCOT website
3. Adjusted using the Consumer Price Index

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ERCOT Honored for Operational Excellence

ERCOT was named a runner-up in the
Best Achievement in Driving Change & Transforming Organizational Culture
category at the OPEX Business Transformation World Summit.

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Employee Recognition

Winter Storm Fern

Control Room, Shift Engineers, Operations Support, State Operations Center

Yousef Abu-Khalifa
Joey Alderete
Giovanni Aviles
Scott Bagley
Douglas Bernhoft
Barney Brasher
Chad Bryant
Steve Buffum
Luke Butler
Andy Calixtro
Eric Camacho
Mike Carlos
Gabe Castro
Jessica Co
Kevin Cook
Darrell Cyphers
Amber Dawn
Arden Dean
Doug Duet
Shawn Dupuis
Landon Frazier
Abran Garcia
Freddy Garcia
John Gay
Jonathan Grotefendt
Greg Guenther
Rochie Guiyab
Kristopher Hancock
Jimmy Hartmann
Don Hill
Luis Hinjosa
Jimmy Kim
Shawn Klinglesmith
George Lopez
Bryan Luker
Nitika Mago
Jason Marcou
Brandon Maynard
Shauna Maynard
Allen McKinley
Jimmy Mizell
Sam Morris
Cody Mossburg
Naveen Naiki
George Niels
Dylan Parker
Stan Petrusky
Bill Pettit
Christopher Pettit
Zach Poe
Tom Poynor
Aaron Pugh
Julian Ramirez
Nikolas Rice
Jared Rienfeld
Zane Robison
Frank Rojas
Emanuelle Romero
Eduardo Santibanez
Ed Self
Liuzhong Shi
Francis Sirleaf Jr.
Ira Smith
Michael Torres
Lupe Vega
Landon VonRosenberg
Michael Walter
Wesley Watkins
Chad Webster
Ryan Wells
Clayton Werner
Kevin Wilson
Dan Woodfin
Les Wuensche
Christopher Zwierlein

Weatherization & Inspections Team

Albert Cantu
Kevin Harris
Dennis Horton
Jake Jacobs
David Kezell
Raihan Khondker
Cyle Lublin
Sheri Messer
Godswill Peter
Audie Proctor
Neil Quast
Chris Thomas

24-hour coverage for multiple days

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Employee Recognition

Planning Reports: 2025 Regional Transmission Plan and Existing & Potential Electric System Constraints & Needs Report

Tanzila Ahmed
Johanna Allen
Eric Cen
Amy Chen
Gordon Drake
Pengwei Du
Robert Golen
Julie Gumpert
Jameson Haesler
Julie Jin
Daniel Johnson Jr.
Md Shamimul Islam
Sun Wook Kang
Ying Li
Sadegh Modarresi
Thinesh Devadhas Mohanadhas
Sam Morris
Elizabeth Pagano
Priya Ramasubbu
Gustavo Blanco Rivera
Misael Rodriguez
John Schmall
Jose Solchaga
Jack Thornton
Pete Warnken
Ping Yan
Mahnoush Yousefian
Mariela Zuniga

Support/Review
Kristin Abbott
Meaghan Bailey
Sidne Finke
Oscar Garza
Prabhu Gnanam
Kristi Hobbs
Julie House
Christy Penders
Woody Rickerson