



Item 11: CEO Update

Pablo Vegas
President and CEO

Board of Directors

February 9-10, 2026

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

*Revised 02/06/2026, slides 2, 3, and 7

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.

Winter Storm Fern Operations

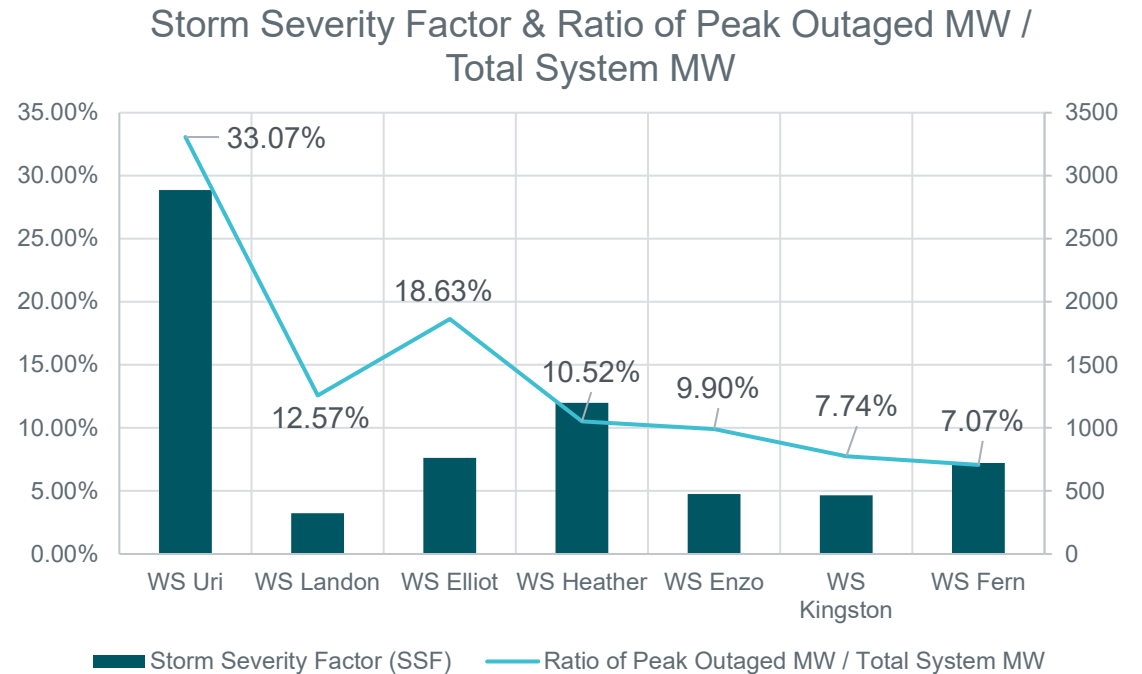
- Maintenance outages were recalled and rescheduled in advance of the winter storm.
- Fleet performed well overall.
- ~340 MW were generated from Firm Fuel Supply Service commitments.
- Braunig Unit 3 was utilized under the Reliability Must-Run commitment.
- Life Cycle Power Mobile Generation was deployed.
- 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.



Key Takeaway: ERCOT and 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.

Extreme Cold Weather Reliability Improvement in ERCOT

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



MW values do not include energy storage or renewables (thermal dispatchable only)

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 thermal dispatchable generation capacity.

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

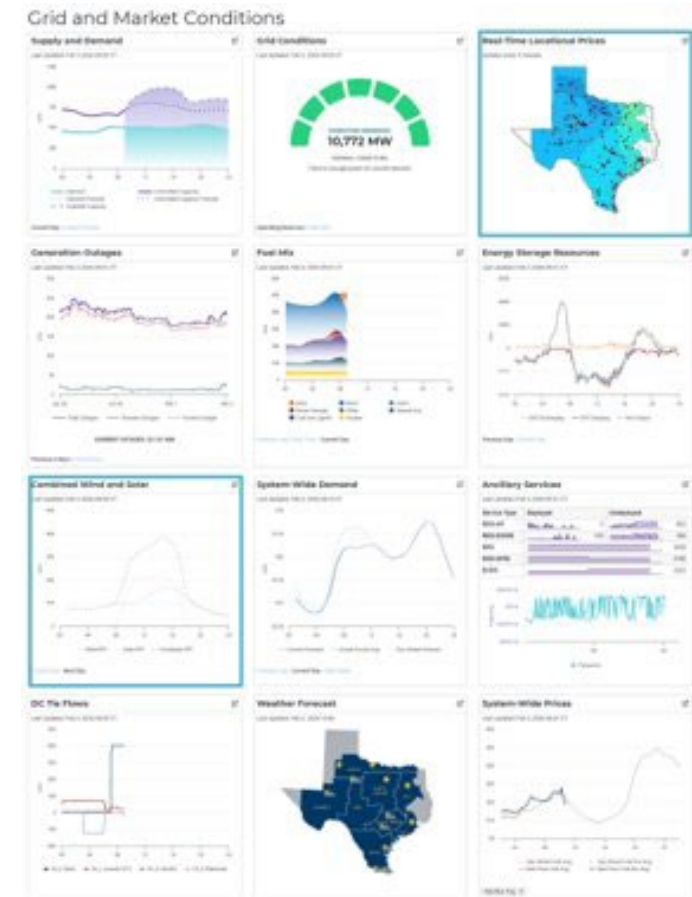
- Impressions: 996,211
- Engagements: 57,037
- Video views: 2,800

TXANS (Texas Advisory & Notification System)

- Weather Watch
- Gained more than 2,000 new subscribers

ERCOT Emergency Alerts LISTSERV

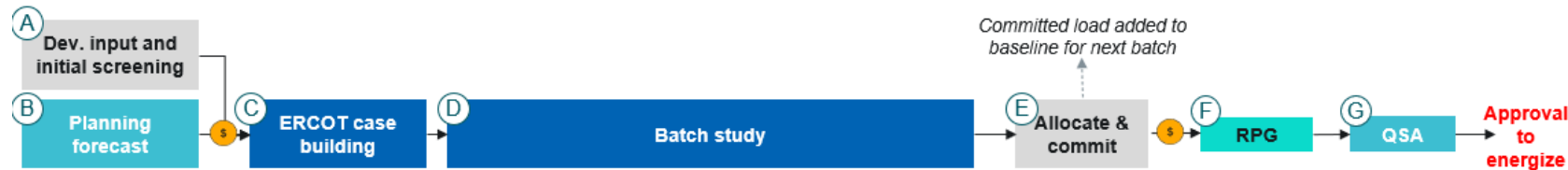
- Gained more than 800 new subscribers



ercot | **TXANS**

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 requirements¹
- 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

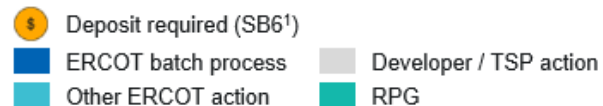
Study / modeling

- 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 screening² 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 requirements¹ 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

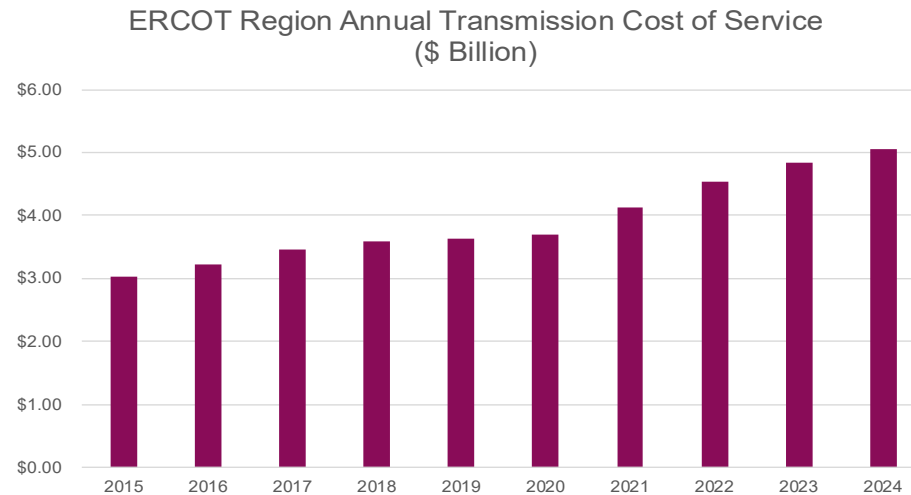
1. To be laid out in PUCT rule 58481
2. Steady State and Stability Studies are focused on transmission adequacy, i.e., this is not intended to be an assessment of resource adequacy



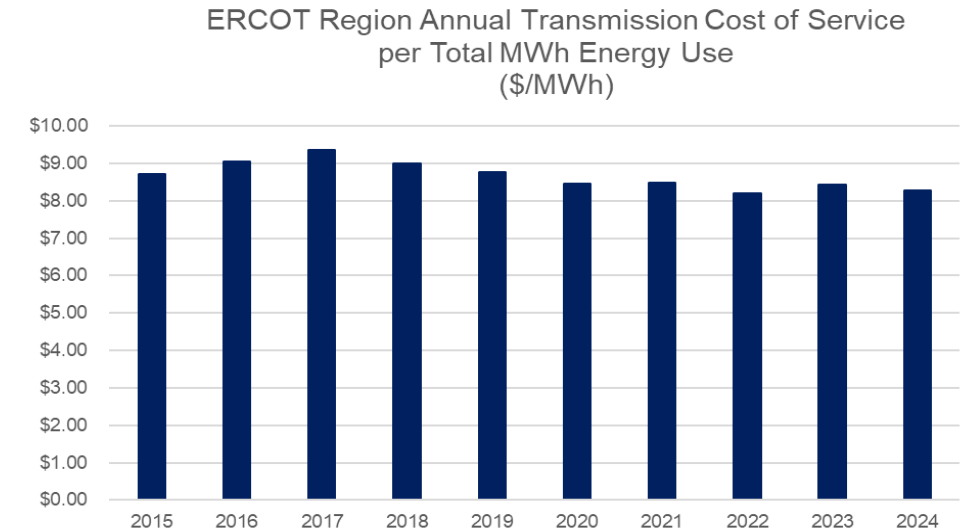
Key Takeaways:

- 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.

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.

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.



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

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