



Item 4.1: CEO Update

H.B. "Trip" Doggett

President & Chief Executive Officer

Board of Directors Meeting

ERCOT Public

June 9, 2015

CEO Update: Variance to Budget (\$ in Millions)

Net Revenues After Department Expenditures as of April 30, 2015

Net Revenues Year to Date: \$1.8 M Favorable

Major Revenue Variances

\$1.6 M over budget: system administration fees are favorable due to colder-than-expected temperatures

Major Expenditure Variances

\$1.4 M under budget: hardware/software vendor services due to timing differences

\$0.6 M over budget: project funded labor lower than planned

\$0.5 M over budget: external staffing higher than budget

Net Revenues Year End: \$5.3 M Unfavorable

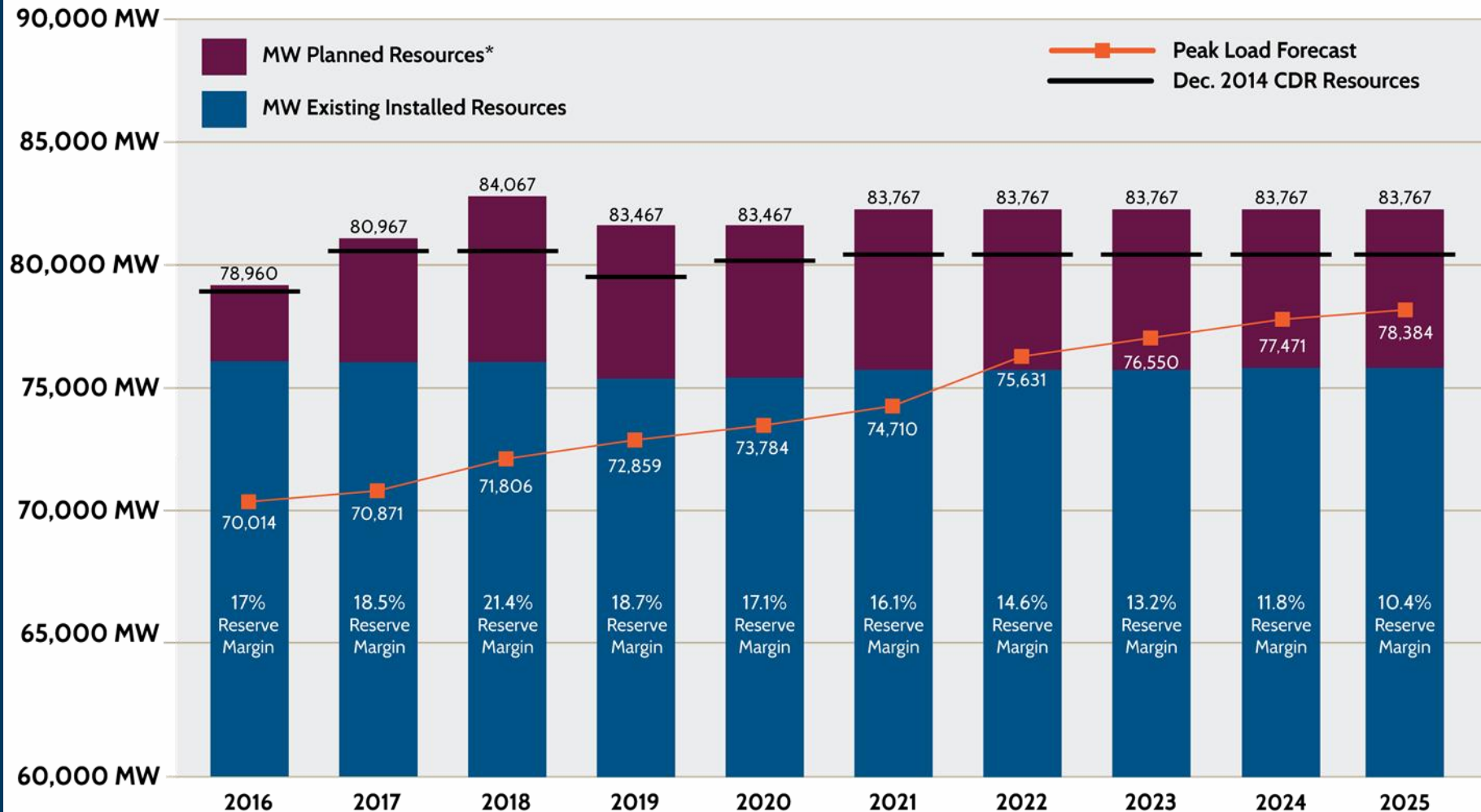
Major Revenue Variances

\$3.8 M under budget: system administration fees unfavorable based on current actuals and load forecast for remainder of year

Major Expenditure Variances

\$0.8 M over budget: additional responsibilities surrounding new NERC transmission planning standards

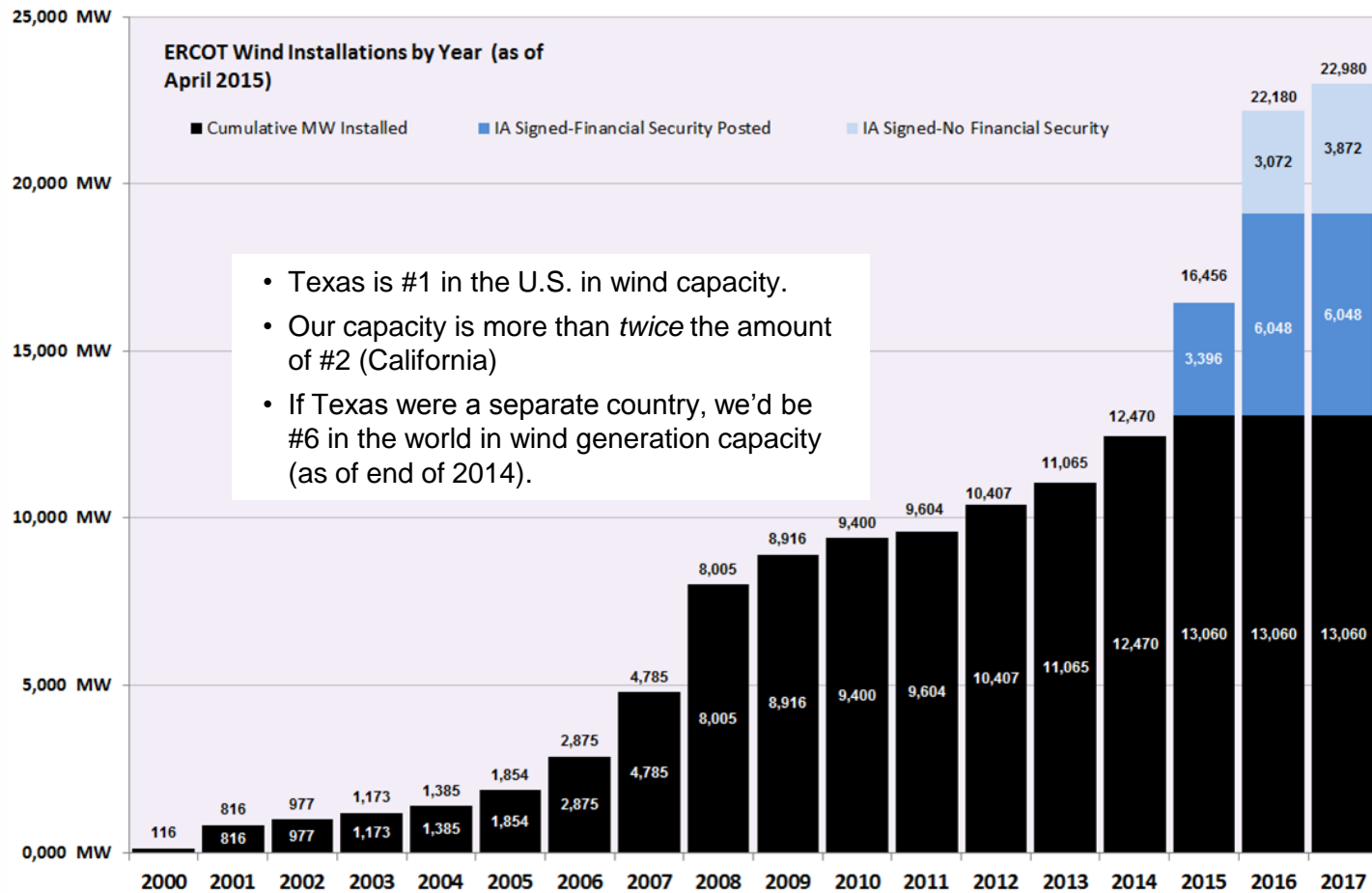
May 2015 CDR compared to December 2014



*To be eligible for the CDR, projects must have signed interconnection agreements, applicable air permits and proof of adequate water.



Wind Generation – April 2015



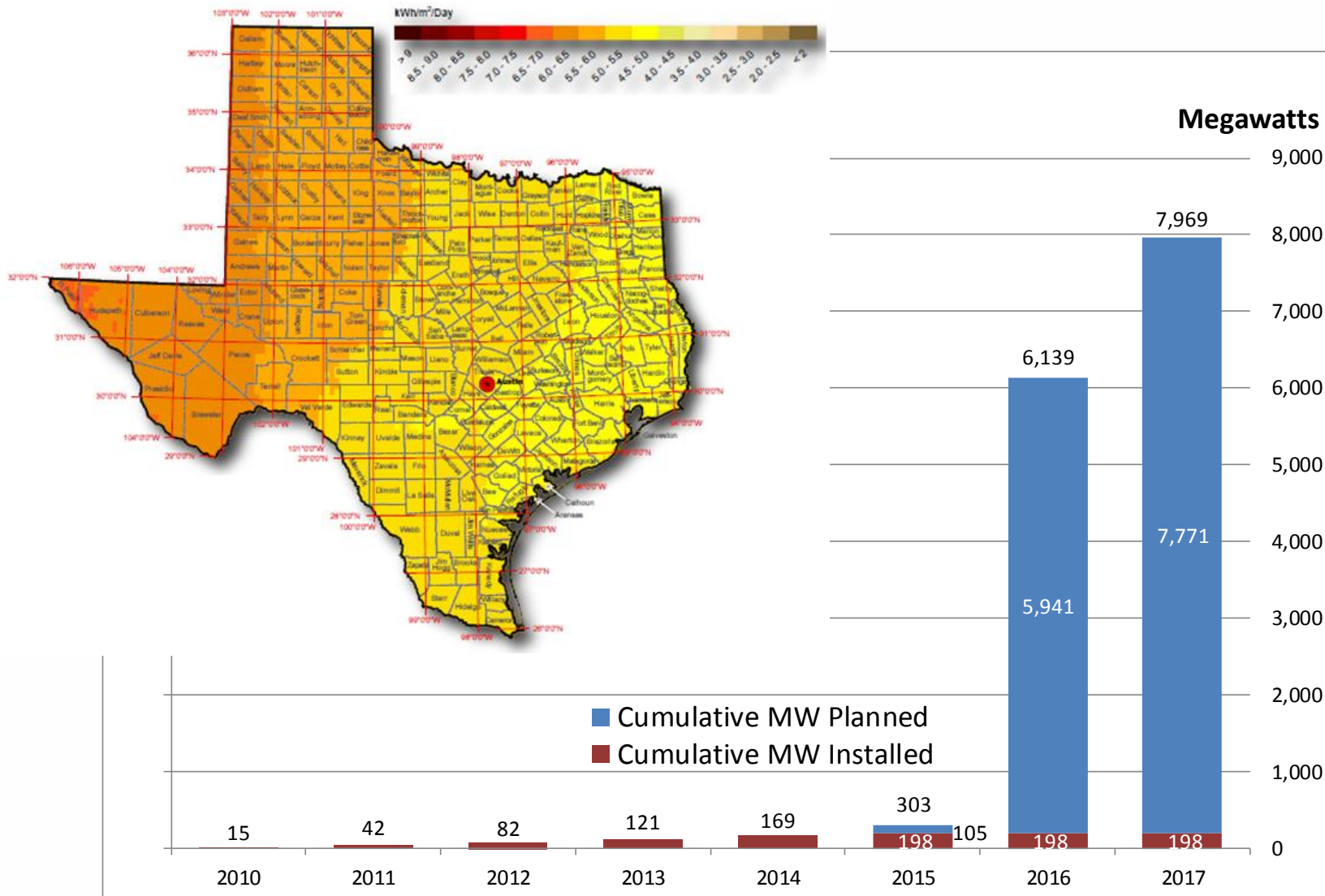
- Texas is #1 in the U.S. in wind capacity.
- Our capacity is more than *twice* the amount of #2 (California)
- If Texas were a separate country, we'd be #6 in the world in wind generation capacity (as of end of 2014).

The data presented here is based upon the latest registration data provided to ERCOT by the resource owners and can change without notice. Any capacity changes will be reflected in current and subsequent years' totals. Scheduling delays will also be reflected in the planned projects as that information is received.

This chart reflects planned units in the calendar year of submission rather than installations by peak of year shown.

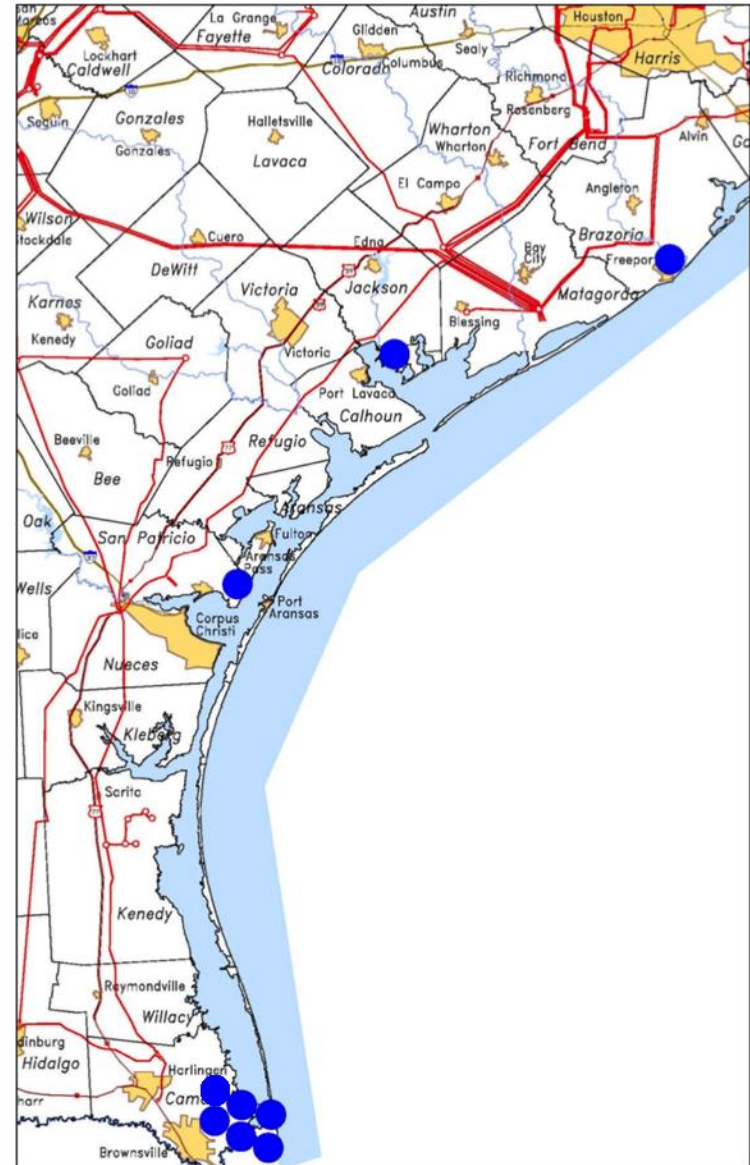


Cumulative Installed and Planned Solar Capacity – April 2015



Liquefied Natural Gas (LNG) Facilities

- Nine proposed LNG facilities in ERCOT.
- The Freeport LNG project and the Cheniere project (Corpus Christi) have received final DOE approval on their non-FTA (Free Trade Agreement) export applications. DOE approval is pending for all other facilities seeking such authorization.
- Production of LNG is an energy intensive process; Developers will select to use either gas-driven or electric motor-driven compressors. This choice will significantly impact the electric load requirements of the project. The choice to use electric motors could require significant upgrades to an area's transmission facilities.



2015 R3 Release Plan

- **Release Dates: May 27 – June 26**
- **92 Change Requests and 5 Projects across major application areas**
- **NPRRs and SCRs**
 - NPRR543, NPRR559, NPRR597, NPRR601, NPRR626, NPRR639, NPRR645 & NPRR665
 - SCR774, SCR775 & SCR779
- **Major System Projects**
 - MMS OS Tech Refresh Stabilization Release since the R2 release
- **Majority of R3 changes are for the following functional areas**
 - Credit Monitoring, Current Day Reports, Settlement Metering, Enterprise Information Services, Public Dashboard
 - Energy Management System, Market Management System, Market Information System, Outage Scheduler

Project Recognition – Operator Training Seminar

About the seminar:

- Brought 675 ERCOT market participants, Texas RE and NERC operators together from across the United States over the course of six weeks from March 23- April 29 in Lakeway, TX
- The seminar covered a wide range of topics, including ERCOT summer preparedness, situational awareness, and lessons learned from historical events
- After successful completion of the three day training session, operators earned NERC approved Continuing Education Hours

Thanks to the efforts of these individuals, the seminar was a great success:

Stacy Wozny (pictured), Carmela Martinez and Kelly Blackmer (not pictured)



Restoring 345kV Transmission Circuits

- Two CenterPoint Energy 345 kV transmission circuits were forced out of service on April 27th when one structure-mile of double circuit towers was hit by a tornado near the town of Roans Prairie
- Five towers were destroyed and one was damaged
- Both circuits were restored and re-energized by May 6th
- CenterPoint Energy maintains an on-hand inventory for more than 2 structure-miles and 3 circuit-miles of its 345 kV transmission lines
- Comprehensive emergency operating material plan & negotiated vendor alliances to ensure replacement materials are available on-hand for restoration

