



Item 5: CEO Update

Pablo Vegas

President and Chief Executive Officer

Board of Directors meeting

ERCOT Public

October 10, 2024

Overview

- **Purpose**

This presentation highlights ERCOT's recent Operations and Planning activity and highlights strategic areas of focus

- **Voting Items / Requests**

No action is requested of the Board; for discussion only

- **Key Takeaways**

- The efficiency benefits of the RTC+B have been studied and estimated by the IMM to save \$1.6 billion per year in reduced energy costs.
- ERCOT is proposing several changes to the Ancillary Services (AS) Methodology for 2025 that will result in an overall decrease in the quantities of AS procured.
- The PUCT approved the Permian Basin Reliability Plan.
- ERCOT launched a new mobile app and expands social media presence.

Real-Time Co-optimization + Batteries

- Will provide more flexibility in real time to efficiently assign resources between energy and Ancillary Services (AS)
- Will include significant improvements to modeling and consideration of batteries and state of charge available for providing energy services and AS
- SCED system will automatically select the most efficient and effective resources available to serve load and meet Ancillary Service needs
- Continue working closely with stakeholders on testing and market trials



Key Takeaway: The efficiency benefits of this change have been studied and estimated by the IMM to save \$1.6 billion per year in reduced energy costs.

Ancillary Services 2025 Methodology

ERCOT proposes changes to the 2025 AS Methodology based on:

- Operational experience
- Forecasted resource mix changes
- Initial analysis and input from the PUCT's AS study

Compared to 2024, Ancillary Service quantities for 2025:

- Decrease 1.4%
- Would have been higher absent ERCOT's proposed methodology changes

This is a voting item for the ERCOT Board under the R&M Committee report. If approved, ERCOT will then seek PUCT approval before the end of 2024 so that the new AS Methodology can be effective on January 1, 2025.

Key Takeaway: ERCOT is proposing several changes to the AS Methodology for 2025 that will result in an overall decrease in the quantities of AS procured.

Ancillary Services Proposed Changes

Regulation Up and Regulation Down: Compute Regulation Service quantities using historic 5-minute net load forecast error instead of 5-minute total variability

Responsive Reserve Service: Change the minimum Responsive Reserve Service Primary Frequency Response (RRS-PFR) limit from 1,185 MW to 1,365 MW based on the historic performance of the ERCOT generation fleet

ERCOT Contingency Reserve Service: Compute quantities as the higher of (1) quantity needed to restore frequency following a large generator trip or (2) quantity needed to respond to intra-hour net load forecast errors, rather than the sum of these two factors; risk factor updates based on the above change

Non-Spinning Reserve Service: Compute quantities for 10 p.m. to 6 a.m. based on historic 4-hour ahead net load forecast error instead of 6-hour ahead

Key Takeaway: The proposed changes to the Ancillary Services Methodology are due to better accounting of risks and improvements to the Security Constrained Economic Dispatch (SCED) tool. The proposed changes do not decrease system reliability.

New Era of Planning – Update

Permian Basin Reliability Plan & Extra-High Voltage (EHV) Lines

The PUCT approved the Permian Basin Reliability Plan for the 2038 forecasted Load for the region in support of HB5066.

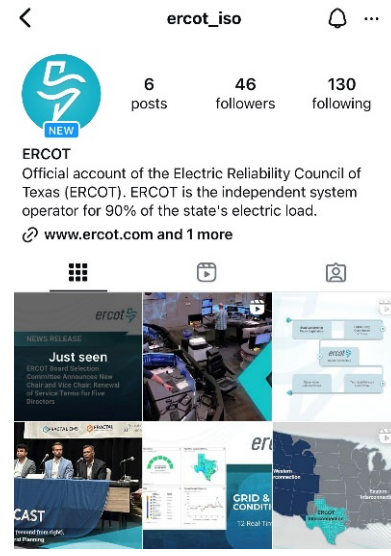
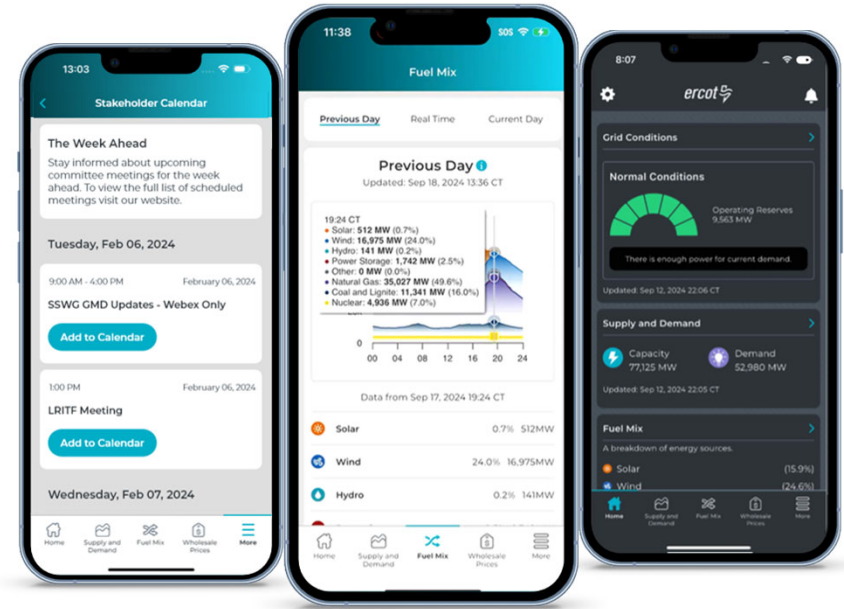
- Applicable Transmission Service Providers are authorized to start preparing Certificate of Convenience and Necessity (CCN) applications.
 - five 345-kV import paths
 - three 765-kV import paths
- May 1, 2025, has been set as the date certain for determining which import path voltage will be utilized.

2024 Regional Transmission Plan studies continue on 765-kV transmission to reliably and efficiently connect the growing demand in Texas with an evolving generation mix.

Key Takeaway: Forecasted load growth coupled with the evolution of generation types and locations has led to EHV infrastructure consideration to reliably and efficiently facilitate large power transfer across the system.

New Mobile App & Expanded Social Media Presence

- Redesigned look + dark mode
- Improved navigation
- Informative welcome screens
- Most popular dashboards have been added, expanded, and are interactive
- Videos explaining dashboard features
- Now customize which dashboards appear on the home screen
- Week-ahead meeting calendar view
- Easy methods for submitting feedback
- Technical updates for better performance on the latest operating systems
- ERCOT is now on Instagram! (@ERCOT_ISO)



Employee Recognition: ERCOT New Mobile App

Adnan Ahmad
Jeanette Agron
Leo Angele
Naresh Ancha
Gopal Atluri
Ruslan Baltabayev
Mike Bishop
Scott Bolling
Anthony Boyle
Penney Christian
Dean Cortez
Cathy Cox
Ashley Dawson
Anna Garcia
Ron Hernandez

Julie House
Jerry Insall
Brandon Johnson
Olha Lyakhovets
Chris Lauer
Jamie Lavas
Amy Lofton
Sanjay Manandhar
Srinivasa Rao Manthena
Trish Matus
Angela Michelsen
Priyanka Parthasarathy
Sarada Potluri
Duc Qui
Luis Quintanilla

Sharmila Sudarsan Rao
Faizan Rauf
Tracy Richter
Narender Sandil
Vir Sanghavi
Shawn Scott
Kaushik Totakura
Ravi Tummala
Padma Veluservai
Damon Williams