



**PRESS RELEASE**  
December 11, 2008

## **ERCOT News: Board Meeting Highlights**

### **TOPICS:**

- Independent Consultant Presents First Report on Nodal Program
- Board Approves Revised Budget for January
- ERCOT Receives 'Clean' SAS 70 Audit
- 2009 Board Confirmed At Annual Membership Meeting
- Chief Administration Officer Appointed

### **Independent Consultant Presents First Report on Nodal Program**

The ERCOT Board of Directors on Tuesday heard status reports on the nodal implementation program from ERCOT staff and Utilicast, an independent consultant contracted to provide a third-party review of the program.

Utilicast representative Mike Cleary told board members that the nodal market is doable but will require significant work. The breadth of the market redesign that ERCOT is undertaking has never been done before, Cleary said. Asked by Board Chairman Jan Newton, "is this project deliverable," Cleary said, "Yes, subject to a number of deliverables."

Cleary also [reviewed the benefits and potential impacts of two alternate options](#): 1) implementing a nodal market – "forklifiting" – from an existing regional transmission operator nodal market, and 2) engaging a system integrator to manage and complete the nodal market implementation. Utilicast did not recommend either option at this stage in ERCOT's nodal implementation. Cleary said he thought the forklift option was "a bad idea" at this time.

Utilicast plans to make its final report to the board's Special Nodal Program Committee on Jan. 19 and the full board on Jan. 20.

Chief Information Officer Ron Hinsley also gave [an update](#) on the nodal program and said ERCOT would be presenting the [preliminary schedule and budget](#) to the nodal market participant/stakeholder committee for initial review on Dec. 10. After the stakeholder feedback is incorporated, the revised schedule will be presented to the group again, and then to the board's Special Nodal Program Committee, followed by the board, and finally, to the Public Utility Commission, likely in February 2009.

### **Board Approves Revised Budget for January**

Also at Tuesday's meeting, the board [approved a one-month base operating budget for January](#) to support operations while the 2009 full-year budget is being revised to reflect the delay of the nodal market launch date. The board had [previously approved](#) an increased budget to accommodate nodal operating costs anticipated with the previous launch date of December 1, 2008. ERCOT staff plans to present the revised 2009 full-year budget – excluding nodal activities and maintaining the current system administration fee – at the January 2009 board meeting.

In other action, the board also approved six Protocol Revision Requests (PRR) and one Operating Guide Revision Request (OGRR):

- [PRR 770](#) Deletion of Unaccounted for Energy Analysis Zone Language

- [PRR 771](#) Ramp Rate Limitation of 10 percent per minute of On-Line Installed Capability for Wind-powered Generation Resources
- [PRR 773](#) Setting the Low Sustainable Limit Requirement for Wind-powered Generation Resources
- [PRR 774](#) Treatment of Financial Information as Confidential
- [PRR 775](#) Change the name of Emergency Electric Curtailment Plan to Energy Emergency Alert
- [PRR 777](#) Wind-powered Generation Resources Qualified Scheduling Entity Metric Correction
- [OGRR 214](#) Hotline Changes for Qualified Scheduling Entities Representing Multiple Entities

Also the board confirmed the [Technical Advisory Committee representatives for 2009](#), in accordance with ERCOT bylaws.

Additional staff reports included:

[Market Operations Report](#)

[Information Technology Board Report](#)

[Grid Operations Report](#)

[System Planning Report](#)

### **ERCOT Receives ‘Clean’ SAS 70 Audit**

Finance and Audit Committee Chair Clifton Karnei, Brazos Electric Power Cooperative, congratulated the ERCOT staff on receiving an “unqualified opinion with no exceptions” from PricewaterhouseCoopers on the SAS 70 audit. SAS (Statement on Auditing Standards) is an auditing standard developed by the American Institute of Certified Public Accountants to enable an independent auditor to evaluate and issue an opinion about a service organization’s controls. The audit covered controls related to the market settlements process, the information technology infrastructure that supports the markets, and security. The unqualified audit affirms the reliability of the foundational processes performed and data provided by ERCOT staff for each market participant.

### **2009 Board Confirmed At Annual Membership Meeting**

[Board members for 2009](#), with only one new member, were approved at ERCOT’s annual membership meeting Tuesday, which preceded the December board meeting. Deryl Brown of Hudson Energy Services replaced Marcie Zlotnik of StarTex Power as alternate for the independent retail electric provider segment. Mike Greene, vice chairman of Energy Future Holdings, formerly TXU Corp., and a former ERCOT board chairman, was the keynote speaker.

### **Chief Administration Officer Appointed**

Nancy Capezzuti, vice president of human resources & organizational development for ERCOT, will be promoted to the position of vice president, chief administration officer effective Dec. 16, CEO Bob Kahn announced today. In addition to human resources, employee benefits and organizational development, Capezzuti will oversee project management, facilities, and strategic planning.

Capezzuti joined ERCOT in June 2006. She has more than 20 years experience in organizational development, human resources, acquisition and facility management with 13 years in the energy industry. Before joining ERCOT, she was vice president of human resources for Esoterix, Inc., an international laboratory services company, and prior to Esoterix, she was senior vice president of human resources and president of two subsidiaries for Southern Union Company. She served on the board of a number of local organizations and currently teaches an evening class in labor and employment law at the University of Texas.

She has a bachelor of science degree in math education and a master’s degree in counseling and

organizational development from Texas State University.

The Electric Reliability Council of Texas (ERCOT) manages the flow of electric power to 21 million Texas customers – representing 85 percent of the state’s electric load and 75 percent of the Texas land area. As the independent system operator for the region, ERCOT schedules power on an electric grid that connects 38,000 miles of transmission lines and more than 550 generation units. ERCOT also manages financial settlement for the competitive wholesale bulk-power market and administers customer switching for 6 million Texans in competitive choice areas. ERCOT is a membership-based 501(c)(4) nonprofit corporation, governed by a board of directors and subject to oversight by the Public Utility Commission of Texas and the Texas Legislature. ERCOT’s members include consumers, cooperatives, independent generators, independent power marketers, retail electric providers, investor-owned electric utilities (transmission and distribution providers), and municipal-owned electric utilities.

**CONTACT**

Dottie Roark 512-225-7024