

Texas Regional Entity 2010 Goals and Key Performance Indicators

	Key Performance Indicator	Pct.	Current Quarter Performance	Score	Status/Comments
1	Meet responsibilities as a Regional Entity and maintain independence from the ERCOT ISO.	20%			Through regular reports from NERC, FERC, and PUCT, continue to operate in compliance with (1) the Delegation Agreement between NERC and Texas RE, (2) the Texas RE Bylaws, (3) NERC Rules of Procedure, and (4) other obligations and responsibilities as approved by FERC and PUCT.
2	Prepare Texas RE Business Plan & Budget and conduct base operations within approved budget.	10%			Final Texas RE Board-approved BP&B due to NERC on July 8 th .
3	Effectively manage the NERC Compliance Monitoring and Enforcement Program.	20%			Perform in accordance with Delegation Agreement and NERC Rules of Procedure; meet all submittal schedules; participate in NERC, FERC, and Stakeholder activities as required.
4	Monitor and investigate non-compliance with ERCOT Protocols and Operating Guides.	10%			Monitor (not in real-time) Stakeholder performance and investigate all instances of potential non-compliance identified by Texas RE Staff or reported to Texas RE by the ERCOT ISO or other Stakeholder(s).
5	Manage the Texas RE Standards Development Process and participate in NERC Standards Development Process.	10%			Effectively facilitate and coordinate the activities of the Reliability Standards Committee (RSC) and Standard Drafting Teams (SDTs).
6	Effectively communicate with the Board, Industry, Regulators, and other Stakeholders.	30%			Routinely communicate with NERC Staff and other Regional Entity Staff at varying levels, to implement and maintain consistency and uniformity regarding compliance monitoring and enforcement, and standards development programs and discuss program issues; provide monthly Board reports on compliance activities; discuss Protocol compliance activities and related matters with PUCT Staff; regularly provide updates to Stakeholders related to Texas RE and NERC activities on website and in Stakeholder meetings; continue to develop IT automation tools for reporting and communication.
		100%			

KPI 1: Meet Responsibilities as a Regional Entity and Maintain Independence from all Registered Entities

Goal	Pct of KPI	Measurement	Status/Score	Performance
<p>Develop and submit implementation plan to FERC to address audit recommendations.</p> <p>Complete plan as submitted.</p>	25%	<p>Submit plan to FERC within 60 days or FERC Order approving audit report.</p> <p>Plan completed in accordance with schedule but no later than end of 2Q10.</p>		<ul style="list-style-type: none"> Implementation plan submitted and completed as required. Legally separate from ERCOT ISO before July 1, 2010. Design and implement a new IT infrastructure that enables Texas RE to complete the IT separation from ERCOT ISO; create policies and procedures for secure and efficient operation of all Texas RE IT systems and that allow Texas RE to function as an independent organization. Transition all Texas RE Staff employee benefits to the new Texas RE. Hire Reliability Assessment Engineer.
<p>Receive a favorable performance assessment from NERC.</p>	25%	<p>NERC's review and report indicates that Texas RE is performing in accordance with its delegation agreement with NERC – is developing and enforcing Reliability Standards and providing for an adequate level of Bulk Power System reliability in accordance with its delegation agreement.</p>		<p>Texas RE operates in compliance with (1) the Delegation Agreement between NERC and Texas RE, (2) the Texas RE Bylaws, (3) NERC Rules of Procedure, (4) NERC CMEP, and (5) other obligations and responsibilities as approved by FERC and PUCT.</p>
<p>Respond as required to all FERC and NERC Requests for Information and meet all FERC and NERC filing deadlines.</p>	20%	<p>Respond to requests in accordance with FERC and NERC directives.</p>		<p>All responses submitted as agreed to between FERC and/or NERC and Texas RE.</p>
<p>Promptly educate and integrate new Directors into new Texas RE Organization.</p>	30%	<p>Present Board orientation training and have at least one private meeting between the CEO and each new Independent Director.</p>	STRETCH	<ul style="list-style-type: none"> Complete Board orientation by 07/15/2010. Complete individual meetings between CEO and each Independent Director by 8/15/2010
	100%			

KPI 2: Prepare Texas RE Budget and Conduct Base Operations within Approved Budget

Goal	Pct of KPI	Measurement	Status/Score	Performance
Develop achievable Texas RE Budget and Business Plan.	20%	Submit Texas RE Board-approved 2011 Business Plan and Budget to NERC on schedule.		Preliminary internal draft due to NERC on May 10 th ; Draft #1 due to NERC on May 28 th ; final Texas RE Board-approved BP&B due to NERC on July 8 th .
Receive a favorable Financial Audit.	20%	Successfully complete audit and submit report to NERC on time.		Obtain unqualified (“clean”) audit opinions; audit report due to NERC by May 1 st .
Maintain effective Texas RE fiscal controls.	20%	Submit to NERC un-audited quarterly interim financial statements by the 20 th day after the end of the fiscal quarter.		Reports provided to NERC prior to January 20 th , April 20 th , July 20 th , & October 20 th .
File all required reports with NERC.	20%	100% of reports submitted to NERC on time.	STRETCH	Reports and information submitted to NERC in accordance with timelines and guidelines provided to Texas RE.
Perform major finance and accounting functions timely and error free.	20%	Invoices processed within 30 days of receipt. Error free payroll processing.	STRETCH	<ul style="list-style-type: none"> All (100%) invoices processed within 30 days of receipt. All payroll processing 100% error free.
	100%			

KPI 3: Effectively Manage the NERC Compliance Monitoring and Enforcement Program

Goal	Pct of KPI	Measurement	Status/Score	Performance
Develop Texas RE Compliance Program Implementation Plan annually and submit to NERC.	10%	Submit annual plan to NERC by November 1 st for the following calendar year.		Develop 2011 Implementation Plan; collaborate as needed with NERC Staff and other Regional Entity Staff to ensure uniformity and consistency among Regions.
For 2010, complete all scheduled compliance audits and perform necessary spot-checks in accordance with Texas RE Procedures and NERC Rules of Procedure (RoP).	10%	Complete all currently scheduled audits and issue final reports by December 31, 2010.		<ul style="list-style-type: none"> • Audit schedule followed – 18 on-site; 27 table-top (off-site) (subject to change and updated throughout the year). • Texas RE Audit Procedures followed. • Perform a minimum of 3 spot-checks per quarter in accordance with Texas RE Procedures.
Conduct event analyses, complaint reviews, self-report and self-certification validations, and compliance investigations in accordance with Texas RE Procedures and NERC RoP.	10%	Analyses and investigations conducted in accordance with applicable processes and procedures.		<ul style="list-style-type: none"> • Review and revise procedures for event analysis and compliance investigations to remain current with NERC program and process changes. • Document completion of key steps of active event analysis or compliance assessments conducted in 2010 (effective April 2010). • Provide bi-monthly CVI/CIQ status report spreadsheets to NERC as requested during 2010.
Actively participate in NERC Reliability Assessments and Situational Awareness efforts.	10%	Texas RE Staff fully engaged in all aspects of Reliability Assessments and Situational Awareness efforts.		<ul style="list-style-type: none"> • Review and comment on summer, winter, and long-term reliability assessments. • Coordinate expansion of the SAFNR project as requested by NERC. • Develop use of the Texas RE situational awareness room and train applicable staff during 2Q10.
Implement and enhance CIP Compliance and Technical Feasibility Exception (TFE) Programs.	10%	CIP Compliance and TFE Programs fully developed, operational, and secure.		<ul style="list-style-type: none"> • Draft CIP auditing procedure in place by end of 2Q10; approved CIP auditing procedure completed by 12/31/10. • Complete all scheduled CIP audits by 12/31/10. • Complete internal CIP audit of Texas RE by 12/31/10. • Complete processing of at least 90% of all TFEs by expected deadlines.
Prepare and submit to NERC all required	10%	95% of reports submitted to NERC		<ul style="list-style-type: none"> • Reports submitted to NERC in accordance with timelines

reports.		on schedule. Complete Document Management System by 12/31/10.		and guidelines provided by NERC to the Regional Entities. <ul style="list-style-type: none"> Project up and running and usable.
Maintain up-to-date NERC Regional Compliance Registry and provide updates to NERC.	10%	Keep registry up-to-date/provide updates to NERC within 5 business days of being received from the Registered Entity or as requested by NERC.		<ul style="list-style-type: none"> All entities meeting the NERC Statement of Compliance Registry Criteria shall be appropriately registered. Monitor Texas RE Portal and provide Compliance registry updates in accordance with NERC requirements. Work with other Regional Entities and NERC to improve technical and/or business processes to maintain synchronization of registration information between Texas RE Portal and NERC Portal.
Perform and lead TOP Organization Certification Reviews in accordance with Texas RE Procedures and NERC RoP.	10%	TOP Organization Certification Reviews to be completed by 12/31/10.		Certification Reviews of all newly registered TOPs (joint registration) completed on schedule and in accordance with Texas RE Procedures.
Perform enforcement activities in accordance with Texas RE Procedures and NERC RoP.	10%	Effectively manage all aspects of the enforcement program, including mitigation plan reviews and confirmation, settlements, and contested violations and penalties when they occur.		Enforcement activities completed in accordance with guidelines provided by NERC to the Regional Entities.
Perform and complete 13 TOP Certification Reviews and maintain current Compliance Audit schedule.	10%	Develop project plan and schedule. Assemble Certification Review Team including contractors. Perform table-top and on-site Certification Reviews in accordance with project plan NERC RoP. Issue reports and recommendations to each of the 13 TOPs.	STRETCH	<ul style="list-style-type: none"> Review and approve TOP Implementation Plans by 5/1/10. All Certification Reviews completed and Reports issued by 12/31/10.
	100%			

KPI 4: Monitor and Investigate Non-Compliance with ERCOT Protocols and Operating Guides

Goal	Pct of KPI	Measurement	Status/Score	Performance
Transition ERCOT Compliance Process to new Compliance Authority.	40%	Transition completed by December 31, 2010.		<ul style="list-style-type: none"> Transition successfully completed in accordance with PUCT established schedule to new Compliance Authority. Continue to provide support to PUC Staff in enforcement actions as requested.
Prepare and submit to the PUCT all required/requested reports.	30%	Reports provided to the PUCT on agreed to schedule.		Reports provided in accordance with approved process.
Comply with all aspects of the ERCOT Compliance Process and associated timelines.	30%	Meet timelines 100% of time.	STRETCH	Adhere to and meet established timelines.
	100%			

**KPI 5: Manage the Texas RE Standards Development Process
and Participate in the NERC Standards Development Process**

Goal	Pct of KPI	Measurement	Status/Score	Performance
Comply with the Texas RE Standards Development Process and associated timelines.	40%	Process facilitated, effective and measurable Regional Standards are developed, and timelines met 100% of time.	STRETCH	Manage Standards Development Process and adhere to and meet all established timelines.
Maintain an effective Registered Ballot Body (RBB).	20%	Each segment within the RBB is adequately represented.		Ballot body maintained with all segments represented.
Transition Standards Development Process to independent Regional Entity and establish Members Representative Committee.	20%	MRC and RSC established at time of separation from ERCOT and elections are conducted to fill committee seats with segment representatives. Regular meetings of RSC and MRC are conducted in second half of 2010.		<ul style="list-style-type: none"> Oversee membership elections and maintain accurate an roster of members. MRC and RSC established and meet regularly in compliance with Bylaws and Procedures.
Establish NERC Standards Review Subcommittee (NSRS) of the RSC.	10%	NSRS is established, staffed, and meeting regularly by 12/31/10.		NSRS in place and advising Texas RE on NERC votes and provides forum for Regional discussion of NERC issues.
Initiate independent participation in NERC Standards Development Process.	10%	Join NERC Ballot Body and Ballot Pools for items that are relevant to ERCOT Region. Cast votes on items of interest.		Actively participate in NERC Standards Development Process.
	100%			

KPI 6: Effectively Communicate With the Industry, Regulators, and Other Stakeholders.

Goal	Pct of KPI	Measurement	Status/Score	Performance
Manage and implement new Texas RE-related IT projects.	15%	Effectively work and communicate with NERC and other Regional Entity Staffs to complete required IT projects.		Projects completed and implemented on schedule.
Communicate activities related to the Compliance and Standards Development Programs.	15%	Texas RE Staff to attend stakeholder meetings as needed/requested.		Texas RE Staff attend and participate in applicable stakeholder meetings; distribute updates and notices to market participants through the Texas RE Information list serve.
Coordinate communication activities related to the NERC/Texas RE Programs.	15%	Communications provided and coordinated as directed by NERC.		Regularly communicate and interact with NERC and Regional Entity Staffs at all levels to consistently and uniformly implement and maintain compliance, enforcement, and standards development programs.
Conduct Compliance Monitoring and Enforcement and Standards Development Program Informational Session(s).	15%	Sessions conducted.		Conduct workshops to inform and respond to questions from Registered Entities. Compliance Workshops tentatively scheduled for May 26 th and September 22 nd ; date for CIP Workshop still pending.
Effectively and openly communicate with the Board, Industry, and Regulators.	40%	Maintain strong working relationship with Industry, and FERC and PUCT Commissioners and key staff, and establish strong relationship with new Texas RE Board Directors. Establish an outreach program to maintain organization visibility, improve communications, and educate.	STRETCH	<ul style="list-style-type: none"> Establish a "team" relationship with new board that encourages and nurtures open, effective, and bilateral communication between Texas RE Staff and Directors. Maintain open lines of communication with Industry. Continue to openly communicate, effectively interact, and maintain a high level of credibility with FERC, NERC, and PUCT Staff. Hire board and external relations liaison by 7/1/10 to coordinate effective communications and collaboration. Develop program by 12/31/10 to improve communications at all levels of FERC, NERC, PUCT, and Industry.
	100%			