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PROJECT NO. 38533

**PUC REVIEW OF ERCOT BUDGET § PUBLIC UTILITY COMMISSION
§ OF TEXAS**

ERCOT 2025 SECOND QUARTER PERFORMANCE MEASURES REPORT

Electric Reliability Council of Texas, Inc. (ERCOT) files its 2025 Second Quarter Performance Measures Report, pursuant to the November 15, 2023, Public Utility Commission of Texas (Commission or PUCT) Order approving ERCOT's 2024/2025 Biennial Budget and authorizing the system administration fee (the Order).¹ The following document comprises the report:

Filing Requirement	Description	Attachment
PUCT Order approving 2024/2025 ERCOT Biennial Budget	ERCOT 2025 Second Quarter Performance Measures Report	A

Summary of Commission Order

The Order provides instructions to submit, no later than September 1, 2025, ERCOT's proposed 2026/2027 budget.²

The Order also requires ERCOT to submit quarterly updates on March 1, June 1, September 1, and December 1³ of quantifiable performance measures of success in achieving milestones that will ensure timely and within-budget implementation through delivery of key Commission priorities:⁴ 1) Reliability Standard; 2) Dispatchable Reliability Reserve Service (DRRS); and 3) Real-Time Co-optimization Plus Batteries (RTC+B). Specifically, these

¹ *PUC Review of ERCOT Budget*, Project No. 38533, Order Approving ERCOT's 2024 to 2025 Biennial Budget and Authorizing the System Administration Fee (Nov. 15, 2023) (the Order).

² 16 Tex. Admin. Code (TAC) § 25.363(d) provides, in pertinent part, "ERCOT shall submit its proposed budget for commission review as specified in the commission order approving its previous budget."

³ ERCOT's 2025 Second Quarter Performance Measures Report is filed on June 2, 2025, pursuant to 16 TAC § 22.4 that extends deadlines to the following business day for filings due on a day the Commission is closed for business.

⁴ Key Commission priorities also included Performance Credit Mechanism (PCM). At the Open Meeting of the Commission on December 19, 2024, the Commission approved Commission Staff's recommendation to not move forward with PCM. *Performance Credit Mechanism (PCM)*, Project No. 55000, Staff's Review of the ERCOT and E3 PCM Assessments and Staff's Final Recommendation on the PCM (December 13, 2024). Consequently, PCM metrics were previously reported and are not included in Attachment A.

performance measures include the following: 1) delivery of a Value of Lost Load (VOLL) study associated with the development of a Reliability Standard in the second quarter of 2024;⁵ 2) implementation of DRRS as expeditiously as possible aligned with RTC+B or thereafter; and 3) full implementation and delivery of RTC+B in 2026.⁶

The Order further requires ERCOT to annually submit to the Commission, by September 1, a report of the ERCOT key performance indicators (KPIs) in Attachment F⁷ of ERCOT's 2024/2025 Biennial Budget and System Administration Fee Submission⁸ and performance measures or metrics as applicable to ERCOT used by the Federal Energy Regulatory Commission (FERC) to track the operations and markets performance of other Regional Transmission Organizations / Independent System Operators (RTOs / ISOs).

Summary of Report

Attachment A, *ERCOT 2025 Second Quarter Performance Measures Report*, reports quantifiable performance indicators of success in achieving milestones to ensure the following key priorities of the Commission are timely implemented and within budget: 1) Reliability Standard; 2) DRRS; and 3) RTC+B. In the table to track progress in Attachment A, the status for all metrics related to the Reliability Standard was previously updated to Complete. For RTC+B, the milestones to begin integration testing and market trials are now Complete and the remaining metrics for RTC+B are On Track. For DRRS, the metric that is Not Started to implement milestones for DRRS, and potentially the addition of further milestones, is still pending approval of a Revision Request.

ERCOT appreciates the Commission's consideration and looks forward to any Commission feedback regarding the attached report.

⁵ See generally, *Reliability Standard for the ERCOT Market*, Project No. 54584, ERCOT Market Initiative Overview for Reliability Standard (Aug. 21, 2023).

⁶ See generally, *Wholesale Electric Market Design Implementation*, Project No. 53298, ERCOT Market Initiative Overview for DRRS, ORDC, PCM, and RTC+B (Aug. 21, 2023).

⁷ *PUC Review of ERCOT Budget*, Project No. 38533, ERCOT's 2024/2025 Biennial Budget and System Administration Fee Submission (Aug. 25, 2023), Attachment F, 2022 *ERCOT Key Performance Indicators*, including the following: Reliable Grid; Efficient Electricity Markets; Open Access and Retail Choice; and Other Support and Management Functions.

⁸ 16 TAC § 25.363(f) provides, in pertinent part, "ERCOT shall develop proposed performance measures to track its operations. Such measures shall be submitted for commission review and approval at the time ERCOT submits its proposed budget."

Respectfully submitted,

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Attachment A
ERCOT 2025 Second Quarter Performance Measures
Report

ERCOT 2025 Second Quarter Performance Measures Report

Performance Metrics for Key Market Initiatives

2025 Q2 Update – Status as of May 31, 2025

Initiative	Timeline	Status	Comments
Delivery of Value of Lost Load (VOLL) study in support of Reliability Standard Owner: Kristi Hobbs, ERCOT Vice President of System Planning and Weatherization (Hobbs)	Development of proposed VOLL survey work plan by 12/7/23; Brattle literature review and development of interim VOLL by 12/21/23.	Complete	Filed proposed VOLL survey work plan and literature review/interim VOLL deliverables with PUCT.
	VOLL survey roll out and data collection by 6/30/24.	Complete	VOLL Survey launched 3/26/24 and closed 5/17/24. Certain survey links remained open through 5/31/24.
Reliability Standard Owner: Hobbs Budget estimate as of 1/31/24: Protected Information (Vendor)	Complete analysis of VOLL survey responses and deliver VOLL Study by 8/31/24.	Complete	VOLL Study Final Report filed 8/22/24.
Implement key milestones for the Real-Time Co-optimization plus Batteries (RTC+B) Program. Owner: Woody Rickerson, ERCOT Senior Vice President and Chief Operating Officer (Rickerson)	Board Approval of Nodal Protocol Revision Request (NPRR) 1204, <i>Considerations of State of Charge with Real-Time Co-Optimization Implementation.</i>	Complete	Board recommended approval of NPRR1204 in December 2023, PUCT approved at 2/1/24 Open Meeting.
	Begin Market Management System (MMS) Vendor development by 1/31/24.	Complete	Milestone achieved.
	Publish updated external specifications to the stakeholders by 9/30/24.	Complete	Milestone achieved early (6/28/24).
	Baseline the RTC+B implementation plan for the core systems gate to Execution by 9/30/24. (Remaining milestones below will be confirmed at this baseline.)	Complete	Milestone achieved (9/12/24).

Initiative	Timeline	Status	Comments
Budget estimate as of 11/22/24: \$35M	Complete MMS Development Signoff by 5/31/25.	Complete	MMS vendor delivered final code on 5/13/2025.
	Begin Integration Testing by 3/31/25.	Complete	Timeline updated based on updated target go-live date. ERCOT performed first integrated testing for an Operating Day on 3/25/25.
	Begin Market Trials by 5/5/25.	Complete	Timeline updated based on updated target go-live date. Market Trials began on 5/5/25.
	Go-Live by 12/5/25.	On Track	Timeline updated based on updated target go-live date.
Implement key milestones for HB1500 Dispatchable Reliability Reserve Service (DRRS) Requirements (Standalone). Owner: Dan Woodfin, Vice President of System Operations Budget estimate as of 05/29/24: \$3-5M based on Preliminary Impact Assessment.	Post draft NPRR and high-level delivery strategy to implement DRRS as a stand-alone product by 5/31/24.	Complete	Milestone achieved. On 03/20/24, a draft NPRR was posted on ercot.com and this draft was discussed in detail during 03/27/24 DRRS Workshop II.
	File NPRR to implement DRRS by 8/31/24.	Complete	NPRR1235 and NOGRR264 posted on 05/29/24. Stakeholder review process is ongoing.
	Based on Preliminary Impact Analysis, DRRS estimated project duration is 16 to 24 months after PUCT approval. (Additional milestones will be added after the DRRS implementation project gates to Planning.)	Not Started	Date will be determined after a Revision Request is approved and planning begins.