### Issue for the ERCOT Board of Directors

**ERCOT Board of Directors (ERCOT Board) Meeting Date:** July 16, 2013  
**Agenda Item No.:** 7.1

<table>
<thead>
<tr>
<th><strong>Issue:</strong></th>
<th>Provisions of ERCOT Board approved NPRR509, Shortened RTM Settlement Timeline, will become effective on August 1, 2013 unless the ERCOT Board affirmatively votes to delay implementation to a later date or condition.</th>
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**Background/History:**  
On March 19, 2013, the ERCOT Board approved NPRR509 which introduced a two-phased approach to reduce the posting date for the Initial Settlement Statement from nine days after the Operating Day to seven days after the Operating Day and reduced the posting date of the Final Settlement Statement from the 59th day after the Operating Day to the 57th day after the Operating Day. More specifically:

**Phase One:**
- Reduced the posting requirement for the Initial Settlement Statement from nine to eight days after the Operating Day.
- Implemented April 1, 2013

**Phase Two:**
- Will further reduce the posting requirement for the Initial Settlement Statement to seven days after the Operating Day.
- The posting date of Final Settlement Statements is reduced from the 59th day after the Operating Day to the 57th day after the Operating Day to compensate for the two days eliminated from the Initial Settlement Statement posting.
- Will be implemented August 1, 2013 unless the ERCOT Board affirmatively votes to delay implementation of this paragraph to a later date or condition.

During initial consideration of NPRR509, both TAC and the Commercial Operations Subcommittee (COPS) recommended a phased implementation in order to allow time to address any issues or concerns that may arise from the initial reduction in the Settlement timeline and to evaluate the accuracy and completeness of meter data. After implementation of Phase One, a COPS working group hosted weekly conference calls to review impacts, and no significant issues were raised. During the review, the group considered analysis that estimated the number of ESI IDs with load data available for Initial Settlement on various settlement timelines, according to data available per current business practices. The estimations indicated no
significant reduction to the availability of ESI ID data when reducing the posting requirement for Initial Settlement Statements to seven days after the Operating Day.

On June 11, 2013, COPS voted to endorse proceeding with the August 1, 2013 implementation of Phase Two. There were two opposing votes from the Cooperative Market Segment. The Consumer and Independent Power Marketer (IPM) Market Segments were not present for the vote.

On July 2, 2013, TAC unanimously voted to endorse proceeding with the August 1, 2013 implementation of Phase Two to reduce the posting requirement for the Initial Settlement Statement from eight to seven days after the Operating Day and to reduce the posting date of the Final Settlement Statements from the 59th day after the Operating Day to the 57th day after the Operating Day.

**Key Factors Influencing Issue:**
TAC and COPS reviewed the recommendations before them and voted to recommend the ERCOT Board proceed with Phase Two as described herein.

**Conclusion/Recommendation:**
As more specifically described above, TAC respectfully recommends that the ERCOT Board proceed with the August 1, 2013 implementation of Phase Two to reduce the posting requirement for the Initial Settlement Statement from eight to seven days after the Operating Day and to reduce the posting date of the Final Settlement Statements from the 59th day after the Operating Day to the 57th day after the Operating Day.
WHEREAS, provisions of ERCOT Board approved NPRR509, Shortened RTM Settlement Timeline, will become effective on August 1, 2013 unless the ERCOT Board affirmatively votes to delay implementation to a later date or condition.; and

WHEREAS, the ERCOT Board deems it desirable and in ERCOT’s best interest to proceed with the August 1, 2013 implementation of Phase Two to reduce the posting requirement for the Initial Settlement Statement from eight to seven days after the Operating Day and to reduce the posting date of the Final Settlement Statements from the 59th day after the Operating Day to the 57th day after the Operating Day;

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves the August 1, 2013 implementation of Phase Two of NPRR509 to reduce the posting requirement for the Initial Settlement Statement from eight to seven days after the Operating Day and to reduce the posting date of the Final Settlement Statements from the 59th day after the Operating Day to the 57th day after the Operating Day.

CORPORATE SECRETARY’S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its July 16, 2013 meeting, the ERCOT Board passed a motion approving the above Resolution by __________.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of July, 2013.

________________________________________
Vickie G. Leady
Assistant Corporate Secretary