

NOTICE DATE: January 21, 2009

NOTICE TYPE: M-B012109-01 Notice of System Change (PRR)

SHORT DESCRIPTION: Un-boxing PRR 493: Protocol Section 6.5.7.1(7) Generation Resources Required to Provide Voltage Support Service (VSS) Installed Reactive Capability

INTENDED AUDIENCE: Resource Entities, TDSPs

DAY AFFECTED: February 1, 2009

LONG DESCRIPTION: Protocol Revision Request (PRR) 493, Induction Generator Exemption, will become effective February 1, 2009. The PRR provides the option to Resource Entities of induction generators to elect to make a contribution in aid of construction to the Transmission Service Provider (TSP) for which the Resource is interconnected in lieu of meeting the installed capacity VSS requirements.

“In order to comply with the VSS requirements under this Section, 6.5.7.1 (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable PUCT rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator.”

The new language requires that the TSP certify to ERCOT that the induction generator has complied with these requirements to be effective for VSS compliance. To accomplish this requirement, ERCOT will offer an attestation for the TSP to sign and be accounted for by ERCOT as part of the registration of the Resource.

ADDITIONAL INFORMATION: Resource Entities with induction generators opting to make a contribution to the interconnecting TSP for meeting the installed capacity VSS requirements will need to submit sufficient documentation to ERCOT to certify compliance. The TSP certifying the VSS requirement may use a VSS Attestation form provided by ERCOT to certify the induction generator's compliance.

The VSS Attestation form will be posted on ERCOT.com at <http://www.ercot.com/services/rg/re/> under Key Documents with “Resource Asset Registration Forms” by February 1, 2009.

The signed VSS Attestation may be submitted by the Resource Entity as either: (i) a scanned copy attached to a Texas Market Link Service Request with a Resource Asset Registration Form; or (ii) by sending a scanned copy to

mpappl@ercot.com. ERCOT will not consider the VSS Attestation complete unless it receives a signed copy.

CONTACT: If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Services phone number at (512) 248-3900 or contact ERCOT Client Services via e-mail at ClientRelations@ercot.com.

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