



MEMO

Date: October 11, 2005
To: ERCOT Board
From: Read Comstock, TAC Chair
Subject: 2006 Closely Related Elements (CREs) and Boundary Generation Resources

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: October 18, 2005

Agenda Item No.: 4b

Issue:

Designation of Closely Related Elements (CREs) and Boundary Generators in the ERCOT transmission system as they relate to Commercially Significant Constraints and Congestion Zones.

Background/History:

Protocol Section 7.2.3, Determining Closely Related Elements (CREs) requires that, for each year, ERCOT Staff identify potential CREs using, at a minimum, the process prescribed in the Protocols Section 7.2.3(1)-(6).

CREs are defined in Protocols Section 2 as “those transmission facilities that have shift factor impacts similar to those associated with a particular Commercially Significant Constraint (CSC), and for which there exists a limited amount of Boundary Generation Resources between it and the particular CSC, so that the zonal deployment of Balancing Energy Service is effective in mitigating Zonal Congestion.” The ERCOT Protocols define two types of congestion: (1) CSC Congestion and (2) Local or Operational Congestion. CSC Congestion is transmission congestion that is determined to be “commercially significant” and is used to establish annual Congestion Zones. The Protocols require that ERCOT identify CSCs on an annual basis via the process described in Protocol Section 7.2.1, Process for Determining CSCs. The Board approved the CSCs for 2006 at its September meeting.

When facility outages prevent the normal method of monitoring CSCs for Zonal Congestion management, CREs are used as the reference transmission facilities for monitoring transmission loading, zonal congestion, and the calculation and deployment of Balancing Energy to resolve zonal congestion.

ERCOT Staff has performed the analysis as prescribed Protocol Section 7.2.3(1)-(6) to identify the appropriate CREs and presented the results to the appropriate subcommittees and working



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group. The Wholesale Subcommittee and TAC support the identification of the CREs described below.

Most of the 2005 CREs are recommended as 2006 CREs, with several transmission elements added to the 2006 recommendation. A list of the qualified CREs recommended for Board approval are shown in Attachment A , with the new CREs shown highlighted in yellow.

Key Factors Influencing Issue:

These CREs were developed in accordance with ERCOT Protocols and, as provided by the ERCOT Protocols, the Board has the responsibility for approving CRE designations.

Alternatives:

(1) Approve TAC’s recommendation regarding CREs; (2) reject TAC’s recommendation and remand the issue to TAC with instructions.

Conclusion/Recommendation:

TAC and ERCOT Staff recommend that the Board approve the CREs as recommended by TAC.