



# MEMO

**Date:** April 11, 2006  
**To:** ERCOT Board of Directors  
**From:** Read Comstock, TAC Chair  
**Subject:** Protocol Revision Requests

## Issue for the ERCOT Board of Directors

**ERCOT Board of Director Meeting Date:** April 18, 2006

**Agenda Item No.:** Item 9b

**Issue:**

Consideration of Protocol Revision Requests (PRRs).

**Key Factors Influencing Issue:**

The Protocol Revision Subcommittee (PRS) met, discussed the issues and submitted recommendation reports to the Technical Advisory Committee (TAC) regarding the Protocol Revision Requests (PRRs) described herein. TAC considered the issues and voted to take action on the PRRs as described below.

TAC considered the following PRRs and recommends them to the Board for approval:

- ***PRR630 - Private Use Networks. Proposed effective date: May 1, 2006. No impact to ERCOT budget; no impact to ERCOT staffing - process can be absorbed by ongoing activities to improve models; no impact to ERCOT computer systems; no impact to business functions; no impact to grid operations.*** This PRR adds a requirement for Private Use Networks (i.e., those networks that are connected to the ERCOT System that may include both generation and Load “behind the meter”) to maintain and report appropriate watt/VAR metering data at each substation, identical to the requirements of Distribution Service Providers (DSPs), and requires reporting of addition or deletion of Load points. ERCOT posted this PRR on 8/26/05. On 9/29/05, the submitter requested deferral of consideration. On 10/20/05, PRS tabled PRR630 to allow time for TIEC to submit formal comments. On 12/16/05, PRS voted to recommended approval of PRR630 as modified by CenterPoint’s comments. The motion passed with two opposing votes from the Consumer and Independent REP segments and two abstentions from the Investor Owned Utilities and the Independent Generator segments. All market segments were present. On 1/19/06, PRS again reviewed PRR630 and voted to recommend its approval as amended by PRS. There were two abstentions from the Consumer segment and one from the Independent Power Marketer segment. On 2/02/06, TAC tabled PRR630 to allow Market Participants to resolve inconsistencies. On 3/9/06, with all segments present, TAC unanimously voted to recommend approval of PRR630 as revised by the PRR630 task force and ERCOT.



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ERCOT credit staff and the Credit Work Group (Credit Work Group) have reviewed PRR630 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.

- ***PRR651 – RPRS Cost Recovery Process Clarification - URGENT. Proposed effective date: May 1, 2006.*** No impact to ERCOT budget; no impact to ERCOT staffing; no impact to ERCOT computer systems; ERCOT Settlement & Billing Operations group will use an existing business process to (1) evaluate RPRS local congestion verifiable cost submissions and (2) implement granted RPRS verifiable costs and input approved verifiable cost values into Lodestar for settlement; no impact to grid operations. This PRR updates the process ERCOT shall use when making payments for verifiable costs recovery associated with Replacement Reserve Service (RPRS) Dispatch Instructions to be the same as the process used for Out of Merit Capacity (OOMC) payments. ERCOT posted this PRR on 2/24/06. On 3/23/06, PRS voted unanimously to grant urgent status to PRR651. PRS then voted unanimously to recommend approval of PRR651 as amended by PRS. All segments were present for the vote. On 4/7/06, with all segments present, TAC unanimously voted to recommend approval of PRR651 as submitted. ERCOT credit staff and the Credit WG have reviewed PRR651 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.

The TAC Recommendation Reports and Impact Analyses associated with these PRRs are included in the Board meeting materials. In addition, these PRRs and their supporting materials are posted on the ERCOT website at the following link: <http://www.ercot.com/mktrules/protocols/prr.html>.

### **Alternatives:**

- (1) Approve the TAC recommendation on PRRs 630 and 651 as described above or as modified by the Board;
- (2) reject the TAC recommendations; or
- (3) remand any PRRs to TAC with instructions.

### **Conclusion/Recommendation:**

As more specifically described above, TAC recommends the Board approve the PRRs as described herein.