

# ***TAC Report to the ERCOT Board***

***April 18, 2006***

1

## ***TAC Summary***

- **2 unanimous PRRs**
- **Notice of guide revisions**
- **TAC discussion regarding Board Retreat Action Items**
- **Other high interest issues**
  - **Mass Transition PRR**
  - **PUC Staff appeal of project priorities**
  - **TPTF Oversight**
  - **Entergy Texas interconnection study**
  - **Zonal Market Improvements**

2

## PRR 630 – Private Use Networks

<i>Purpose</i> (TXU Wholesale, IOU)	<i>Requires private use networks (PUNs) to maintain and report appropriate watt/VAR metering data at each substation and the addition/deletion of load points.</i>	
<i>Benefit</i>	<i>Improved system reliability by requiring PUNs to meet same power factor/voltage standards as other market participants.</i>	
<i>Market Impact</i>	<i>Places additional reporting requirements on certain PUNs.</i>	
<i>System Change</i>	No	N/A
<i>Assumptions</i>	N/A	
<i>TAC Vote</i>	<i>TAC unanimously recommends approval ; all market segments were present</i>	
<i>Effective Date</i>	<i>May 1, 2006</i>	

3

## PRR 630 – Private Use Networks

### Impact Analysis

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

4

## PRR 651 RPRS Cost Recovery Process Clarification -- URGENT

<b>Purpose (ERCOT)</b>	<i>Conforms RPRS cost recovery process to that used for OOMC (e.g., verifiable costs)</i>	
<b>Benefit</b>	<i>Clarifies the process used by QSEs when submitting RPRS verifiable costs to ERCOT</i>	
<b>Market Impact</b>	N/A	
<b>System Change</b>	No	N/A
<b>Assumptions</b>	N/A	
<b>TAC Vote</b>	<i>TAC unanimously recommends approval ; all market segments were present</i>	
<b>Effective Date</b>	May 1, 2006	

5

## PRR 651 RPRS Cost Recovery Process Clarification -- URGENT

### Impact Analysis

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

6

## ***Market Guide Revisions***

- RMGRR032 – Transaction Timing Matrix Correction
- RMGRR033 – Process for Retail Market Guide Revisions
- LPGRR009 – Changes to Governing Subcommittee
- LPGRR010 – Load Profile Type Responsibility Change

7

## ***Recommended Board Actions***

- **Approval**
  - PRR 630 – Private Use Networks
  - PRR 651 – RPRS Cost Recovery Process Clarification

8

## *Board Retreat Action Items for TAC*

- Develop strawman for TAC consideration regarding possibility of only sending PRRs with priority/ranking above cut line to Board, include review of Board oversight in Protocols
  - TAC taskforce is meeting and will report to TAC in May
  - Taskforce is also looking at the issue of Board approvals
- Discuss advantages and disadvantage of Market Participants directly funding some PRRs
  - PRS has discussed this item and will report to the TAC in May

9

## *Other High Interest Issues: Mass Transition*

- Mass Transition -- PRR 660 Texas SET Transactional Solution for a Mass Transition Event has been submitted for urgent consideration.
  - ERCOT Staff target implementation date: March 31, 2007.
  - Stakeholder discussion of acceleration to December 31, 2006.
  - BOD direction to accelerate planning phase prior to adoption.

10

## *Other High Interest Issues: TPTF Oversight*

- TPTF Oversight
  - TAC heard an appeal of TPTF's approval of the network modeling business requirements document.
  - Approved a motion giving further guidance to ERCOT and stakeholders in development of the network model.
  - Successfully passed the first test of the nodal transition plan: timely resolution, clear outcome, identified additional tasks

11

## *Other High Interest Issues*

- PUC Staff appeal of priority ranking for PRR 590 and PRR 601—issues remaining from the “Patton list”.
  - PRS approved raising PRR 601 above the line.
  - PRS and TAC did not act to raise PRR 590 priority.
- ERCOT study of Entergy Texas integration.
- Continuation of zonal market improvements?

12