



# Market Redesign Update

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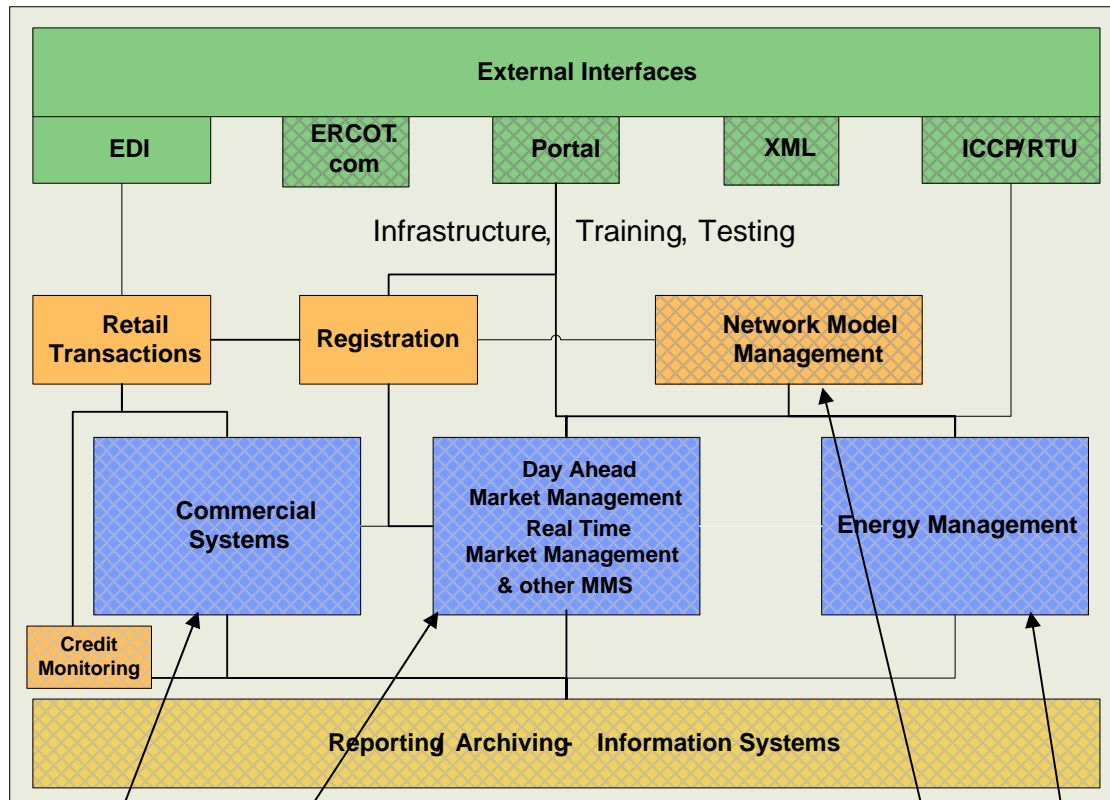
**ERCOT Board of Directors Meeting  
March 21, 2006**

- ❑ Protocols approved by PUCT
- ❑ Program Director on board
- ❑ Initial project plan completed

## ❑ Real time co-optimization

- Protocols include co-optimization of energy and ancillary services in the Day-Ahead market
- Commission staff has proposed similar co-optimization in the Real-time market
  - Staff indicates other markets have this feature now
  - NYISO implemented a RT co-opt. feature in February 2005 (ABB)
  - Australian markets has had such a feature for several years
  - California design includes RT Co-opt. (Siemens)
- ERCOT discussions with major vendors
  - Different views on what co-opt. means
  - All current implementations are SCED in “Look ahead” mode
- ERCOT stance
  - Technically feasible
  - Urge immediate decision
  - Stakeholder process should be followed to determine Protocols
  - Estimate 4-6 months for end-to-end Protocol definition and approval
  - Work will not start on RT Co-opt. until Protocols approved

- ❑ Business requirements approved by TPTF
- ❑ Changes in NMMS needed to accommodate Nodal design
- ❑ Appealed to TAC by one TSP
  - ERCOT wants to understand the issues raised by TSP
  - Nodal modeling forum scheduled by ERCOT to facilitate discussions related to nodal modeling and TSP concerns
  - Two goals from that meeting
    - Goal 1: Develop a consensus on nodal modeling requirements
    - Goal 2: Develop ERCOT approach to meeting those requirements



- ❑ Functions that are changing
  - Infrastructure, Training, Testing
  - Energy Management
  - Market Management
    - Day Ahead Market Management
    - Real Time Market Management
  - Commercial Systems
  - Reporting/Archiving
  - Network Model Management
  - External Interfaces
    - Portal
    - XML
    - ICCP/RTU
  - Changes in one system may have impacts on other systems
    - Effects sequencing of projects
    - Impacts amount of regression testing
  
- ❑ Functions that do not have major changes
  - Retail Transactions
  - Registration
  - External Interfaces - EDI

ERCOT

RFP

RFI

Areva

- Final plan to be ready by April 15
- TPTF Open House March 30