



MEMO

Date: September 12, 2006
To: ERCOT Board of Directors
From: Read Comstock, TAC Chair
Subject: 2007 Commercially Significant Constraints and Congestion Zones

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: September 19, 2006

Agenda Item No.: 09(c)

Issue:

Designation of Commercially Significant Constraints (CSCs) in the ERCOT transmission system and Transmission Congestion Zones.

Key Factors Influencing Issue:

Section 7.2.1 of the ERCOT Protocols, Process for Determining CSCs, states “CSCs and resulting Congestion Zones will be reassessed annually by November 1 of each year.” Board approval is required for the annual CSC and Congestion Zone designations.

The Congestion Management Working Group (CMWG), under the auspices of the Wholesale Market Subcommittee (WMS) and Technical Advisory Committee (TAC), has been working on this issue. ERCOT Staff provided the underlying analysis using the latest Load flow data to determine expected operating limits, candidate CSCs and associated constraints to be used in the designation of CSCs for 2007. After a full evaluation by CMWG and WMS and discussion at the September 7, 2006 TAC meeting, TAC recommends retaining the 2006 CSCs for 2007 with the exception of the Northeast to North CSC (Farmersville to Royse double circuit) and the corresponding four Congestion Zones (Northeast becomes a part of the North zone). ERCOT staff also supports this recommendation.

2007 CSCs:

CSC#1 – West to North – Graham to Parker and Graham to Benbrook
CSC#2 – South to North – Sandow to Temple double circuit
CSC#3 – South to Houston – South Texas Project to Dow (Valasco) double circuit
CSC#4 – North to Houston – Gibbons Creek to O’Brien, Jewett to T.H. Wharton
CSC#5 – North to West – Parker to Graham, Benbrook to Graham

2007 Congestion Zones:

1 – West 2007



MEMO

- 2 – North 2007
- 3 – Houston 2007
- 4 – South 2007

Attachment A shows the configuration of the Zones in map form. For more details about the CSC designation and related process, information is available on the secure portion of the ERCOT website at

<http://oldercot.ercot.com/securedocuments/Login.cfm?CFID=3222931&CFTOKEN=92888753>.

Alternatives:

- (1) Approve the TAC recommendation regarding CSCs and Congestion Zones;
- (2) reject the TAC recommendations; or
- (3) remand to ERCOT staff and TAC with instructions.

Conclusion/Recommendation:

ERCOT staff and the TAC recommend that the Board approve the 2007 CSCs and Congestion Zones as described herein.