



MEMO

Date: November 7, 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: November 14, 2006

Agenda Item No.: 9a

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 PRRs described herein. TAC considered the issues and voted to take action on the PRRs as described below.

- ***PRR673, Adjust SCE Performance Charge Scale Factor. Proposed effective date: upon system implementation.*** Budgetary impact less than \$50,000; no impact to ERCOT staffing; requires coding for Package 1, system development to allow data migration to the data archive, and website development for data presentation; no impact to ERCOT business function or grid operations. This PRR modifies the Scale Factor monthly based on ERCOT's CPS-1 score and sets maximum and minimum values for the Scale Factor. ERCOT posted this PRR on 7/17/06. The submitter had requested consideration on an Urgent timeline, but PRS did not grant that request. On 8/17/06, PRS voted unanimously to recommend approval as discussed by ROS and revised by ERCOT Staff comments. All Market Segments were present for the vote. On 9/21/06, PRS voted unanimously to revise the recommendation report for PRR673. PRS also voted to assign a 2006 priority of 1.1 and a rank of 50 to PRR673. There was one abstention from the Investor Owned Utility (IOU) segment. All Market Segments were present for the vote. On 10/6/06, TAC unanimously voted to recommend approval of PRR673 as recommended by PRS. All Market Segments were present for the vote. ERCOT credit staff and the Credit Work Group (Credit WG) have reviewed PRR673 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.
- ***PRR675, Multiple Ramp Rates. Proposed effective date: upon system***



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implementation. Budgetary impact \$100,000 to 250,000; no impact to ERCOT staffing; requires modification to ERCOT XML/Portal programs, Market Database table structures, and the Data Warehouse; no impact to ERCOT business function or grid operations. This PRR revises Sections 4.5.2, Receipt of QSE's Balancing Energy Bid Curves, and 6.5.2, Balancing Energy Service, to allow Qualified Scheduling Entities (QSEs) to submit a ramp rate curve to ERCOT that would be used to calculate an equivalent ramp rate for clearing the Balancing Energy Service market. ERCOT posted this PRR on 7/21/06. On 8/17/06, PRS voted unanimously to recommend approval of PRR675 as amended at PRS, with implementation based on the first alternative, as contained in ERCOT's presentation, which does not require SPUD changes. All Market Segments were present for the vote. On 9/21/06, PRS unanimously voted to assign a 2007 priority of 2 and a rank of 17.5 to PRR675. All Market Segments were present for the vote. On 10/6/06, TAC unanimously voted to recommend approval of PRR675 as recommended by PRS. All Market Segments were present for the vote. Credit WG evaluation pending.

- **PRR682, Emergency Electric Curtailment Plan (EECP) Event Realignment - URGENT. Proposed effective date: December 1, 2006.** No budgetary impact; no impact to ERCOT Staff; no impact to ERCOT systems; no impact to ERCOT business functions; positive impact on grid security and reliability practices. This PRR revises the necessary sequence for ERCOT to process EECP related items, thereby allowing ERCOT to be more proactive in communicating system conditions during certain events. This PRR was posted on 8/14/06. On 8/16/06, PRS granted Urgent status through an email vote. On 8/17/06, PRS voted to recommend approval of PRR682 as revised by the PRS. The motion passed with one abstention from the IPM segment. All Market Segments were present for the vote. On 9/6/07, with all Market Segments present, TAC voted unanimously to recommend approval of PRR682 as revised by comments from ERCOT Staff. On 09/19/06, the ERCOT Board remanded PRR682 to TAC to address ERCOT Staff concerns. On 10/06/06, the TAC unanimously voted to remand PRR682 to the Reliability Operations Subcommittee (ROS) to consider the timing of the public media appeal and any related processes and report to TAC at its November 2006 meeting. All Market Segments were present for the vote. On 11/2/06, TAC voted to recommend approval of PRR682 as revised by comments from ROS. There were two abstentions from the Consumer and Independent Generator segments. All Market Segments were present for the vote. ERCOT credit staff and the Credit WG have reviewed PRR682 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.



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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 673, 675, and 682 as described above or as modified by the Board;
- (2) reject the TAC recommendations; or
- (3) remand any PRRs to the TAC with instructions.

Conclusion/Recommendation:

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