



PRR 746

Revisions to Emergency Interruptible
Load Service Provisions to Conform to
Amended P.U.C. Subst. R. §25.507

WMS **November 14, 2007**

PRS **November 15, 2007**

- **Substantive Rule amending the Emergency Interruptible Load Service was proposed by PUC Staff in August 2007**
 - Project 34706
 - Subst. R. §25.507
- **Commissioners on Nov. 1, 2007, adopted the Rule amendments on a 3-0 vote**
- **Order adopting the amendments is pending**

- **PRR 746 implementing the amended Rule needs to be in place for the next procurement cycle (Feb. thru May 2008)**
- **Tentative date to issue the RFP is Dec. 12, 2007**
 - Consistent with previous RFP timelines
- **ERCOT Board meets on Dec. 11, 2007**
- **Seeking WMS, PRS, TAC and BOD approval by that date**

- **Significant changes made by the amended EILS Rule:**
 - Eliminates the definitions of Prime and Non-Prime (a.k.a. Business and Non-Business) Hours (§25.507(b)(4) and (5))
 - ERCOT to establish Time Periods within a Contract Period
 - Permits ERCOT to restructure the Contract Periods (currently 4 months) to facilitate additional load participation (§25.507(a)(2))
 - Requires 90 days notice
 - Raises the Cost Cap from \$20M to \$50M (§25.507(b)(3))
 - Gives ERCOT explicit authority to reject a bid it deems to be ‘unreasonable or outside the parameters of an acceptable bid’ (§25.507(a)(3))
 - Eliminates the 500 MW floor to run the Service (§25.507(a)(4))
 - Eliminates the 500 kW peak demand floor for members of an aggregated EILS Resource (§25.507(c)(1)(b))
 - Eliminates the long-term solution sunset provisions (§25.507(a)(6) and §25.507(h))

- **Other changes made by the amended EILS Rule:**
 - Clarifies language relating to meters and meter data from EILS Resources in NOIE service territories or Private Use Networks (§25.507(c)(2))
 - Clarifies that deployed EILS Resources may return to service only when released by ERCOT (§25.507(c)(4)(C))
 - Establishes reporting requirements for ERCOT for each Contract Period (§25.507(f)):
 - MW procured
 - Number of Resources
 - Total projected cost

- **Allows exceptions to universal IDR metering for members of EILS aggregations if a ‘statistically valid alternative...consistent with industry best practices can be developed and approved by ERCOT’ (§25.507(c)(2)(B))**
- **ERCOT will have dialogue with MP’s (DSWG, etc.) before filing a future PRR to address this provision**

- **Revisions in the PRR are straightforward and consistent with Rule amendments**
- **However, the PRR looks more complex than it really is because of revisions to equations**
- **All changes in equations are related to Time Periods**

- **Original Rule and current Protocols explicitly define Time Periods as follows:**
 - BUSINESS HOURS: 8 a.m.–8 p.m. M-F except Holidays
 - NON-BUSINESS HOURS: All other hours
- **Original intent was for Business Hours block to attract resources that may not have sufficient Load online overnight and on weekends**
- **Based on bids received, this has not worked as intended**
 - Vast majority of bids received have been from the same resources for all hours
- **Current Time Periods don't accommodate temperature-sensitive loads**

- **Amended PUC Rule gives ERCOT the ability to adjust and add Time Periods within a Contract Period**
 - ‘Time Periods: Sets of hours designated by ERCOT within a Contract Period’ *(25.507(b)(5))*
- **PRR 746 will allow ERCOT to establish Time Periods specific to seasonal Contract Periods**

- **Time Period provision is a simple short definition in the amended PUC Rule (25.507(b)(5))**
- **However, translating it into Protocol language requires revisions to numerous sections:**
 - ‘Business’ and ‘Non-Business’ hours are embedded as defined subscript terms in 7 different sets of equations in the Protocols
 - Self-Provision Option 1 6.5.12(3)(d)
 - Self-Provision Option 2 6.5.12(3)(d)
 - Capacity Payments for EILS 6.8.6 (1)
 - Settlement Obligation for EILS 6.9.4.4 (3)
 - Performance Criteria (Default Baseline Availability) 6.10.13.3(b)(3)(iii)
 - Performance Criteria (Alt. Baseline Availability) 6.10.13.3(c)(3)(iii)
 - Performance Criteria (Availability adjustment) 6.10.13.3(f)

- **Currently, in each of the 7 instances, there are 2 otherwise identical equations, one each for:**
 - b = Business Hours
 - nb = Non-Business Hours
- **PRR 746 eliminates the second equation and substitutes:**
 - tp = Time Period, as defined in the ERCOT Request for Proposal for the Contract Period
- **These changes look complex, but they simply modify the subscript references**
- **There are no material changes to the equations**

- Questions?

