



EILS Update

DSWG

June 27, 2008

- **June – Sept. 2008 Contract Period Awards recap**
- **Bid disclosure guidelines**
- **Oct. 2008 – Jan. 2009 Contract Period**
 - Time Periods
 - Proposed schedule/timeline
- **NPRR 107 (Nodal EILS)**
 - Status Report
 - EILS Split Deployment
- **Baseline Issues**
 - Default Baseline assignments
 - Effect of backup generation tests, maintenance outages, etc.
 - Alternate Baseline & fixed load drop

EILS June-Sept. 2008 Contract Period Results

Time Period	MW Procured	No. of EILS Resources (incl. aggregations)	Average cost per MW per Hour
Business Hours (HE0900 – HE1300)*	310	19 (13)	\$10.92
Peak 1 Hours (HE 1400 – HE 1600)*	220	16 (10)	\$11.06
Peak 2 Hours (HE 1700 – HE 2000)*	216	15 (9)	\$11.29
Non-Business Hours (All other hours)	216	14 (8)	\$8.97

* Monday thru Friday except ERCOT Holidays

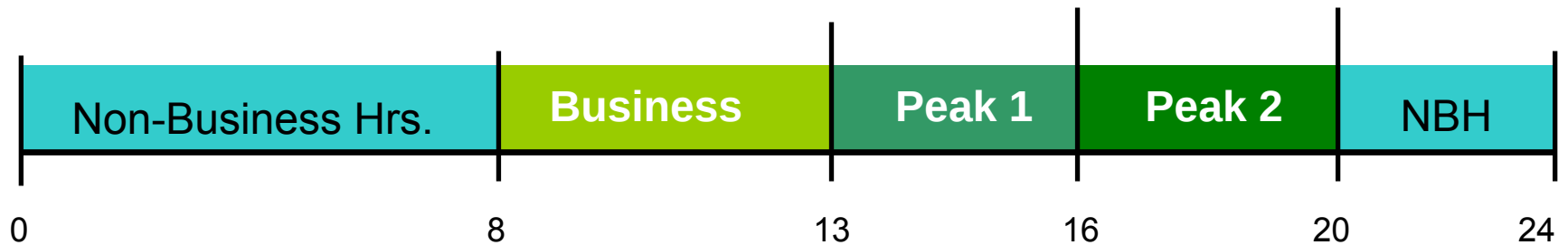
- **At the May TAC meeting, ERCOT staff was asked to clarify what information related to EILS bids is subject to release after the Protected Information status of the information has expired**
- **Protocols Section 1.3.1.1(2):**
 - “Protected Information” is information containing or revealing:
Bids or pricing information identifiable to a specific QSE. The Protected Information status of this information shall expire if and when posted on the MIS pursuant to Section 12, Market Information System, but no later than one hundred and eighty (180) days after the applicable Operating Day.*
- **As this relates to EILS bids, ERCOT will release, upon request, the name of the bidding QSE and the MW capacity and price associated with each EILS bid**
- **Disclosure will not include the names of the EILS Resources represented by the QSE**
- **Applies to all EILS bids, including those not accepted by ERCOT**
- **EILS bids for a particular EILS Contract Period will be subject to disclosure 180 days after the first day of the Contract Period**
- **Market Participants should request through their Client Services account manager**
- **Other parties should request through the ERCOT public information request service, info@ercot.com**

Time Periods (weekdays except Holidays)

- **Spring:**



- **Summer:**



- **Fall/Winter:**



Oct.-Jan. Contract Period: Tentative Timeline



Aug. 5	ERCOT issues RFP
Aug. 22	QSEs identify all potential EILS Resources
Aug. 29	ERCOT provides baseline assignments & capacity screening
Sept. 4	QSEs' Notice of Self-Provision due
Sept. 5	QSE Bids and Self-Provision Offers due
Sept. 10	ERCOT notifies Self-Providers of adjustment options
Sept. 12	QSEs' final Self-Provision commitments due
Sept. 15	ERCOT notifies QSEs of EILS awards
Sept. 17	ERCOT issues Market Notice with award results
Sept. 17	ERCOT distributes Standard Form Agreements to QSEs
Sept. 29	QSE contracts due at ERCOT
Oct. 1	First day of operation

- **NPRR 107 transitions EILS into the Nodal Market**
 - Originally posted Feb. 29
 - Has now cleared TPTF, PRS and TAC
 - Scheduled for Board consideration on Aug. 19
- **TPTF made a couple minor changes of note:**
 - ‘EILS Resources’ will be ‘EILS Loads’
 - ‘Bids’ will become ‘Offers’
- **TPTF made one other significant change:**
 - SPLIT DEPLOYMENT STACKS

- **Step 3 – Maintain system frequency at 60 Hz. Following deployment of the measures associated with Steps 1 and 2, ERCOT will deploy available contracted EILS Loads, via a single Verbal Dispatch Instruction (VDI) to the all-QSE hotline, as follows:**
 - (a) If less than 500 MW of EILS is available for deployment, ERCOT shall deploy all EILS Loads as a single block.
 - (b) If the amount of EILS available for deployment equals or exceeds 500 MW, ERCOT may deploy EILS Loads as a single block or may deploy EILS Loads sequentially in two groups of approximately equal size as designated by ERCOT. For a sequential group deployment, ERCOT shall instruct QSEs to deploy Group 1 immediately and to deploy Group 2 at a specified time in the future. ERCOT shall develop a random selection methodology for determining which individual EILS Loads to place in Group 1 and which to place in Group 2, and shall describe the methodology in a document posted to the MIS Public Area. Prior to a Contract Period ERCOT shall notify QSEs representing EILS Loads of their EILS Loads' Group assignments.

- **Default Baseline assignments depend on predictability of the Load**
 - ERCOT must be able to build an accurate model based on historical Load data
- **Large loads with small curtailment offers can be problematic**
 - An accurate model of the total load is less accurate (on a percentage basis) for the curtailed load
 - Resources on the default baseline may have to over-provide in a deployment event to be deemed to have performed
- **Anomalies in Load curves reduce the accuracy of the modeling**
- **Anomalies may be caused by:**
 - Down time for maintenance
 - Backup generator testing
 - Other events unknown to ERCOT

- **Alternate Baseline assignments more common than predicted**
 - Originally developed to accommodate batch process Loads which have spiky, unpredictable Load shapes
 - However, many flat Loads and even some temperature-sensitive Loads are proving too difficult to model accurately on the Default Baseline
 - See preceding slide

NOTE: Aggregations of temperature-sensitive Loads can be modeled more easily than individual Loads

- *QSEs planning to aggregate are more likely to get a Default Baseline assignment if the aggregation is identified in the first phase of procurement (Resource ID)*

- **Alternate Baseline not always a good match for a fixed Load drop**
 - Alternate Baseline event performance totally depends on Load's ability to curtail to a fixed and known level (a.k.a., Minimum Base Load)
 - If an EILS bid/award is based on a customer curtailing a process with a fixed amount of Load, other variables can affect ability to get to MBL
- **This can be compounded by the formula affecting Alternate Baseline deployments**
 - Loads must curtail to a level $\leq \text{MBL} \times 1.05$
 - This is different than requiring a Load reduction $\geq 95\%$ of the committed capacity, which is the Default Baseline requirement

Questions?

