



Date: October 14, 2008
To: ERCOT Board of Directors
From: Mark Dreyfus, Technical Advisory Committee (TAC) Chair
Subject: Nodal Protocol Revision Requests (NPRRs)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: October 21, 2008

Agenda Item No.: 7a

Issue:

Consideration of the following NPRRs:

- NPRR102, Implementation of PUC SUBST. R. 25.505(f), Publication of Resource and Load Information,
- NPRR113, Load Resource Type Indicator for Ancillary Service (AS) Trades and Self-Arranged AS,
- NPRR124, Resource Node Updated Definitions,
- NPRR129, Section 15, Synchronization of Zonal Protocols, and
- NPRR144, Five RUC Deployments Needed Before Requiring Verifiable Costs.

Background/History:

Unless otherwise noted: (i) all Market Segments were present for each vote and (ii) ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed the revision request and do not believe it requires changes to credit monitoring activity or the calculation of liability.

- *NPRR102, Implementation of PUC SUBST. R. 25.505(f), Publication of Resource and Load Information [Transition Plan Task Force (TPTF)]. Proposed effective date: Upon Texas Nodal Market Implementation. Incremental cost to Nodal project (\$1.5M - \$2M); 1/4 full-time equivalent (FTE) impact to Enterprise Information Services (EIS) area; impacts to ERCOT Systems include the Energy Management System (EMS), Market Management System (MMS), Commercial Systems (COMS), EIS, and the Market Information System (MIS); ERCOT will publish Load and Resource information pursuant to the disclosure requirements in P.U.C. SUBST. R. 25.505, Resource Adequacy in the Electric Reliability of Texas Power Region, paragraph (f), adopted under P.U.C. Project No. 33490, Rulemaking Proceeding to Address Pricing Safeguards in the Markets Operated by the Electric Reliability Council of Texas; no impact to grid operations; This NPRR incorporates the disclosure requirements pursuant to paragraph (f) of P.U.C. SUBST. R. 25.505. NPRR102 was posted on 2/12/08. On 2/21/08, PRS unanimously voted to recommend approval of NPRR102 as revised by ERCOT comments. On 3/20/08, PRS unanimously voted to table NPRR102 pending the development of the final Impact Analysis. On 5/22/08, PRS unanimously voted to table NPRR102 pending development of the final Impact Analysis. On 9/24/08, PRS voted to*

endorse and forward the PRS Recommendation Report as revised by TPTF comments and the Impact Analysis to TAC for approval. There was one abstention from the Consumer Market Segment. On 10/2/08, TAC unanimously voted to recommend approval of NPRR102 as recommended by PRS.

- ***NPRR113, Load Resource Type Indicator for Ancillary Service (AS) Trades and Self-Arranged AS [ERCOT]. Proposed effective date: upon Texas Nodal Market Implementation.*** Incremental cost to Nodal project (\$500K - \$1M); no ERCOT staffing impacts; impact to ERCOT Systems including MMS, EIS, and EMS; no impacts to business functions; increases reliability of overall grid operations; This NPRR adds an indicator to Self-Arranged Ancillary Services and Ancillary Service Trades to reflect if Responsive Reserve (RRS) services are being provided from a Generation Resource, Controllable Load Resource, or non-controllable Load Resource. NPRR113 was posted on 3/11/08. On 3/20/08, PRS unanimously voted to refer NPRR113 to TPTF for review. On 4/18/08, PRS unanimously voted to recommend approval of NPRR113 as revised by TPTF comments. On 5/22/08, PRS unanimously voted to table NPRR113 until the 6/19/08 PRS meeting pending the development of the final Impact Analysis. On 9/24/08, PRS voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. There was one abstention from the Consumer Market Segment. On 10/2/08, TAC unanimously voted to recommend approval of NPRR113 as recommended by PRS.
- ***NPRR124, Resource Node Updated Definitions [ERCOT]. Proposed effective date: upon Texas Nodal Market Implementation.*** Incremental cost to the Nodal project (\$100K - \$150K); no ERCOT staffing impacts; impact to ERCOT Systems include MMS; no impacts to business functions; no impacts to grid operations and practices. This NPRR clarifies the definition of Resource Node and specifies the different Resource Node types that meet the Nodal Protocol requirements. NPRR124 was posted on 4/10/08. On 4/18/08, PRS unanimously voted to refer NPRR124 to the TPTF for review. On 6/19/08, PRS unanimously voted to again refer NPRR124 to TPTF for further clarification. On 7/17/08, PRS unanimously voted to recommend approval of NPRR124 as amended by TPTF comments and as revised by PRS. On 9/24/08, PRS voted to endorse and forward the PRS Recommendation Report and Impact Analysis for NPRR124 to TAC for approval. There was one abstention from the Consumer Market Segment. On 10/2/08, TAC unanimously voted to recommend approval of NPRR124 as recommended by PRS.
- ***NPRR129, Section 15, Synchronization of Zonal Protocols [ERCOT]. Proposed effective date: upon Texas Nodal Market Implementation.*** No incremental cost to ERCOT; no impact to ERCOT staffing; No impact to computer systems; no impact to business functions; no impact to grid operations and practices. This NPRR synchronizes zonal Protocol Section 15, Customer Registration, with the current Nodal Protocols and moves Section specific definitions and acronyms to Nodal Protocol Section 2, Definitions and Acronyms. NPRR129 was posted on 5/1/08. On 5/22/08, PRS unanimously voted to refer NPRR129 to TPTF for review. On 8/21/08, PRS voted to recommend approval of NPRR129 as amended by ERCOT comments with one

abstention from the Consumer Market Segment. On 9/24/08, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis for NPRR129 to TAC for approval. On 10/2/08, TAC unanimously voted to recommend approval of NPRR129 as recommended by PRS.

- ***NPRR144, Five RUC Deployments Needed Before Requiring Verifiable Costs [Verifiable Costs Working Group (VCWG)]. Proposed effective date: upon Texas Nodal Market Implementation.*** *No incremental cost to ERCOT; no impact to ERCOT staffing; No impact to computer systems; no impact to business functions; no impact to grid operations and practices.* This NPRR will increase the time Qualified Scheduling Entities (QSEs) and Resources have to prepare verifiable cost submissions for units that are unlikely to be struck in the Reliability Unit Commitment (RUC) process. NPRR144 was posted on 7/25/08. On 8/21/08, PRS voted to recommend approval of NPRR144 as amended by TPTF comments with one abstention from the Consumer Market Segment. On 9/24/08, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis for NPRR144 to TAC for approval. On 10/2/08, TAC unanimously voted to recommend approval of NPRR144 as recommended by PRS.

The TAC Recommendation Reports and Impact Analyses for these NPRRs are included in the ERCOT Board meeting materials. In addition, these NPRRs and supporting materials are posted on the ERCOT website at the following link:

<http://nodal.ercot.com/protocols/npr/index.html>

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted recommendation reports to TAC regarding the NPRRs described herein. TAC considered the issues and voted to take action on these NPRRs as described above.

Alternatives:

1. Approve the TAC recommendation on NPRR102, NPRR113, NPRR124, NPRR129, and/or NPRR144 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation; or
3. Remand NPRR102, NPRR113, NPRR124, NPRR129, and/or NPRR144 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRR102, NPRR113, NPRR124, NPRR129, and NPRR144 as described herein.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) deems it desirable and in ERCOT's best interest to approve NPRR102, Implementation of PUC SUBST. R. 25.505(f), Publication of Resource and Load Information, NPRR113, Load Resource Type Indicator for Ancillary Service (AS) Trades and Self-Arranged AS, NPRR124, Resource Node Updated Definitions, NPRR129, Section 15, Synchronization of Zonal Protocols, and NPRR144, Five RUC Deployments Needed Before Requiring Verifiable Costs.

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRR102, NPRR113, NPRR124, NPRR129, and NPRR144.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its October 21, 2008 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by a _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2008.

Michael G. Grable
Corporate Secretary