

Appeal of TAC Decision to the Board

Date of Appeal	October 16, 2008
Date of TAC Decision	October 2, 2008
TAC Decision	Approval of OGRR 208

Submitter's Information	
Name	Garson Knapp
E-mail Address	garson.knapp@fpl.com
Company	FPL Energy, LLC
Company Address	700 Universe Blvd., Juno Beach, FL 33408
Phone Number	Office: (561) 304-5720 Mobile: (561) 307-7757
Fax Number	(561) 625-7504

Appeal

FPL Energy, LLC (“FPLE”) respectfully appeals the decision of the ERCOT Technical Advisory Committee (“TAC”) made at TAC’s October 2, 2008, meeting to approve Operating Guide Revision Request (“OGRR”) 208. This appeal is timely filed in accordance with ERCOT Operating Guide Section 1.3.4.12 (3), which states:

(3) With reference to a decision by TAC, any interested party may appeal directly to the Board. Such appeal to the Board must be submitted to ERCOT within ten Business Days after the date of the relevant decision. Appeals made after this time shall be rejected. Appeals to the Board shall be posted on the MIS within three Business Days and placed on the agenda of the next available regularly scheduled Board meeting, provided that the appeal is provided to the ERCOT General Counsel at least 11 days in advance of the Board meeting; otherwise the appeal will be heard by the Board at the next regularly scheduled Board meeting.

OGRR 208 imposes a Low-Voltage Ride Through (“LVRT”) requirement on Wind Generation Resources (“WGRs”) where none previously existed in the ERCOT power region. The LVRT requirement addresses three categories of WGRs: those with a signed Interconnection Agreement prior to Jan. 1, 2003 are exempt from the requirement; those with a signed Interconnection Agreement on or after Nov. 1, 2008 must immediately comply with the requirement; and those existing resources with signed Interconnection Agreements between those dates must comply no later than Jan. 1, 2015. It is the latter category with which FPLE takes issue and which forms the basis of our appeal.

The TAC recommended the imposition of new LVRT requirements without the benefit of any studies, historical examples, or other evidence to support the decision. This decision to mandate generation Resource owners spend significant sums of money to retrofit new technical capabilities onto existing units – even though those units are fully compliant with the technical requirements of the Interconnection Agreements they executed and the ERCOT rules in place at the time of interconnection – without sufficient supporting evidence warrants reversal by the Board of Directors.

FPLE does not oppose the imposition of new technical requirements on WGRs or any other Resource technology prospectively if such requirements are necessary to preserve and promote system reliability. However, FPLE is very concerned that the paucity of evidence supporting the adoption of OGRR 208 sets a damaging market precedent with the possibility of severely chilling additional investment in any generation Resources in the ERCOT power region.

The TAC action, thoroughly lacking in relevant data and technical analysis, is an arbitrary decision which will impose costly retrofit requirements on existing units when such modifications have not been proven necessary and for which other, more cost-beneficial solutions may be devised. For these reasons, FPLE respectfully appeals the TAC approval of OGRR 208 and requests the Board of Directors stay its implementation and provide appropriate policy guidance to the TAC on this issue and for future issues when retroactive application of new technological standards are considered for existing units.