



Date: December 2, 2008
To: ERCOT Board of Directors
From: Mark Bruce, Technical Advisory Committee (TAC) Vice Chair
Subject: Protocol Revision Requests (PRRs)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: December 9, 2008

Agenda Item No.: 12a

Issue:

Consideration of the following PRRs:

- PRR770, Deletion of UFE Analysis Zone Language
- PRR771, Ramp Rate Limitation of 10% per minute of On-Line Installed Capacity for Wind-powered Generation Resources
- PRR773, Setting the LSL Requirement for WGRs
- PRR774, Treatment of Financial Information as Confidential
- PRR775, Change the name of Emergency Electric Curtailment Plan (EECP) to Energy Emergency Alert (EEA)
- PRR776, Automatic MCPE Adjustment During Intervals of Non-Spinning Reserve Service Deployment – Urgent

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 requests and do not believe it requires changes to credit monitoring activity or the calculation of liability.

- ***PRR770 – Deletion of UFE Analysis Zone Language [ERCOT]. Proposed effective date: January 1, 2009. No budgetary impact; no additional full-time equivalents (FTEs) needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.*** This PRR deletes an outdated Section pertaining to Unaccounted for Energy (UFE) analysis. PRR770 and its corresponding Impact Analysis were posted on July 24, 2008. On September 24, 2008, the Protocol Revision Subcommittee (PRS) unanimously voted to recommend approval of PRR770 as submitted. On October 23, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On November 6, 2008, TAC unanimously voted to recommend approval of PRR770 as recommended by PRS.
- ***PRR771 – Ramp Rate Limitation of 10% per minute of On-Line Capacity for Wind-powered Generation Resources [Reliability and Operations Subcommittee (ROS)]. Proposed effective date: January 1, 2009. No budgetary impact; no additional FTEs needed; no system changes required; existing business processes can accommodate this***

PRR; maintains system reliability. This PRR proposes a requirement for Wind-powered Generation Resources (WGRs) to limit the ramp rate to 10% per minute of nameplate capacity as registered with ERCOT. PRR771 was posted on July 25, 2008. On August 21, 2008, PRS unanimously voted to table PRR771. On September 24, 2008, PRS voted to recommend approval of PRR771 as amended by ERCOT comments. There were two (2) opposing votes from the Investor Owned Utility (IOU) and the Independent Generator Market Segments and one (1) abstention from the Independent Power Marketer (IPM) Market Segment. On October 23, 2008, PRS voted to endorse and forward the Impact Analysis and the PRS Recommendation Report as amended by FPL Energy comments and as revised by PRS to TAC for approval. There was one (1) opposing vote from the IOU Market Segment. On November 6, 2008, TAC voted to recommend approval of PRR771 as recommended by PRS with one (1) opposing vote from the IOU Market Segment.

- ***PRR773 – Setting the LSL Requirement for WGRs [QSE Managers Working Group (QMWG)]. Proposed effective date: January 1, 2009.*** *No budgetary impact; no additional FTEs needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.* This PRR requires that a WGR Low Sustainable Limit (LSL) to be set at 10% of the name plate rating of the WGR. PRR773 was posted on July 28, 2008. On September 24, 2008, PRS voted to recommend approval of PRR773 as submitted with two (2) opposing votes from the IOU and Independent Generator Market Segments and three (3) abstentions from the IPM, IOU, and Consumer Market Segments. On October 23, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On November 6, 2008, TAC unanimously voted to recommend approval of PRR773 as recommended by PRS.
- ***PRR774, Treatment of Financial Information as Confidential [J. Aron]. Proposed effective date: January 1, 2009.*** *No budgetary impact; no additional FTEs needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.* This PRR clarifies that non-public financial information provided to ERCOT is to be treated as Protected Information. PRR774 was posted on 8/15/08. On 9/24/08, PRS unanimously voted to recommend approval of PRR774 as submitted. On 10/23/08, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On 11/06/08, TAC unanimously voted to recommend approval of PRR774 as amended by J. Aron comments.
- ***PRR775 – Change the Name of Emergency Electric Curtailment Plan (EECP) to Energy Emergency Alert (EEA) [ERCOT]. Proposed effective date: May 1, 2009.*** *No budgetary impact; no additional FTEs needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.* This PRR changes the name of the Emergency Electric Curtailment Plan (EECP) to Energy Emergency Alert (EEA). This PRR also changes the defined term “Alert” to “Watch.” PRR775 and its corresponding Impact Analysis were posted on August 22, 2008. On September 24, 2008, PRS unanimously voted to recommend approval of PRR775 as amended by ERCOT comments. On October 23, 2008, PRS unanimously voted to endorse and forward the PRS

Recommendation Report and Impact Analysis to TAC for approval with a new proposed effective date of May 1, 2009. On November 6, 2008, TAC unanimously voted to recommend approval of PRR775 as recommended by PRS.

- ***PRR776 – Automatic MCPE Adjustment During Intervals of Non-Spinning Reserve Service Deployment – Urgent [Texas Industrial Energy Consumers (TIEC)]. Proposed effective date: January 1, 2009. No budgetary impact; no additional FTEs needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.*** PRR776 was posted on August 25, 2008. On August 27, 2008, the motion to grant PRR776 Urgent status failed via email vote. On October 23, 2008, PRS voted to recommend approval of PRR776 as amended by the October 21, 2008 TIEC comments via roll call vote with 3.500 Market Segment votes in favor; 3.167 Market Segment votes opposed; and two (2) abstentions. PRS also voted to grant PRR776 Urgent status via roll call vote with 4.000 Market Segment votes in favor; 2.667 Market Segments votes opposed; and three (3) abstentions. On November 6, 2008, TAC voted to table PRR776 until the December 4, 2008 TAC meeting with one (1) abstention from the Independent Retail Electric Provider Market Segment (IREP). PRR776 will be discussed at the December 4, 2008 TAC meeting. If TAC recommends approval of this PRR which has Urgent status, PRR776 could be in front of the ERCOT Board for consideration at its December 9, 2008 meeting. Should TAC make a recommendation on PRR776, that information will be circulated to the Board as soon as it is available. Credit review pending.

The TAC Recommendation Reports and Impact Analyses for these PRRs are included in the ERCOT Board meeting materials. In addition, these PRRs and supporting materials are posted on the ERCOT website at the following link: <http://www.ercot.com/mktrules/protocols/prr.html>.

Key Factors Influencing Issue:

The PRS met, discussed the issues and submitted a recommendation report to TAC regarding PRR770, PRR771, PRR773, PRR774, PRR775, and PRR776. TAC considered the issues and voted to take action on PRR770, PRR771, PRR773, PRR774, PRR775, and PRR776 as described above.

Alternatives:

1. Approve the TAC recommendation on PRR770, PRR771, PRR773, PRR774, PRR775, and/or PRR776;
2. Reject the TAC recommendation; or
3. Remand PRR770, PRR771, PRR773, PRR774, PRR775, and/or PRR776 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve PRR770, PRR771, PRR773, PRR774, PRR775, and PRR776.



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 PRR770, Deletion of UFE Analysis Zone Language; PRR771, Ramp Rate Limitation of 10% per minute of On-Line Installed Capacity for Wind-powered Generation Resources; PRR773, Setting the LSL Requirement for WGRs; PRR774, Treatment of Financial Information as Confidential; PRR775, Change the name of Emergency Electric Curtailment Plan (EECP) to Energy Emergency Alert (EEA); and PRR776, Automatic MCPE Adjustment During Intervals of Non-Spinning Reserve Service Deployment.

THEREFORE be it RESOLVED, that the Board hereby approves PRR770, PRR771, PRR773, PRR774, PRR775, and PRR776.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of Electric Reliability Council of Texas, Inc., a Texas non-profit corporation, do hereby certify that, at its December 9, 2008 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by a vote of _____.

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

Michael G. Grable
Corporate Secretary