



**Date:** January 13, 2009  
**To:** ERCOT Board of Directors  
**From:** Mark Bruce, Technical Advisory Committee (TAC) Chair  
**Subject:** Protocol Revision Requests (PRRs)

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors (ERCOT Board) Meeting Date:** January 20, 2009

**Agenda Item No.:** 14a

**Issue:**

Consideration of the following PRRs:

- PRR753 – PRR Appeals Process
- PRR778 – Clarification of Authorized Representative
- PRR779 – Transparency for PSS and Full Interconnection Studies
- PRR780 – Extending Black Start Service Bid Timeline
- PRR781 – EILS Self-Provision Formula Correction and Clarifications
- PRR783 – Elimination of Non-ERCOT LSE Fee – URGENT
- PRR788 – Ramp Rate Limits for Existing WGRs – URGENT
- PRR792 – Revised Renewable Portfolio Standards Allocation Process, Pursuant to P.U.C. Subst. R. 25.173 – 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.

- ***PRR753 – PRR Appeals Process [ERCOT]. Proposed effective date: February 1, 2009. No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.*** This PRR provides for a more structured process for parties to appeal the decisions pertaining to PRRs made by the Protocol Revision Subcommittee (PRS) and TAC. This proposal also provides timelines for appealing PRS and TAC decisions and makes accommodating provisions for PRRs on an Urgent timeline. PRR753 was posted on February 4, 2008. On March 20, 2008, PRS voted to recommend approval of PRR753 as revised by PRS. There was one (1) abstention from the Independent Generator Market Segment. On April 18, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On May 8, 2008, TAC voted to recommend approval of PRR753 as recommended by PRS. There were eight (8) opposing votes from the Consumer (4) and Independent Retail Electric Provider (IREP) (4) Market Segments. On June 17, 2008, the ERCOT Board remanded PRR753 to TAC with the directive to resolve the following issues: (i) correct the cross reference in Section 21.4.11.2, Appeal of TAC Action; (ii) add a limitation on the distribution of materials that are not timely submitted according to this Section to paragraph (f) of Section 21.4.11.2.1, Appeal of TAC

Action – Normal Timeline; (iii) remove unfettered access to an expedited appeal process from paragraph (a) of Section 21.4.11.2.2, Appeal of TAC Action – Expedited Timeline, or develop criteria and a process to determine eligibility for an expedited appeals process; and (iv) review and synchronize the potential timing issues identified during the ERCOT Board discussion, including potential manipulation of the schedule. On July 17, 2008, PRS unanimously voted to recommend approval of PRR753 as revised by PRS to address the ERCOT Board concerns. On August 7, 2008, TAC unanimously voted to recommend approval of PRR753 as revised by TAC. On August 19, 2008, the ERCOT Board tabled PRR753. On November 17, 2008, the ERCOT Board remanded PRR753 to TAC with the directive to address the portions of the appeals process that are not covered in the ERCOT Board Policies and Procedures. On December 4, 2008, TAC unanimously voted to recommend approval of PRR753 as amended by ERCOT comments and requested that the ERCOT Board publicly post the applicable sections of the Board Policies and Procedures pertaining to the appeals process to the ERCOT Board.

- ***PRR778 – Clarification of Authorized Representative [ERCOT]. Proposed effective date: February 1, 2009. No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.*** This PRR codifies the definition of “Authorized Representative” in Section 2, Definitions and Acronyms, and clarifies the need to designate “Authorized Representatives” for registration for all registered Entities. PRR778 and its corresponding Impact Analysis were posted on September 19, 2008. On October 23, 2008, PRS unanimously voted to recommend approval of PRR778 as amended by Luminant comments. On November 20, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On December 4, 2008, TAC unanimously voted to recommend approval of PRR778 as recommended by PRS.
- ***PRR779 – Transparency for PSS and Full Interconnection Studies [PSEG Texas]. Proposed effective date: February 1, 2009. No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.*** This PRR updates Sections 1, Overview, and 12, Market Information System, to provide transparency to the status of Power System Stabilizer (PSS) Equipment and interconnection requests. PRR779 was posted on September 19, 2008. On October 23, 2008, PRS voted to recommend approval of PRR779 as amended by Oncor comments and as revised by PRS with one (1) opposing vote from the Consumer Market Segment. On November 20, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On December 4, 2008, TAC voted to recommend approval of PRR779 as recommended by PRS. There was one (1) abstention from the Cooperative Market Segment. Credit review is pending.
- ***PRR780 – Extending Black Start Service Bid Timeline [ROS]. Proposed effective date: February 1, 2009. No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no***

*impact to grid operations.* This PRR changes the Black Start Service bids from a one year period to a two year period. PRR780 was posted on September 23, 2008. On October 23, 2008, PRS unanimously voted to recommend approval of PRR780 as submitted. On November 20, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On December 4, 2008, TAC unanimously voted to recommend approval of PRR780 as recommended by PRS.

- ***PRR781 – EILS Self-Provision Formula Correction and Clarifications [ERCOT]. Proposed effective date: February 1, 2009.*** *No budgetary impact; no additional full-time equivalents needed; ongoing support will be absorbed by current staff; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.* This PRR proposes to correct terms contained in the settlement equations related to Emergency Interruptible Load Service (EILS) Self-Provision to make the formulas consistent with the verbal description of EILS Self-Provision settlement and the author's stated original intent. This PRR also makes clarifications in language contained in paragraph (3)(d) of Section 6.5.12, EILS, related to Qualified Scheduling Entities' (QSEs') EILS Self-Provision options in cases where less than 1,000 MW of EILS has been offered, and adds copies of definitions that are applicable to both equations in this Section. PRR781 and its corresponding Impact Analysis were posted on September 23, 2008. On October 23, 2008, PRS unanimously voted to recommend approval of PRR781 as submitted. On November 20, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On December 4, 2008, TAC unanimously voted to recommend approval of PRR781 as recommended by PRS.
- ***PRR783 – Elimination of the Non-ERCOT LSE Fee [AEP] – URGENT. Proposed effective date: To be determined.*** *No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.* This PRR eliminates language within Section 9.7.3, Texas Non-ERCOT Load Serving Entity Fee, which describes the Texas Non-ERCOT LSE fee. PRR783 was posted on October 2, 2008. On November 20, 2008, PRS unanimously voted to recommend approval of PRR783 as submitted. On December 18, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On January 8, 2009, TAC unanimously voted to grant PRR783 Urgent Status. TAC also unanimously voted to recommend approval of PRR783 as recommended by PRS and requested the earliest possible implementation and effective date. Credit review is pending.
- ***PRR788 – Ramp Rate Limits for Existing WGRs [FPL Energy] – URGENT. Proposed effective date: February 1, 2009.*** *No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.* This PRR proposes a requirement that certain existing Wind-powered Generation Resources (WGRs) limit the unit ramp rate to ten percent (10%) per minute of their nameplate capacity ratings as registered with ERCOT. PRR788 was posted on December 9, 2008. On December 11, 2008, PRS granted PRR788 Urgent status

via email vote. On December 18, 2008, PRS voted to recommend approval of PRR788 as amended by Luminant comments and as revised by PRS with one (1) abstention from the Municipal Market Segment. On January 8, 2009, TAC voted to recommend approval of PRR788 as recommended by PRS with one (1) abstention from the Independent Power Marketer (IPM) Market Segment.

- ***PRR792, Revised Renewable Portfolio Standards Allocation Process, Pursuant to P.U.C. SUBST. R. 25.173 [TIEC] – URGENT. Proposed effective date: February 1, 2009. No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.*** This PRR modifies the Protocols to comply with Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 39.904(m-1) (Vernon 1998 & Supp. 2007) (PURA) and P.U.C. SUBST. R 25.173, Goal for Renewable Energy. PRR792 was posted on December 15, 2008. On December 17, 2008, the motion to grant PRR792 Urgent status failed via email vote. On December 18, 2008, PRS unanimously voted to grant PRR792 Urgent status. PRS also unanimously voted to recommend approval of PRR792 as revised by PRS. The Independent Generator Market Segment was not present for either vote. On January 8, 2009, TAC unanimously voted to recommend approval of PRR792 as revised by TAC.

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 PRR753, PRR778, PRR779, PRR780, PRR781, PRR783, PRR788, and PRR792. TAC considered the issues and voted to take action on PRR753, PRR778, PRR779, PRR780, PRR781, PRR783, PRR788, and PRR792 as described above.

**Alternatives:**

1. Approve the TAC recommendation on PRR753, PRR778, PRR779, PRR780, PRR781, PRR783, PRR788, and/or PRR792 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation; or
3. Remand PRR753, PRR778, PRR779, PRR780, PRR781, PRR783, PRR788, and/or PRR792 to TAC with instructions.

**Conclusion/Recommendation:**

As more specifically described above, TAC recommends that the ERCOT Board approve PRR753, PRR778, PRR779, PRR780, PRR781, PRR783, PRR788, and PRR792.



**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: PRR753 – PRR Appeals Process; PRR778 – Clarification of Authorized Representative; PRR779 – Transparency for PSS and Full Interconnection Studies; PRR780 – Extending Black Start Service Bid Timeline; PRR781 – EILS Self-Provision Formula Correction and Clarifications; PRR783 – Elimination of Non-ERCOT LSE Fee; PRR788 – Ramp Rate Limits for Existing WGRs; and PRR792 – Revised Renewable Portfolio Standards Allocation Process, Pursuant to P.U.C. Subst. R. 25.173.

THEREFORE be it RESOLVED, that the Board hereby approves PRR753, PRR778, PRR779, PRR780, PRR781, PRR783, PRR788, and PRR792.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its January 20, 2009 meeting, the ERCOT passed a motion approving the above Resolution by a vote of \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Michael G. Grable  
Vice President, General Counsel and Corporate Secretary