



Date: January 13, 2009
To: ERCOT Board of Directors
From: Mark Bruce, 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: January 20, 2009

Agenda Item No.: 14b

Issue:

Consideration of the following NPRRs:

- NPRR140 – Revision to CRR Obligation Margin Adder
- NPRR142 – EECF Media Appeal Change
- NPRR152 – References to Section 22 Attachments
- NPRR154 – Corrections of Entities Able to Bid for Point-To-Point Obligations in the Day-Ahead Market
- NPRR155 – Clarification of Authorized Representative
- NPRR159 – Resource Category Startup Offer Generic Cap for Wind Resources
- NPRR160 – Elimination of the Non-ERCOT LSE Fee
- NPRR162 – Change the Sign Convention of Net Real Power Consumption, LPC and MPC of Load Resources (formerly, Change the Sign Convention for Load Resources)

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.

- ***NPRR140 – Revision to CRR Obligation Margin Adder [J. Aron]. Proposed effective date: upon Texas Nodal Market Implementation. No incremental cost to ERCOT; no impact to ERCOT staffing; no impact to computer systems; existing business processes can accommodate this NPRR; no impact to grid operations and practices.*** This NPRR revises the margin adder for Point-to-Point (PTP) Obligations to a value “X” to be determined by the ERCOT Subcommittee process. NPRR140 was posted on July 14, 2008. On August 21, 2008, the Protocol Revision Subcommittee (PRS) unanimously voted to refer NPRR140 to the Transition Plan Task Force (TPTF) for review. On October 23, 2008, PRS unanimously voted to table NPRR140 until the November 20, 2008 PRS meeting. The Cooperative Market Segment was not present for the vote. On November 20, 2008, PRS voted to recommend approval of NPRR140 as amended by ERCOT comments and as revised by PRS with one (1) abstention from the Consumer Market Segment. 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 recommend approval of NPRR140 as recommended by PRS and to assign the variable values as recommended by the October 23, 2008 WMS comments.

- ***NPRR142 – EECF Media Appeal Change [Operations Working Group (OWG)]. Proposed effective date: upon Texas Nodal Market Implementation.*** No incremental cost to ERCOT; no impact to ERCOT staffing; no impact to computer systems; existing business processes can accommodate this NPRR; no impact to grid operations and practices. This NPRR moves the required energy conservation media appeal from Emergency Electric Curtailment Plan (EECP) Step 2 to Step 3 and allows ERCOT management to issue a media appeal for energy conservation at management's discretion, without requiring ERCOT CEO authorization. NPRR142 was posted on July 22, 2008. On August 21, 2008, PRS unanimously voted to refer NPRR142 to the TPTF for review. On September 24, 2008, PRS unanimously voted to recommend approval of NPRR142 as submitted. On October 23, 2008, PRS unanimously voted to table NPRR142 until the November 20, 2008 PRS meeting. On November 20, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report as amended by ERCOT comments and Impact Analysis to TAC for approval. On December 4, 2008, TAC unanimously voted to recommend approval of NPRR142 as recommended by PRS.
- ***NPRR152 – References to Section 22 Attachments [ERCOT]. Proposed effective date: upon Texas Nodal Market Implementation.*** No incremental cost to ERCOT; no impact to ERCOT staffing; no impact to computer systems; existing business processes can accommodate this NPRR; no impact to grid operations and practices. This NPRR corrects references in the Nodal Protocols to certain attachments to Section 22, Agreements, and re-letters Attachment K, Standard Form Emergency Interruptible Load Service (EILS) Agreement, as Attachment G. NPRR152 was posted on September 10, 2008. On September 24, 2008, PRS unanimously voted to refer NPRR152 to TPTF for consideration. On October 23, 2008, PRS unanimously voted to recommend approval of NPRR152 as submitted. The Cooperative Market Segment was not present for the vote. 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 NPRR152 as recommended by PRS.
- ***NPRR154 – Corrections of Entities Able to Bid for Point-To-Point Obligations in the Day-Ahead Market [TPTF]. Proposed effective date: upon Texas Nodal Market Implementation.*** Incremental cost to Nodal project in the \$100K - \$250K range; no impact to ERCOT staffing; impact to ERCOT Market Management System (MMS) and Enterprise Integration Project (EIP) system; Qualified Scheduling Entities (QSEs) will be permitted to bid for PTP Obligations in the Day-Ahead Market (DAM); no impact to grid operations and practices. This NPRR provides clarifying language to indicate that only QSEs may bid for PTP Obligations in the DAM. NPRR154 was posted on September 15, 2008. On October 23, 2008, PRS voted to recommend approval of NPRR154 as submitted with one (1) abstention from the Consumer Market Segment. The Cooperative Market Segment was not present for the vote. 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 NPRR154 as recommended by

PRS. There was one abstention from the Cooperative Market Segment.

- ***NPRR155 – Clarification of Authorized Representative [ERCOT]. Proposed effective date: upon Texas Nodal Market Implementation. No incremental cost to ERCOT; no impact to ERCOT staffing; no impact to computer systems; existing business processes can accommodate this NPRR; no impact to grid operations and practices.*** This NPRR clarifies the need to designate Authorized Representatives for registration for all registered Entities. NPRR155 was posted on September 19, 2008. On October 23, 2008, PRS unanimously voted to recommend approval of NPRR155 as amended by Luminant comments. The Cooperative Market Segment was not present for the vote. On November 20, 2008, PRS unanimously voted to endorse and forward the PRS Recommendation Report and the preliminary Impact Analysis to TAC for approval. On December 4, 2008, TAC unanimously voted to recommend approval of NPRR155 as recommended by PRS.
- ***NPRR159 – Resource Category Startup Offer Generic Cap for Wind Resources [Verifiable Cost 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; existing business processes can accommodate this NPRR; no impact to grid operations and practices.*** This NPRR changes the Resource Category Startup Offer Generic Cap for a Wind Resource from a value of \$7,200 to zero. NPRR159 was posted on October 3, 2008. On October 23, 2008, PRS unanimously voted to recommend approval of NPRR159 as amended by TPTF comments. The Cooperative Market Segment was not present for the vote. 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 NPRR159 as recommended by PRS.
- ***NPRR160 – Elimination of Non-ERCOT LSE Fee [AEP]. Proposed effective date: upon Texas Nodal Market Implementation. No incremental cost to ERCOT; no impact to ERCOT staffing; no impact to computer systems; existing business processes can accommodate this NPRR; no impact to grid operations and practices.*** This NPRR eliminates language within Nodal Protocol Section 9.16.2, Texas Non-ERCOT Load Serving Entity Fee, which describes the Texas Non-ERCOT LSE fee. NPRR160 was posted on October 8, 2008. On October 23, 2008, PRS unanimously voted to refer NPRR160 to TPTF for consideration. The Cooperative Market Segment was not present for the vote. On November 20, 2008, PRS unanimously voted to recommend approval of NPRR160 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 recommend approval of NPRR160 as recommended by PRS.
- ***NPRR162 – Change the Sign Convention of Net Real Power Consumption, LPC and MPC of Load Resources (formerly, Change the Sign Convention for Load Resources) [ERCOT]. Proposed effective date: upon Texas Nodal Market Implementation. No incremental cost to ERCOT; no impact to ERCOT staffing; ERCOT Network Model***



Management System (NMMS) validation rules will be modified; existing business processes can accommodate this NPRR; no impact to grid operations and practices. This NPRR revises language for the sign convention for Load Resources and changes the Nodal Protocols so that low reasonability limit, Low Sustained Limit (LSL), telemetered values, High Sustained Limit (HSL) and high reasonability limit are all positive numbers for Load Resources. NPRR162 was posted on November 6, 2008. On November 20, 2008, PRS unanimously voted to recommend approval of NPRR162 as revised by TPTF comments and forward it and the preliminary Impact Analysis to TAC for approval. On December 4, 2008, TAC unanimously voted to recommend approval of NPRR162 as recommended by PRS. Credit review is pending.

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 NPRR140, NPRR142, NPRR152, NPRR154, NPRR155, NPRR159, NPRR160, and/or NPRR162 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation; or
3. Remand NPRR140, NPRR142, NPRR152, NPRR154, NPRR155, NPRR159, NPRR160, and/or NPRR162 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRR140, NPRR142, NPRR152, NPRR154, NPRR155, NPRR159, NPRR160, and NPRR162 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: NPRR140 – Revision to CRR Obligation Margin Adder; NPRR142 – EECF Media Appeal Change; NPRR152 – References to Section 22 Attachments; NPRR154 – Corrections of Entities Able to Bid for Point-To-Point Obligations in the Day-Ahead Market; NPRR155 – Clarification of Authorized Representative; NPRR159 – Resource Category Startup Offer Generic Cap for Wind Resources; NPRR160 – Elimination of the Non-ERCOT LSE Fee; and NPRR162 – Change the Sign Convention of Net Real Power Consumption, LPC and MPC of Load Resources (formerly, Change the Sign Convention for Load Resources).

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRR140, NPRR142, NPRR152, NPRR154, NPRR155, NPRR159, NPRR160, and NPRR162.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its January 20, 2009 meeting, the ERCOT Board 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