



Date: January 13, 2009
To: ERCOT Board of Directors
From: Mark Bruce, Technical Advisory Committee (TAC) Chair
Subject: System Change Request (SCR)

Issue for the ERCOT Board of Directors

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

Agenda Item No.: 14c

Issue:

Consideration of SCR751 – Nodal – Power Balance Shadow Price Cap Curve for SCED (formerly, Nodal – Shadow Price Cap) – URGENT.

Background/History:

Unless otherwise noted, all Market Segments were present for each vote.

- ***SCR751 – Nodal – Power Balance Shadow Price Cap Curve for SCED (formerly, Nodal – Shadow Price Cap) – URGENT [Congestion Management Working Group (CMWG)]. Proposed effective date: upon Texas Nodal Market Implementation. Incremental cost to the Nodal project is less than \$50K; no additional full-time equivalents needed; ERCOT MMS systems will be modified to implement this SCR; no ERCOT business function impacts; no impact to grid operations.*** This SCR will convert the power balance penalty from a fixed value to a curve that is applied on a MW basis. SCR751 was posted on October 30, 2008. On November 19, 2008, the Wholesale Market Subcommittee (WMS) unanimously voted to grant SCR751 Urgent status and to recommend approval as amended by the Transition Plan Task Force (TPTF) comments. On December 4, 2008, TAC unanimously voted to recommend approval of SCR751 as recommended by WMS.

The TAC Recommendation Report and Impact Analysis for this SCR are included in the ERCOT Board meeting materials. In addition, this SCR and supporting materials are posted on the ERCOT website at the following link: <http://www.ercot.com/mktrules/syschangereq/scrs>.

Key Factors Influencing Issue:

The WMS met, discussed the issues, and submitted a recommendation report to TAC regarding SCR751.

Alternatives:

1. Approve the TAC recommendation on SCR751;
2. Reject the TAC recommendation; or
3. Remand SCR751 to TAC with instructions.



Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve SCR751.



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 SCR751 – Nodal – Power Balance Shadow Price Cap Curve for SCED (formerly, Nodal – Shadow Price Cap).

THEREFORE be it RESOLVED, that the Board hereby approves SCR751.

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