



Date: March 10, 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: March 17, 2009

Agenda Item No.: 11a

Issue:

Consideration of the following PRRs:

- PRR784 – Delete Use of Boundary Generation Resources to Resolve CRE Congestion
- PRR785 – Timing for Required Black Start Unit Load Carrying Test
- PRR786 – Modifications to EILS Settlement

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.

- ***PRR784 – Delete Use of Boundary Generation Resources to Resolve CRE Congestion [J. Aron].*** *Proposed effective date: April 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 removes language regarding resolution of Congestion on a Closely Related Element (CRE) by Boundary Generation Resources from Section 7.3.2, Resolution of Zonal Congestion. PRR784 was posted on October 28, 2008. On December 18, 2008 the Protocol Revision Subcommittee (PRS) voted to recommend approval of PRR784 as submitted with four (4) abstentions from the Independent Power Marketer (IPM), Independent Retail Electric Provider (IREP), Consumer, and Municipal Market Segments. On January 22, 2009 PRS unanimously vote to endorse and forward the PRS Recommendation Report and Impact Analysis for PRR784 to TAC. On February 5, 2009 TAC voted to recommend approval of PRR784 as recommended by PRS. There were two (2) opposing votes from the Independent Generator and Investor Owned Utility (IOU) Market Segments.
- ***PRR785 – Timing for Required Black Start Unit Load Carrying Test [ERCOT].*** *Proposed effective date: April 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 required Black Start Unit Load Carrying Test from once every six (6) years to once every five (5) years. PRR785 and its corresponding Impact Analysis were posted on November 20, 2008. On December 18, 2008 PRS unanimously voted to recommend approval of PRR785 as submitted. On January 22,

2009 PRS unanimously vote to endorse and forward the PRS Recommendation Report and Impact Analysis for PRR785 to TAC. On February 5, 2009 TAC unanimously voted to recommend approval of PRR785 as recommended by PRS.

- ***PRR786 – Modifications to Emergency Interruptible Load Service (EILS) Settlement [Settlement and Data Aggregation Working Group (SDAWG)].*** *Proposed effective date: April 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 revises language to: (1) clarify that the first settlement of the EILS Contract Period shall utilize a Qualified Scheduling Entity (QSE) Load Ratio Share (LRS) which is based upon the Final Load for each Operating Day in the EILS Contract Period; (2) introduce a resettlement of EILS Contract Period settlement utilizing a QSE LRS which is based upon the True-Up Load for each Operating Day in the EILS Contract Period; (3) remove conflicting language about EILS disputes; (4) clarify the timing by which EILS settlement disputes must be submitted; and (5) move all language related to the timing of the EILS settlement process to Section 9.5.5, Resettlement of EILS. PRR786 was posted on November 21, 2008. On December 18, 2008 PRS voted to recommend approval of PRR786 as amended by the December 9, 2008 Commercial Operations Subcommittee (COPS) comments with one (1) abstention from the IPM Market Segment. On January 22, 2009 PRS unanimously vote to endorse and forward the PRS Recommendation Report and Impact Analysis for PRR786 to TAC. On February 5, 2009 TAC unanimously voted to recommend approval of PRR786 as recommended by PRS.

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 recommendation reports to TAC regarding PRR784, PRR785, and PRR786. TAC considered the issues and voted to take action on PRR784, PRR785, and PRR786 as described above.

Alternatives:

1. Approve the TAC recommendation on PRR784, PRR785, and/or PRR786 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation; or
3. Remand PRR784, PRR785, and/or PRR786 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve PRR784, PRR785, and PRR786.



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: PRR784 – Delete Use of Boundary Generation Resources to Resolve CRE Congestion; PRR785 – Timing for Required Black Start Unit Load Carrying Test; and PRR786 – Modifications to EILS Settlement.

THEREFORE be it RESOLVED, that the Board hereby approves PRR784, PRR785, and PRR786.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its March 17, 2009 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2009.

Michael G. Grable
Corporate Secretary