

## PRR Comments

PRR Number	791	PRR Title	Shortage Pricing Mechanism
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Date	March 10, 2009
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Submitters' Information	
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Market Segment	Not applicable

Comments
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ERCOT has closely followed market discussions on both PRR776 and PRR791 in order to be able to quickly estimate their impacts to ERCOT computer systems, operations, and business functions. Based on the discussion and votes taken at the 3/5/09 TAC meeting, ERCOT estimates the time and cost to deliver each option as follows:

### Option 1: Implementation of PRR 776 only<sup>1</sup>

- Minor cost impact to be managed under the operations and management (O&M) budgets of affected departments. A SIR will be initiated to implement the posting requirements of this option.
- Implementation will be completed in one month upon ERCOT Board approval.
- The ERCOT Market databases and Market Operation System (MOS) will be modified to implement this revision request.
- No ERCOT Staffing impacts.

### Option 2: Implementation of PRR 791 only<sup>2</sup>

- A project in the \$50k to \$100k range will be initiated to implement this option.
- Implementation will be completed between three to six months upon project initiation.

<sup>1</sup> PRR776 as amended by the 2/20/09 TIEC comments and as revised by TAC on 03/05/09 ([776PRR-63 Failed PRR Vote 030509](#))

<sup>2</sup> PRR791 as revised by the 03/02/09 Calpine Comments ([791PRR-15 Calpine Comments 030209](#))

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- The ERCOT Energy Management System (EMS) system will be modified to implement this revision request.
- No ERCOT Staffing impacts.

### Option 3: Combined implementation of PRR 776 and 791<sup>3</sup>

- A project in the \$50k to \$100k range will be initiated to implement this option.
- Implementation will be completed between three to six months upon project initiation.
- The ERCOT EMS, Market databases, and MOS will be modified to implement this revision request.
- No ERCOT Staffing impacts.

The following table summarizes the impacts for all these three options:

Option	Time	Cost	Systems Impacted
PRR776	1 month	Minor costs managed as a SIR.	MOS
PRR791	3-6 months	\$50k-\$100k	EMS
PRR776 and 791	3-6 months	\$50k-\$100k	EMS, Market DB, and MOS.

If the ERCOT Board approves any language related to these PRRs at the March 18, 2009 meeting, a formal Impact Analysis on the finalized language will be completed and posted within three Business Days.

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<sup>3</sup> PRR776 as amended by the 2/24/09 PRR776 Discussion Group Comments and to assign the variables "X", "Y", and "Z" in Section 6.5.2.2, Shortage Pricing Mechanism, values for the first sixty (60) Operating Days after implementation ("X"=20, "Y"=500, and "Z"=\$1,500) after which the value for "Z" shall be set to the then effective system-wide offer cap ([776PRR-65 Failed PRR Vote 030509](#))

# PRR Comments

<b>Proposed Protocol Language Revision</b>
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None at this time.