

**OPEN SESSION MINUTES OF SPECIAL NODAL PROGRAM COMMITTEE**  
**MEETING OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC**

7620 Metro Center Drive, Austin, Texas 78744, Room 206

February 10, 2009 at 1:00 p.m.

**Committee Members Present**

Bob Helton, Chair  
Jean Ryall, Vice Chair  
Mark Armentrout  
Nick Fehrenbach

**Other Board Members**

Deryl Brown  
Andrew Dalton  
Jan Newton  
Mark Walker

**ERCOT Staff**

Bob Kahn  
Ann Boren  
Trip Doggett  
Mike Grable  
Matt Morais  
Amy O'Desky  
Janet Ply  
Chad Seely  
Dave Seibert  
Aaron Smallwood

**Others**

Nathan Benedict  
Danny Bivens  
Jeff Brown  
Mark Bruce  
Kevin Gresham  
Annette Mass  
Lenan Ogelman  
Adrian Pieniasek  
Jim Reynolds  
Walt Shumate  
Bob Spangler  
Floyd Trefny  
Marguerite Wagner  
DeAnn Walker

Bob Helton convened the Open Session of the Meeting of the Special Nodal Program Committee (Committee) of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) at approximately 1:25 p.m.

### **2009 Nodal Budget (Agenda Item No. 3)**

Trip Doggett, ERCOT Senior Vice President and Chief Operating Officer, discussed the 2009 Nodal Budget and Schedule. Mr. Doggett stated that TPTF passed a resolution that the schedule is consistent with the December 2010 implementation date and that TAC endorsed the schedule, noting the TAC recommendation would be forwarded to the Board.

Jan Newton inquired as to whether there were any concerns identified by TPTF or TAC. Mr. Doggett responded that none were identified. Janet Ply commented that 90 action items were identified, but that none would jeopardize the schedule. Mark Bruce discussed TAC's general concern regarding integration, but stated that TAC had not identified any critical issues/risks. Mr. Helton noted that EDS may be an issue.

Regarding the budget, Mr. Doggett stated it represents a good "not-to-exceed" number. Mr. Doggett also noted the calculation of finance charges was reduced by approximately two million dollars due to the lowering of interest rates. Mr. Kahn stated ERCOT continually assesses the budget. The Committee agreed that the budget should include contingency funds, provided that Committee approval is required to spend such funds. The Committee commented generally that there was value associated with including contingency funds.

### **Protocol Revision Request 799 (Agenda Item No. 4)**

Mark Bruce stated that TAC expanded the right to appeal to any market participant, but otherwise the PRR remained in tact. Mr. Armentrout expressed concern over the process of putting items in the "parking lot" and then bringing the items out post-go-live. To address these concerns, Mr. Armentrout recommended using a fixed calendar. Mr. Bruce stated that the parking lot process was an issue, and that there should be a hierarchy based on metrics such as compliance with relevant authorities, reliability, markets, etc. Nick Fehrenbach noted problems with the language of the PRR relating to the timing of CEO approval – i.e. whether such approval is post or pre-go-live approval. The Committee then discussed options regarding whether there needs to be an appeal process for the pre-go-live or post-go-live determination. Mr. Bruce confirmed TAC's support to lock down the scope of the project, and also stated it is essential to have market participant engagement. Mr. Bruce stated that TAC has retired the TPTF charter and that TPTF will be dissolved, but prior to dissolution it will bring a final report to TAC showing which charter assignments are and are not complete.

### **Stakeholder Process Involving Nodal (Agenda Item No. 5)**

Mr. Cleary discussed the development stage of EMS, MMS, CRR and the move towards integration, but noted that market trials and market readiness phases are important, complex parts of the process. Mr. Helton noted there will be discrepancies between the systems and the Protocols, and that Market participants can facilitate resolution of these issues. Joel Mickey, ERCOT Director Market Operations and Support, stated these issues can best be addressed by assigning subject matter experts (SMEs) from stakeholder groups that can provide timely and accurate answers to issues that arise. Mr. Helton stated there was a need for a quick response technical advisory SME group and market participant go-live training.

Mr. Armentrout commented that every Protocol should have a link through to testing. Mr. Armentrout and Mr. Cleary both noted the need to be able to perform stress and volume testing prior to go-live, and to have a Market Participant training metric. Floyd Trefny stated that ERCOT will be re-qualifying all Market Participants in 10/2009, which should closely reflect go-live specifications. Mr. Mickey stated that ERCOT can identify basic readiness, but that certification is not an ERCOT issue. Mr. Helton noted the need to develop a process to address “the second integration”, which is the integration of ERCOT and market participants, and that TAC should address this in a timely manner. Mr. Cleary noted that any such action by TAC needs to be advisory.

Mr. Armentrout stated that market readiness should be assessed by an independent external party, and that there should be consequences for failure – i.e. assignment of anything less than a “green” rating. Mr. Armentrout suggested that public disclosure of MP readiness was an option. Mr. Bruce commented that there have been a few key dates that TPTF has publicized and there were rushes for entities to move from red to green. Mr. Helton suggested that this issue should be addressed at the February 16, 2009 meeting, with a subsequent recommendation to the Board. Ms. Newton recommended that the Committee look at the longstanding PRR that requires all new metrics be approved by the board. Mr. Doggett offered to take lead to update the metrics to reflect the schedule.

The Open Session adjourned at approximately 3:25 p.m.



Matthew T. Morais  
Committee Secretary