

RESOLUTION OF THE BOARD OF DIRECTORS OF
TEXAS REGIONAL ENTITY, A DIVISION OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

February 16, 2009

WHEREAS, the board of directors (the "Board") of Texas Regional Entity, a division of Electric Reliability Council of Texas, Inc., a Texas non-profit corporation deems it desirable and in the best interest of Texas Regional Entity to approve Provision for the ERCOT ISO to Participate and have a ¼ Vote in the Processes (the "Provision"); and

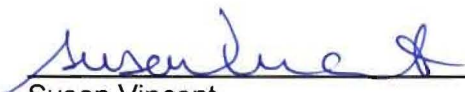
WHEREAS, the Reliability Standards Committee has recommended approval of the Provision;

THEREFORE be it RESOLVED, that the Provision, a copy of which is attached hereto as Attachment A and incorporated herein for all purposes, is hereby recommended to the ERCOT Board of Directors by the Texas Regional Entity Board.

CORPORATE SECRETARY'S CERTIFICATE

I, Susan Vincent, Corporate Secretary of Texas Regional Entity, do hereby certify that, at the February 16, 2009 Texas Regional Entity Board Meeting, the Board of Directors of Texas Regional Entity approved the above referenced Resolution. The Motion passed by voice vote with 14 votes in favor and Dr. Patton voting in opposition.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of February, 2009.



Susan Vincent
Corporate Secretary

Attachment A

Texas Regional Entity Standard Authorization Request (SAR) 001

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E-mail completed form to:
TexasRegionalEntityInformation@ercot.com

Standard Authorization Request Form (SAR)

Texas RE to Complete

SAR No: 001
Version 2

Title of Proposed Standard Revision to Texas RE Documents to Provide for the ERCOT ISO to Participate and have a Vote in the Processes

Request Date December 4, 2007

SAR Requester Information	SAR Type (Check a box for each one that applies.)	
Name H. Steven Myers	<input type="checkbox"/>	New Standard
Primary Contact H. Steven Myers Manager, Operating Standards ERCOT	<input type="checkbox"/>	Revision to existing Standard
	<input checked="" type="checkbox"/>	Revision to the Standard Development Process
Telephone 512-248-3077	<input type="checkbox"/>	Withdrawal of existing Standard
Fax 512-248-3055	<input type="checkbox"/>	Variance to a NERC Standard (Indicate which one)
E-mail smyers@ercot.com	<input type="checkbox"/>	Urgent Action

7620 Metro Center Drive
Austin, TX 78744
Tel: 512.225.7000
Fax: 512.225.7165

Purpose (Describe what the standard action will achieve in support of bulk power system reliability.)

This action will revise the Texas Regional Entity Standards Development Process to include the ERCOT ISO as a voting member of the Registered Ballot Body and the Reliability Standards Committee in addition to the other established market segment membership. In addition this action proposes modification to the Standards Development Process document in order to bring it into conformance with the FERC Order on the Delegation Agreement. This SAR also proposes other minor revisions to promote clarification and consistency of process implementation.

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Industry Need (Provide a justification for the development or revision of the standard, including an assessment of the reliability and market interface impacts of implementing or not implementing the standard action.)

The ERCOT ISO, at present, is not authorized to be a member of the RSC and to vote on actions thereof. Since the ERCOT ISO will be held accountable for compliance with the requirements of Regional Standards developed by the RSC, the ERCOT ISO should be on equal footing with other participants. To the best of ERCOT ISO's knowledge, every other region that includes an ISO or RTO includes the ISO or RTO in the Regional Standards Committee's voting procedures as a full participant. The process document needs to be changed to be consistent with the FERC order on the Delegation agreement.

Brief Description (Provide a paragraph that describes the scope of this standard action.)

This action will revise the Texas Regional Entity Standards Development Process to include the ERCOT ISO as a voting member of the Registered Ballot Body and the Reliability Standards Committee in addition to the other established market segment membership.

Deleted: The scope is to change the basic membership and voting provisions of the Texas Regional Entity Standards Development Process to provide for inclusion of the ERCOT ISO.¶

Detailed Description (Provide a description of the proposed project with sufficient details for the standard drafting team to execute the SAR.)

Attached is a redline version of the Texas Regional Entity Standards Development Process document with included proposed revisions. Please note that this is not a SAR to write a Standard, but to use the Texas RE Standards Development Process to develop changes to the Texas RE Standards Development Process.

The Texas RE Reliability Standards Process also requires other minor revisions to promote clarification and consistency of process implementation

- Clarification between Texas RE BOD and ERCOT BO
- Ballot Pool v. Registered Ballot Body
- Clarification on Registered Ballot Body qualification
- Clarification on RSC voting to conform to Paragraph 241 "Committees and Subordinate Organizational Structures (Criterion 4)" of ftp://ftp.nerc.com/pub/sys/all_updl/docs/ferc/20070419_delegation_agreement_order.pdf
- For a quorum on the reliability standards committee, a minimum of one vote in each of at least five of seven sectors is required. Each sector has one vote and each voting member has an equal fraction of the sector vote. Approval of a standard requires 4.67 affirmative votes.

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Reliability Functions

For a more detailed description of the Reliability Functions please refer to [NERC Function Model V3](#)

The Standard will Apply to the Following Functions (Check box for each one that applies.)	
<input type="checkbox"/> Transmission Owner	<input type="checkbox"/> Transmission Service Provider
<input type="checkbox"/> Generator Owner	<input type="checkbox"/> Generator Operator
<input type="checkbox"/> Balancing Authority	<input type="checkbox"/> Interchange Authority
<input type="checkbox"/> Reliability Coordinator	<input type="checkbox"/> Purchasing-Selling Entity
<input type="checkbox"/> Resource Planner	<input type="checkbox"/> Load-Serving Entity
<input type="checkbox"/> Distribution Provider	<input type="checkbox"/> Planning Coordinator
<input type="checkbox"/> Transmission Planner	<input type="checkbox"/> Transmission Operator

Reliability and Market Interface Principles

Applicable Reliability Principles (Check box for all that apply.)	
<input type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained and implemented.

<input type="checkbox"/>	5. Facilities for communication, monitoring and control shall be provided, used and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored and maintained on a wide area basis.
<input type="checkbox"/>	8. Bulk power systems shall be protected from malicious physical or cyber attacks.
Does the proposed Standard comply with all of the following Market Interface Principles? (Select 'yes' or 'no' from the drop-down box.)	
1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes	
2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes	
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes	
4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes	

Related Standards

Standard No.	Explanation

Related SARs

SAR ID	Explanation

<i>Name</i>	<i>Company</i>	<i>Segment</i>
Mike Grable	ERCOT	ERCOT ISO
Stephen C. Knapp	Constellation Energy	IPM
Steve Myers	ERCOT	ERCOT ISO
Raborn L. Reader, Jr.	EPCO Holdings	Consumer-Industrial
Jesse Dillard	City of Dallas	Consumer-Commercial
Jerry Ward*	Luminant	IOU

*Chair

Background Information
For
Texas RE SAR-001
Provision for ERCOT ISO to Participate and
Have a Vote in the Regional Standard Development Processes

The ERCOT ISO, at present, is not authorized to be a voting member of the Reliability Standards Committee (RSC) or the Texas Regional Entity Registered Ballot Body (RBB) and to vote on actions thereof.

The ERCOT ISO is a NERC- registered entity and will be held accountable for compliance with the requirements of Regional Standards developed by the RSC. ISOs and RTOs in other regions are allowed voting privileges at their corresponding RSCs. The proposed changes of this Standard Authorization Request (SAR) contemplate providing voting rights to the ERCOT ISO.

This action will revise the Texas Regional Entity Standards Development Process to include the ERCOT ISO as a voting member of the Registered Ballot Body and the Reliability Standards Committee compatible with the voting status of the other established market segment membership.

The SAR-001 Standard Drafting Team (SDT) has purposely not defined the weight of the ERCOT ISO's vote, using the default "X" in the revised documents instead. The SDT members have two views on the appropriate value of X. Position 1 is that X=one (1) whole segment vote, and Position 2 is that X=one-fourth (1/4) segment vote. Your comment on whether ERCOT ISO should have a vote and the weight of that vote (value of X) is desired.

This SAR proposes other modifications to the Standards Development Process document in order to bring it into conformance with the FERC Order on the Delegation Agreement. This SAR also incorporates other minor revisions to promote clarification and consistency of process implementation. Please note that within the Texas RE Standards Development Process document, there are 34 paragraphs that are numbered. These are called "common attributes" among delegation agreements, and by FERC Order must remain substantively intact from the original agreement; therefore, they have been highlighted in green and yellow so that they may be easily distinguished as having not been substantively changed.

The documents modified to implement this SAR are posted on the Reliability Standards Tracking site and include:

- The Texas RE Standards Development Process
- The Registered Ballot Body Procedure
- The Reliability Standards Committee Procedure

Additionally, along with this Background paper, two position papers are also posted to clarify the reasoning behind each position or value of X. They are:

- Position One
- Position Two

The Standard Drafting Team for SAR-001 encourages your review of the posted documents and your feedback with respect to them by answering the five questions that appear in the Reliability Standards Tracking Site. This public comment period will open November 1 and continue through November 30. At the conclusion of the comment period, responses to your comments will be posted in December, and your comments and answers will be considered in redrafting the documents before presenting them again to the Reliability Standards Committee in January.

Position One

Give ERCOT ISO one whole segment vote in the regional processes

The ERCOT ISO shall have one vote on the RSC. The ERCOT ISO is significantly impacted by the development, applicability, and responsibility for compliance with numerous NERC (and, eventually, Regional) Reliability Standards Requirements. ERCOT is the Registered Entity responsible for compliance with more Standards and more Requirements than any other entity in the region. As such, the ERCOT ISO should have equal status as an entity participating in the standards development process, the activities of the RSC, and all relevant responsibilities associated with those processes and activities.

ERCOT having one full vote on the RSC is also consistent with the voting status of every other independent system operator (ISO) or regional transmission operator (RTO) in North America on their respective RSCs, as well as with the ERCOT ISO's one full vote on the ERCOT and Texas RE Boards of Directors.

The ERCOT ISO has been designated by the Public Utility Commission of Texas (PUCT) to be the ISO for the ERCOT Interconnection. The ERCOT ISO is assigned responsibility to ensure reliable operations within the ERCOT Interconnection. This assignment gives multiple functional responsibilities to the ERCOT ISO. The ERCOT ISO directs and coordinates system planning, operations planning, and system operations activities in conjunction with multiple ERCOT entities, including, but not limited to, Resource Entities, Transmission and Distribution Service Providers, Qualified Scheduling Entities, Load-Serving Entities, and Purchasing-Selling Entities. In these roles, the ERCOT ISO has the most prominent responsibility for the reliability of bulk electric system operations for the ERCOT Interconnection.

Moreover, the ERCOT ISO is registered with NERC as the responsible entity for many of the NERC-defined "Functional Entities". NERC will hold the registered "Functional Entities" accountable for performance in compliance with the applicable standards Requirements. At present, the ERCOT ISO is registered as the Reliability Coordinator (RC), the Transmission Operator (TOP), the Balancing Authority (BA), the Interchange Authority (IA), the Planning Authority (PA), the Resource Planner (RP), and the Transmission Service Provider (TSP).

The purpose of Reliability Standards is to ensure the reliability of bulk electric system operations, and given the ERCOT Interconnection's market structure and reliability mechanisms, ERCOT ISO possesses invaluable information that can inform the RSC's review of regional adjustments that are required. ERCOT ISO is eager to become a member of the RSC and begin contributing to the important work of the Committee, and believes that, in light of all the facts, one vote is appropriate.

On the other hand, there is no valid reason to arbitrarily assign ERCOT one-fourth of a vote. If four coops attend an ERCOT meeting, they effectively each get one-fourth vote within their segment. But if two show up, they each get half-votes, and if Coop X is the only one to show up, Coop X gets 1 vote. Why the ISO segment is the only one that should be automatically and permanently diminished by 75 percent is not clear.

Position Two

Give ERCOT ISO one-fourth segment vote in the regional processes

The ERCOT Region has a long history of market participant participation and setting rules for operation and settlement by committee action with a very successful track record for reliability. SAR-001 seeks a vote for the ERCOT ISO like other market participants on Texas RE votes. It is agreed that the ISO should get a vote like other market participants.

The balance between reliability and cost is always considered without shorting reliability. Since the decision to open a competitive market, ERCOT committees have functioned with voting privileges that did not consider market participant size or functional responsibility.

For example, some municipal and cooperative electric entities may own only a distribution system to serve a few hundred retail customers, while others may own or operate a system with thousands of megawatts of generation, as well as transmission facilities and distribution systems serving thousands of customers. Both of these entities are treated as equal voting members on ERCOT TAC and Subcommittees. It is not unusual for four of these entities to attend an ERCOT meeting, effectively giving each of them one-fourth of a vote within their segment.

This position is to extend the right to vote on the RSC and in the RBB to the ERCOT ISO on the same basis as many other ERCOT MPs, which would be one-fourth of a vote.

Operation of the Bulk Electric System is a balance between financial considerations and reliability considerations. While ERCOT has significant reliability responsibilities, they do not have the same financial risks as other Market Participants. ERCOT's funding originates from other market participants so their bias if any would be toward "extra" reliability rather than the proper balance between reliability and economics. Market participants have a good track record for developing rules for reliable operation of the ERCOT system. Because of this configuration, we believe that ERCOT should receive the same voting privileges as other market participants, regardless of size or responsibility, and not become a "super- MP" with special voting privileges.

This position is to give the ERCOT ISO a vote like other market participants, a one-fourth of a segment vote.

Texas Regional Entity Standards Development Process

Appendix to Exhibit C to the Delegation Agreement Between NERC and ERCOT

October 19, 2006

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	A NERC RELIABILITY STANDARD DEFINES CERTAIN OBLIGATIONS OR REQUIREMENTS OF ENTITIES THAT OPERATE, PLAN, AND USE THE BULK POWER SYSTEMS OF NORTH AMERICA.	

THE OBLIGATIONS OR REQUIREMENTS MUST BE MATERIAL TO RELIABILITY AND MEASURABLE. EACH OBLIGATION AND REQUIREMENT SHALL SUPPORT ONE OR MORE OF THE STATED RELIABILITY PRINCIPLES AND SHALL BE CONSISTENT WITH ALL OF THE STATED RELIABILITY AND MARKET INTERFACE PRINCIPLES. 6

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I. Introduction

This document defines the fair and open process for adoption, approval, revision, reaffirmation, and deletion of an Electric Reliability Council of Texas, Inc. (ERCOT) Regional-Specific Reliability Standard (Regional Standard) by the Texas Regional Entity ("Texas RE"), a division of ERCOT, Electric Reliability Council of Texas, Inc. ("Texas RE"). StandardRegional Standards provide for the reliable regional and sub-regional planning and operation of the Bulk Power System (BPS), consistent with Good Utility Practice within a Regional Entity's ("RE's") geographical footprint.

The process for obtaining an ERCOT Regional Variance to a NERC Reliability Standard shall be the same as the process for obtaining a Regional Standard. Throughout this document, where the term Regional Standard is used, the same process will be applied to a Regional Variance.

Due process is the key to ensuring that Regional Standards are developed in an environment that is equitable, accessible and responsive to the requirements of all interested and affected parties. An open and fair process ensures that all interested and affected parties have an opportunity to participate in a StandardRegional Standard's development.

Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the bulk power system has a right to participate by: a) expressing a position and its basis, b) having that position considered, and c) having the right to appeal.

1 Proposed ERCOT Regional-Specific Standards (Regional Standards) shall be subject to approval by NERC, as the electric reliability organization, and by FERC before becoming mandatory and enforceable under Section 215 of the FPA. No StandardRegional Standard shall be effective within the Texas RE area unless filed by NERC with FERC and approved by FERC.

2 ERCOT-Specific Regional Standards shall provide for as much uniformity as possible with reliability standards across the interconnected bulk power system of the North American continent. An ERCOT-SpecificA Regional Standard shall be more stringent than a continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not, or shall be a regional difference necessitated by a physical difference in the bulk power system. An ERCOT-SpecificA Regional Standard that satisfies the statutory and regulatory criteria for approval of proposed North American reliability standards, and that is more stringent than a continent-wide reliability standard, would generally be acceptable.

3 ERCOT-Specific Regional Standards, when approved by FERC, shall be made part of the body of NERC reliability standards and shall be enforced upon all applicable bulk power system owners, operators, and users within the Texas RE area, regardless of membership in the region.

II. Background

The Texas RE may develop, through their own processes, separate StandardRegional Standards that go beyond, add detail to, or implement NERC Reliability Standards; obtain a Regional Variance; or otherwise address issues that are not addressed in NERC Reliability Standards.

NERC Reliability Standards and ERCOT-SpecificRegional Standards are all to be included within the Texas RE's Compliance Program.

StandardRegional Standards are developed consistent with the following philosophies according to the process defined within this document:

- Developed in a fair and open process that provides an opportunity for all interested parties to participate;
- Does not have an adverse impact on commerce that is not necessary for reliability;
- Provides a level of BPS reliability that is adequate to protect public health, safety, welfare, and national security and does not have a significant adverse impact on reliability; and
- Based on a justifiable difference between regions or between sub-regions within the Regional geographic area.

The NERC Board of Trustees has adopted reliability principles and market interface principles to define the purpose, scope, and nature of reliability standards. As these principles are fundamental to reliability and the market interface, these principles provide a constant beacon to guide the development of reliability standards. The NERC Board of Trustees may modify these principles from time to time, as necessary, to adapt its vision for reliability standards. Persons and committees that are responsible for the Texas RE StandardStandards Process shall consider these NERC Principles in the execution of those duties.

NERC Reliability Standards are based on certain reliability principles that define the foundation of reliability for the North American BPS. Each StandardRegional Standard shall enable or support one or more of the reliability principles, thereby ensuring that each StandardRegional Standard serves a purpose in support of reliability of the North American BPS. Each StandardRegional Standard shall also be consistent with all of the reliability principles, thereby ensuring that no StandardRegional Standard undermines reliability through an unintended consequence.

While NERC Reliability Standards are intended to promote reliability, they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. Recognizing that BPS reliability and electricity markets are inseparable and mutually interdependent, all StandardRegional Standards shall be consistent with the market interface principles. Consideration of the market interface principles is intended to ensure that StandardRegional Standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets.

III. ~~Regional Reliability Standard~~ Regional Standard Definition

A NERC Reliability Standard defines certain obligations or requirements of entities that operate, plan, and use the Bulk Power Systems of North America. The obligations or requirements must be material to reliability and measurable. Each obligation and requirement shall support one or more of the stated reliability principles and shall be consistent with all of the stated reliability and market interface principles.

The Texas RE may develop, through its own processes, separate ~~Standard~~ Regional Standards that go beyond, add detail to, or implement NERC Reliability Standards; obtain a Regional Variance; or that cover matters not addressed in NERC Reliability Standards. Regional Criteria may be developed and exist in ERCOT Protocols, Operating Guides, and/or Procedures separately from NERC Reliability Standards, or may be proposed as NERC Reliability Standards. Regional Criteria that exist separately from NERC Reliability Standards shall not be inconsistent with or less stringent than NERC Reliability Standards.

IV. Roles in the Texas Regional Entity (RE) Reliability Standards Development Process

4 Originator – Any person, acting as a representative of an organization which is directly and materially affected by the operation of ERCOT's BPS, is allowed to request a ~~Standard~~ Regional Standard be developed or an existing ~~Standard~~ Regional Standard modified, or deleted, by creating a ~~Standard~~ Regional Standards Authorization Request (SAR) as described in Appendix B to this document.

Texas RE Board of Directors (Texas RE BOD) – The ~~ERCOT-Texas RE BOD~~ Board of Directors shall act on any proposed ~~Standard~~ Regional Standard that has gone through the process. Once the ~~Standard~~ Regional Standard is approved by the Federal Energy Regulatory Commission (FERC), compliance with the ~~Standard~~ Regional Standard will be enforced consistent with the terms of the ~~Standard~~ Regional Standard.

6 Registered ~~B~~ballot ~~B~~body (RBB) – The ~~#~~ Registered ~~b~~Ballot ~~b~~Body is comprised of all entities or individuals that qualify for one of the Texas RE Segments and are registered with the Texas RE as potential ballot participants. This includes the ERCOT Independent System Operator (ERCOT ISO)s and all entities or individuals that are part of an ERCOT-a) qualify for one of the Texas RE Market Participant stakeholder sSegments and ; are registered with TERCOT exas RE as potential ballot participants in the voting on standards; and are current with any ERCOT designated fees or have received a fee waiver. Each member of the registered ballot body is eligible to vote on standards.

Ballot Pool - Each ~~standard action~~ Regional Standard has its own ballot pool formed of interested members of the Registered Ballot Body. ~~The ballot pool will ensure, through its vote, the need for and technical merits of a proposed standard action and the appropriate consideration of views and objections received during the development process. The ballot pool votes to approve each standards action.~~ Through the voting process, the ballot pool will ensure that the need for and technical merits of a proposed Regional Standard are appropriately considered.

The ballot pool will also ensure that appropriate consideration of views and objections are received during the development process. ~~Each standard action has its own ballot pool formed of interested members of the registered ballot body.~~

Reliability and Operations Subcommittee (ROS) – A balanced subcommittee comprised of the seven (7) ERCOT Market Participant Segments responsible for reviewing events and issues as they may impact ERCOT system reliability and operations. Meetings of the ROS are open to all interested parties. The ERCOT ISO is an active participant in all ROS discussions; however, it does not have a vote.

5 Reliability Standards Committee (RSC) – A balanced committee comprised of entities representing the seven (7) ERCOT Market Participant Segments and the ERCOT ISO that will consider which requests for new or revised StandardRegional Standards shall be assigned for development (or existing StandardRegional Standards considered for deletion). The RSC will also vote to recommend whether proposed new or revised StandardRegional Standards should be presented for a vote to all ERCOT Market Participants (the Registered Ballot Body).

Reliability Standards Manager (RSM) – A person or persons on the Texas RE staff assigned the task of ensuring that the development, revision or deletion of StandardRegional Standards is in accordance with this document. The RSM works to ensure the integrity of the process and consistency of quality and completeness of the StandardRegional Standards. The RSM manages the StandardRegional Standard Development Process, and coordinates and facilitates all actions contained in all steps in the process.

Reliability Standards Staff – Employees of the Texas RE that work with or for the Reliability Standards Manager.

Standard Drafting Team (SDT) – A team of technical experts, assigned by the ERCOT Reliability and Operations Subcommittee (ROS), and typically includes a member of the Texas RE staff and the Originator, assigned the task of developing a proposed Regional SS standard based upon an approved SAR using the StandardRegional Standard Development Process contained in this document.

Texas RE Segments – The seven (7) ERCOT Market Participant Segments and the ERCOT ISO.

V. Texas RE ReliabilityRegional Standards Development Process

A. Assumptions and Prerequisites

The process for developing and approving Standards is generally based on the procedures of the American National Standards Institute (ANSI) and other standards-setting organizations in the United States and Canada. The Regional Standards development process has the following characteristics:

- **Due process** – Any person representing an organization with a direct and material interest has a right to participate by:

- a) Expressing an opinion and its basis,
 - b) Having that position considered, and
 - c) Appealing any negative decision
- **Openness** – Participation is open to all organizations that are directly and materially affected by ERCOT regions's BPS reliability. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in ERCOT, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements. Meetings of SDTs are open to all interested parties ~~ERCOT's Membership, and to other. Alls and all~~ proposed SARs and StandardRegional Standards are posted for comment on the Texas RE Website.
 - **Balance** – The Texas RE Standards Development Process strives to have an appropriate balance of interests and shall not be dominated by any single interest category.

B. ~~Regional Reliability StandardRegional Standards~~ Development Process Steps

Note: The term “days” below refers to calendar days.

7 The Texas RE will coordinate with NERC such that the acknowledgement of receipt of a standardRegional Standard request identified in Step 1, notice of comment posting period identified in Step 4, and notice for vote identified in Step 5 below are concurrently posted on both the Texas RE and NERC websites.

Step 1 – Development of a Standards Authorization Request (SAR) to Develop, Revise, or Delete a Regional Reliability StandardRegional Standard

Any entity (Originator) which is directly or materially impacted by the operation of the BPS within the geographical footprint of the Texas RE may request, via a submittal of a Standard Authorization Request (SAR) form, ~~for~~ the development, modification, or deletion of an ERCOT-Regional Standard or Regional Variance. The following entities may submit a SAR:

- Any market participant,
- ~~Any entity that is an ERCOT Member,~~
- PUCT Staff,
- ERCOT Staff,
- TRE Staff, and
- Any entity that resides (or represents residents) in Texas the ERCOT Region or operates in the ~~Texas~~ERCOT Region electricity market.

Any such request shall be submitted to the Texas RE ~~Reliability Standards ManagerRSM~~, or his/her designee. The SAR form may be downloaded from the Texas RE Website.

8 An acceptable SAR contains a description of the proposed StandardRegional Standard subject matter containing sufficiently descriptive detail to clearly define the purpose, scope, impacted parties, and other relevant information of the proposed StandardRegional Standard.

The ~~Reliability Standards Manager~~SM will verify that the submitted SAR form has been adequately completed. The ~~Reliability Standards Manager~~SM may offer the Originator suggestions regarding changes and/or improvements to enhance clarity ~~and assist the ERCOT community to understand~~ the Originator's intent and objectives. The Originator is free to accept or reject these suggestions. Within 15 days the ~~RSM~~^{Reliability Standards Manager} will electronically acknowledge receipt of the SAR.

9 The ~~Reliability Standards Manager~~SM will ~~post all forward all~~ adequately completed SARs ~~for public viewing and possible comment to the RSC.~~ Within 60 days of receipt of an adequately completed SAR, the RSC shall determine the disposition of the SAR and ~~if needed~~ post for review and ~~possible comment.~~

10 The disposition decision and decision process shall use the normal "business rules and procedures" of the RSC then in effect. The RSC may ~~vote to~~ take one of the following actions ~~by motion and majority vote:~~

- Accept the SAR as a candidate for: development of a new ~~Standard Regional Standard~~, revision of an existing ~~Standard Regional Standard~~, or deletion of an existing ~~Standard Regional Standard~~. The RSC may, in its sole discretion, expand or narrow the scope of the SAR under consideration. The RSC shall prioritize the development of SARs as may be required based on the number of SARs under development at any time.
- Reject the SAR. If the RSC rejects a SAR, a written explanation for rejection will be delivered to the Originator within 30 days of the decision.
- Remand the SAR back to the Originator for additional work. The ~~RSM~~^{Reliability Standards Manager} will make reasonable efforts to assist the Originator in addressing the deficiencies identified by the RSC. The Originator may then resubmit the modified SAR using the process above. The Originator may ~~choose to withdraw the SAR from further consideration prior to re-submittal to the RSC.~~

11 Any SAR that is accepted by the RSC for development of a ~~Standard Regional Standard~~ (or modification or deletion of an existing ~~Standard Regional Standard~~) shall be posted for public viewing on the Texas RE Website ~~and their.~~ ~~SARs will be posted and the~~ status ~~will be updated accordingly as appropriate.~~ ~~publicly noted at regularly scheduled (appropriately two weeks) intervals.~~

Any documentation of the deliberations of the RSC concerning SARs shall be made available according to normal "business rules and procedures" of the RSC then in effect.

Texas RE Staff shall submit a written report to the ~~ERCOT Texas RE Texas RE~~ BOD on a periodic basis (at least quarterly at regularly scheduled ~~ERCOT Texas RE Texas RE~~ BOD Meetings) showing the status of all SARs that have been brought to the RSC for consideration.

Step 2 – Formation of the Standard Drafting Team and Declaration of Milestone Date

Upon acceptance by the RSC of a SAR for development of a new StandardRegional Standard (or modification or deletion of an existing StandardRegional Standard), the RSC shall direct the ROS to assemble a qualified balanced slate for the SDT. The Reliability Standards ManagerSM will solicit drafting team nominees. The SDT will consist of a group of people (~~members of ERCOT and, as appropriate, non-members~~) who collectively have the necessary technical expertise and work process skills. The Reliability Standards ManagerSM will recommend a slate of ad-hoc individuals or a pre-existing task force, work group, or similar for the SDT based upon the ROS' desired team capabilities.

The RSMeliability Standards Manager will iensure that team membership receives all necessary administrative support. This support typically includes a Texas RE staff member and the Originator if he/she chooses to participate. The ROS appoints the SDT interim chair (should not be a Texas RE staff person) ~~of the SDT~~. The SDT will elect the permanent Chair and Vice-chair at its first meeting.

12The Reliability Standards ManagerSM submits the proposed list of names of the SDT to the ROS. The ROS will either accept the recommendations of the Reliability Standards ManagerSM or modify the SDT slate, as it deems appropriate within 60 days of accepting a SAR for development.

Upon approval of the SDT slate by the ROS, the RSC will declare a preliminary date on which the SDT is expected to have ready a completed draft StandardRegional Standard and associated supporting documentation available for commentseconsideration—by—the stakeholdersERCOT Membership.

Step 3 – Work and Work Product of the Standard Drafting Team

The RSMeliability Standards Manager will collaborate with the SDT to then develop a work plan for completing the Standard development work, including the establishment of milestones for completing critical elements, of the work in sufficient detail to ensure that the SDT will meet the date objective established by the RSC or the SDT shall propose an alternative date. This plan is then delivered to the RSC for its concurrence to ensure that the objectives established by the RSC are met.

The SDT is to meet, either in person or via electronic means as necessary, establish sub-work teams (made up of members of the SDT) as necessary, and performs other activities to address the parameters of the SAR and the milestone date(s) established by the RSC.

The work product of the SDT will consist of the following:

- A draft StandardRegional Standard consistent with the SAR on which it was based.
- An assessment of the impact of the SAR on neighboring regions, and appropriate input from the neighboring regions if the SAR is determined to impact any neighboring region.

- An implementation plan, including the nature, extent and duration of field-testing, if any.
- Identification of any existing ~~Standard~~Regional Standard that will be deleted, in part or whole, or otherwise impacted by the implementation of the draft ~~Standard~~Regional Standard
- Technical reports and/or work papers that provide technical support for the draft ~~Standard~~Regional Standard under consideration.
- Document the perceived reliability impact should the ~~Standard~~Regional Standard be approved.

Upon completion of these tasks, the SDT submits these documents to the RSC, which will verify that the proposed ~~Standard~~Regional Standard is consistent with the SAR on which it was developed.

The SDT regularly (at least once each month) informs the RSC of its progress in meeting a timely completion of the draft ~~Standard~~Regional Standard. The SDT may request RSC scope changes of the SAR at any point in the ~~Standard~~Regional Standard Development Process.

The RSC may, at any time, exercise its authority over the ~~Standard~~Regional Standards Development Process by directing the SDT to move to Step 4 (below) and post ~~for comment~~ the current work product for comment. If there are competing drafts, the RSC may, at its sole discretion, have posted the version(s) of the draft ~~Standard~~Regional Standard for comment on the Texas RE Website. The RSC may take this step at any time after a SDT has been commissioned to develop the ~~Standard~~Regional Standard.

Step 4 – Comment Posting Period

13 At the direction from the RSC, the ~~Reliability Standards Manager~~RSM then facilitates the posting of the draft ~~Standard~~Regional Standard on the Texas RE Website, along with a draft implementation plan and supporting documents, for a 30-day comment period. The ~~RSM~~Reliability Standards Manager shall also ~~inform~~give notice of the posting to ERCOT Members and other potentially interested entities inside or outside of the ERCOT region of which Texas RE is aware the posting. The RSM will utilize the ~~using~~typical ~~membership~~communication procedures ~~then currently~~ in effect or ~~by~~ other means as deemed appropriate.

Within 30 days of the conclusion of the 30-day comment posting period, the SDT shall convene and consider changes to the draft ~~Standard~~Regional Standard, the implementation plan, and/or supporting technical documents based upon comments received. ~~Based upon these comments,~~ the SDT may then elect to return to Step 3 to revise the draft ~~Standard~~Regional Standard, implementation plan, and/or supporting technical documentation.

14 The SDT shall prepare a “modification report” summarizing the comments received and the changes made as a result of these comments. The modification report also summarizes comments that were rejected by the SDT and the reason(s) that these comments were rejected, in part or whole. Responses to all comments will be posted on the Texas RE Website no later than the next posting.

Step 5 – Posting for Voting by ERCOT Membership the Registered Ballot Body Pool

15 Upon recommendation of the SDT drafting team, and if the RSC concurs that all of the requirements for development of the standard have been met, the Reliability Standards Manager SM shall post the proposed standard and implementation plan for ballot on the Texas RE Website. RSM and shall also announce the vote to approve the standard, including when the vote will be conducted and the method for voting. Once the notice for a vote has been issued, no substantive modifications may be made to the proposed standard unless the revisions are posted and a new notice of the vote is issued.

16 The Reliability Standards Manager SM will schedule a Vote by from the ERCOT Membership RBB by among the Registered Ballot Body Pool which is to be scheduled to commence no sooner than 15 days and no later than 30 days following this posting.

The RSM shall send a notice to every entity in the Registered Ballot Body (RBB) to notify them of an opportunity to become a part of the Registered Ballot Pool fo establish a ballot pool for a this Regional Standard or a Regional Variance to a NERC Reliability Standard. action at least 30 days prior to the start of a ballot. This notice should precede the start of the ballot by at least 30 days. The purpose of this notice is to establish a ballot pool to participate in the consensus development process and ballot the proposed action.

18 All members of the Registered Ballot Body are eligible to participate in voting on proposed new Regional Standards, Regional Standard revisions, or Regional Standard deletions. There shall be one person designated as the primary representative of each entity. Those members of the RBB that sign up for the Ballot Pool become that pool. The purpose of this notice is to establish a ballot pool to participate in the consensus development process and ballot the proposed action. The ballot pool may be established earlier in the development process to encourage active participation in the development process.

17 The Texas RE Registered Ballot Pool shall be able to vote on the proposed standard during a 15-day period. Votes shall be submitted electronically, or through other means as approved by the RSC.

The Registered ERCOT Membership ballot pPool shall be allowed to vote over a period of 15 days. It is expected that votes will be submitted electronically, but may be submitted through other means as approved by the RSC. All members of ERCOT Voting Entities as defined in Appendix A are eligible to participate in voting on proposed new Standard Regional Standards, Standard Regional Standard revisions, or Standard Regional Standard deletions. Each member company shall have one vote. ERCOT ISO shall have X vote. The contact designated as primary representative to the Texas RE is the voting member with the secondary contact as the backup.

Voting is an advisory to the ERCOT Texas RE BOD. The voting results will be composed of only the votes from ERCOT Members Registered Ballot Pool members who have responded eding within the 15-day voting period. Votes may be accompanied by comments explaining the vote, but are not required. All comments shall be responded to and posted to the Texas RE Website prior to going to the RSC or ERCOT Texas RE BOD.

Step 6A – Membership Registered Ballot Pool Voting Receives 4.672/3 or Greater Affirmative Votes of the Texas RE Segments

~~17~~The Texas RE rRegistered bBallot bBody shall be able to vote on the proposed standard during a 15-day period.

~~Votes shall be submitted electronically, or through other means as approved by the RSC.~~

~~18~~All members of ERCOT the Registered Ballot Body are eligible to participate in voting on proposed new Regional sStandards, Regional sStandard revisions, or Regional sStandard deletions. There shall be one person designated as the primary representative of each entity.

~~19~~At least one (1) ERCOT Member Rrepresentative from ~~sixfive (56)~~ of the ~~eightseven (78)~~ Texas REERCOT Market Participant Segments must vote to constitute a quorum. Each ERCOT Market Participant Segment shall have one (1) Segment Vote. The representative of each Voting ERCOT Member shall receive an equal fraction of its Segment Vote. ~~The ERCOT ISO shall have 1/4 vote.~~

Step 6A – Registered Ballot Pool Voting Receives 2/3 or Greater Affirmative Votes of the Texas RE Segments

If a draft ~~StandardRegional Standard~~ receives ~~2/34.67~~ or greater affirmative votes during the 15-day voting period, the RSC will forward the ~~StandardRegional Standard~~ to the ~~ERCOT-Texas RE BOD~~ for action (Step 7).

Step 6B – Membership Voting Does Not Receive 4.672/3 Affirmative Votes of the Texas RE Segments

If a draft ~~StandardRegional Standard~~ does not receive ~~4.672/3~~ or greater affirmative votes during the 15-day voting period, the RSC may:

- Revise the SAR on which the draft ~~StandardRegional Standard~~ was based and remand the development work back to the original SDT or a newly appointed SDT. The resulting draft ~~StandardRegional Standard~~ and/or implementation plan will be posted for a second voting period. The RSC may require a second comment period prior to a second voting period. The second posting of the draft ~~StandardRegional Standard~~, implementation plan, and supporting documentation shall be within 60 days of the RSC action.
 - If a draft ~~StandardRegional Standard~~ receives ~~4.672/3~~ or greater affirmative votes during the second voting period, the RSC will forward to the ~~ERCOT-Texas RE BOD~~ for action (Step 7).
 - If a draft ~~StandardRegional Standard~~ does not receive ~~4.672/3~~ or greater affirmative votes during the second voting period, the RSC will refer the draft ~~StandardRegional Standard~~ and implementation plan to the ~~ERCOT-Texas RE~~

BOD. The RSC may also submit an assessment, opinion, and recommendations to the [ERCOT-Texas RE](#) BOD (Step 7).

- Direct the existing SDT to reconsider or modify certain aspects of the draft [StandardRegional Standard](#) and/or implementation plan. The resulting draft [StandardRegional Standard](#) and/or implementation plan will be posted for a second voting period. The RSC may require a second comment period prior to the second voting period. The second posting of the draft [StandardRegional Standard](#), implementation plan, and supporting documentation shall be within 60 days of the RSC action.
 - If a draft [StandardRegional Standard](#) receives [4.672/3](#) or greater affirmative votes on the second voting period, the RSC will forward it to the [ERCOT-Texas RE](#) BOD for action (Step 7).
 - If a draft [StandardRegional Standard](#) does not receive [4.672/3](#) or greater affirmative votes on the second voting period, the RSC will refer the draft [StandardRegional Standard](#) and implementation plan to the [ERCOT-Texas RE](#) BOD. The RSC may also submit an assessment, opinion, and recommendations to the [ERCOT-Texas RE](#) BOD (Step 7).
- Recommend termination of all work on the development of the [StandardRegional Standard](#) action under consideration and so notify the [ERCOT-Texas RE](#) BOD.

Step 7 – Action by the [Texas RE](#) Board of Directors

A proposed [Regional Reliability StandardRegional Standard](#) submitted to the [ERCOT-Texas RE](#) BOD for action shall be publicly posted at least 10 days prior to action by the [Texas RE](#) BOD. At a regular or special meeting, the [ERCOT-Texas RE](#) BOD shall consider adoption of the draft [StandardRegional Standard](#). The [Texas RE](#) BOD shall be provided with an “informational package” which includes:

- The draft [StandardRegional Standard](#) and any modification or deletion of other related existing [StandardRegional Standard\(s\)](#)
- Implementation Plan (including recommending field testing and effective dates)
- Technical Documentation supporting the draft [StandardRegional Standard](#)
- A summary of the vote and summary of the comments and responses that accompanied the votes.

The [Texas RE](#) BOD will consider the results of the voting and dissenting opinions. The [Texas RE](#) BOD will consider any advice offered by the RSC and may:

- Approve the proposed [Regional Reliability StandardRegional Standard](#);
- Remand the proposed [Regional Reliability StandardRegional Standard](#) to the RSC with comments and instructions; or
- Disapprove the proposed [Regional Reliability StandardRegional Standard](#) ~~action~~ without recourse.

20 Under no circumstances may the ~~board~~ Texas RE BOD substantively modify the proposed ~~ERCOT-Regional Specific Reliability~~ Standard.

21 Once a ~~n-ERCOT-Regional-Specific-Reliability~~ Standard is approved by the Texas RE BOD, the standard will be submitted to NERC for approval and filing with FERC.

Step 8 – Implementation of a Regional Reliability Standard

Upon approval of a draft ~~Standard~~ Regional Standard ~~action~~ by the ~~ERCOT-Texas RE~~ BOD, the ~~Reliability Standards Manager~~ RSM will notify the membership of such action of the Texas RE BOD through the normal and customary membership communication procedures and processes then in effect. The ~~RSM~~ Reliability Standards Manager will take whatever steps are necessary to have a ~~Standard~~ Regional Standard reviewed and/or approved by NERC or any successor organization.

C. Regional Reliability Standard Regional Standards Integration

Once the ~~r~~ Regional ~~reliability~~ s Standard is approved by FERC the ~~Reliability Standards Manager~~ RSM shall notify the stakeholders of the effective date. The ~~RSM~~ Reliability Standards Manager will also notify the Texas RE Compliance Staff for integration into the Texas RE Compliance Program.

Appendix A – Stakeholder Representation

The Texas RE stakeholder representation for ~~ERCOT Regional -Specific Reliability Standards~~ development is as follows:

I. Balanced Decision-Making in Committees

~~A~~The Reliability Standards Committee (RSC), comprised of representatives from ~~all market segments~~the Texas RE Segments (Independent Generators, Investor-Owned Utilities, Independent ~~ss~~Power Marketers, Retail Electric Providers, Municipally-Owned Utilities, Cooperatives, ~~and Consumers, and ERCOT ISO~~), ~~is~~ to provide balanced decision-making and due process for ~~ERCOT Specific Reliability Standard~~Regional Standards and Regional Variances. The RSC will receive, consider, and vote upon requests for new or revised ~~ERCOT-Specific Reliability Standard~~Regional Standards and Regional Variances.

The RSC will consider any requests for ~~ERCOT Specific Reliability Standard~~Regional Standards or Regional Variances from parties that are directly and materially affected by the operation of the ERCOT Region Bulk Power System.

II. ~~ERCOT Board of Directors~~Texas RE Board of Directors (BOD)

The Texas RE is a division of the Electric Reliability Council of Texas (ERCOT), a Texas non-profit corporation that is the Independent System Operator for the ERCOT Region, and is governed by a combination independent and balanced stakeholder board, as required by Section 39.151 of the Texas Public Utility Regulatory Act (PURA). The Texas RE BOD includes the following individuals:

- Five independent individuals who are unaffiliated with any electric market participant who are each approved by the Texas Public Utility Commission (PUCT) for ~~a~~three-year terms;
- Six electric market participant representatives from each of the following market segments: Independent Generators, Investor-Owned Utilities, Independent Power Marketers, Independent Retail Electric Providers, Municipally-Owned Utilities, and Cooperatives;
- Three Consumer representatives;
- CEO of ERCOT (as ex officio voting Director); and
- Chairman of the PUCT (as ex officio non-voting Director).

Although the ~~ERCOT-Texas RE~~ BOD will have the final vote on proposed ~~ERCOT-Specific Reliability Standard~~Regional Standards and Regional Variances, the ~~ERCOT~~Texas RE BOD will not have involvement in ~~Reliability Standard~~Regional Standard compliance and enforcement activities. ~~The PUCT will provide due process (a hearing).~~

III. Registered Ballot Body

A Registered Ballot Body will be comprised of representatives from ~~all market segments~~the Texas RE Segments (Independent Generators, Investor-Owned Utilities, Independent Power

Marketers, Retail Electric Providers, Municipally-Owned Utilities, Cooperatives, ~~and Consumers, and ERCOT ISO~~), to provide balanced decision-making on ~~ERCOT-Specific Reliability Standard Regional Standard~~s and ~~Regional Variance~~s. ~~The Ballot Pool will be formed from the Registered Ballot Body. The Ballot Pool will vote on all proposed new or revised ERCOT-Specific Reliability Standard Regional Standard~~s and ~~Regional Variance~~s.

~~Entities entitled to vote (Voting Entities) are the ERCOT ISO, ERCOT Corporate Members, ERCOT Associate Members, and ERCOT Adjunct Members. Voting Entities must align themselves each calendar year with a Segment for which they qualify or, for Adjunct Members, a Segment to which they are similar. Voting Entities that align themselves with a Segment must be aligned with that same Segment for all ERCOT subcommittees, and remain aligned with that Segment for the entire calendar year. For the Residential sub-segment of the Consumer Segment, Voting Entities are limited to the Standing Representative or their designated Alternate Representative. Only one representative of each Voting Entity present at the meeting may vote. In the event that a representative of an ERCOT Market Participant Segment Voting Entity abstains from a vote, the Segment Vote is allocated among the members casting a vote; except for the Consumer Segment.~~

~~At all meetings, each ERCOT Market Participant Segment shall have one (1) Segment vote. The representative of each Voting ERCOT Member shall receive an equal fraction of its Segment vote. The ERCOT ISO shall have X vote. Each Segment shall have one (1) Segment Vote. The representative of each ERCOT Market Participant Segment Voting Entity, present at the meeting and participating in the vote, shall receive an equal fraction of its Segment's Vote, except for the Consumer Segment which shall be divided into three sub-segments (Residential, Commercial, and Industrial) that receive one third of the Consumer Segment Vote. For the Consumer Segment, if no representative from a sub-segment is present at a meeting, such sub-segment's fractional vote is allocated equally to the sub-segment(s) that are present. If a representative from a sub-segment abstains from a vote, the fraction of the Consumer Segment Vote allocated to such representative is not included in the vote tally.~~

~~Entities entitled to vote (Voting Entities) are ERCOT Corporate Members, ERCOT Associate Members, and ERCOT Adjunct Members. Voting Entities must align themselves each calendar year with a Segment for which they qualify or, for Adjunct Members, a Segment to which they are similar. Voting Entities that align themselves with a Segment must be aligned with that same Segment for all ERCOT subcommittees, and remain aligned with that Segment for the entire calendar year. For the Residential sub-segment of the Consumer Segment, Voting Entities are limited to the Standing Representative or their designated Alternate Representative. Only one representative of each Voting Entity present at the meeting may vote. In the event that a representative of a Voting Entity abstains from a vote, the Segment Vote is allocated among the members casting a vote; except for the Consumer Segment.~~

~~In the majority of cases, e-mail electronic votes for the purpose of approving an ERCOT-Specific Reliability Standard Regional Standard will be conducted. For e-mail votes, a representative of each Voting Entity shall have one (1) vote. Each Segment shall have one (1) Segment Vote and participation requires casting a vote or abstaining. The same rules apply to e-mail electronic voting as voting at a meeting.~~

Appendix B – Principles, Characteristics, and Special Procedures

I. Principles

Due process is the key to ensuring that regional reliability standards are developed in an environment that is equitable, accessible and responsive to the requirements of all interested and affected parties. An open and fair process ensures that all interested and affected parties have an opportunity to participate in the development of a standard.

The Texas RE develops ~~ERCOT-Specific Reliability Standard~~Regional Standards with due consideration of the following principles, in accordance with the steps outlined in this procedure. The process must ensure that any ~~ERCOT-Specific Reliability Standard~~Regional Standard is technically sound and the technical specifications proposed would achieve a valuable reliability objective.

The standards development process has the following characteristics:

- **22Open** – Participation in the development of ~~an ERCOT-Specific Reliability Standard~~Regional Standard shall be open to all organizations that are directly and materially affected by ERCOT bulk power system reliability. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in ERCOT, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements. Meetings of drafting teams shall be open to ERCOT members and others.
- **23Balanced** – The Texas RE ~~Standard~~Standards Development Process strives to have an appropriate balance of interests and shall not be dominated by any two interest categories and no single interest category shall be able to defeat a matter.
- **24Inclusive** – Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the ERCOT Bulk Power System in the Texas RE area shall have a right to participate by: a) expressing a position and its basis, b) having that position considered, and c) having the right to appeal.
- **25Fair due process** – The Texas RE ~~Reliability~~ Standards Development Process shall provide for reasonable notice and opportunity for public comment. At a minimum, the procedure shall include public notice of the intent to develop a standard, a public comment period on the proposed standard, due consideration of those public comments, and a ballot of interested stakeholders.
- **26Transparent** – All actions material to the development of regional reliability standards shall be transparent. All standards development meetings shall be open and publicly noticed on the regional entity's Web site.
- **27** Does not unnecessarily delay development of the proposed ~~ERCOT-Specific Reliability Standard~~Regional Standard.

NERC has adopted reliability principles and market interface principles to define the purpose, scope, and nature of reliability standards. These principles are to be used to guide the development of reliability standards, including regional reliability standards. The NERC Board of Trustees may modify these principles from time to time, as necessary, to adapt its vision for reliability standards.

28 Each ~~ERCOT-Specific Reliability Standard~~ Regional Standard shall enable or support one or more of the reliability principles, thereby ensuring that each ~~Standard~~ Regional Standard serves a purpose in support of the reliability of the ERCOT bulk power system. Each ~~Standard~~ Regional Standard shall also be consistent with all of the reliability principles, thereby ensuring that no ~~Standard~~ Regional Standard undermines reliability through an unintended consequence.

29 While reliability standards are intended to promote reliability, they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. Recognizing that bulk power system reliability and electricity markets are inseparable and mutually interdependent, all ~~ERCOT-Specific Reliability Standard~~ Regional Standards shall be consistent with NERC's market interface principles. Consideration of the market interface principles is intended to ensure that standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets.

II. ~~Regional Reliability Standard~~ Regional Standard Characteristics and Elements

a. Characteristics of a ~~Regional Reliability Standard~~ Regional Standard

The following characteristics describe objectives to be considered in the development of ~~ERCOT-Specific Reliability Standard~~ Regional Standards:

- 1. Applicability** – Each ~~ERCOT-Specific Reliability Standard~~ Regional Standard clearly identifies the functional classes of entities responsible for complying with the standard, with any specific additions or exceptions noted. Such functional classes include: Reliability Coordinators, Balancing Authorities, Transmission Operators, Transmission Owners, Generator Operators, Generator Owners, Interchange Authorities, Transmission Service Providers, Market Operators, Planning Authorities, Transmission Planners, Resource Planners, Load-Serving Entities, Purchasing-Selling Entities, and Distribution Providers. Each ~~ERCOT-Specific Reliability Standard~~ Regional Standard identifies the geographic applicability of the standard. A standard may also identify any limitations on the applicability of the standard based on electric facility characteristics.
- 2. Reliability Objectives** – Each ~~ERCOT-Specific Reliability Standard~~ Regional Standard has a clear statement of purpose that describes how the standard contributes to the reliability of the ERCOT bulk power system.

3. **Requirement or Outcome** – Each ~~ERCOT-Specific Reliability Standard~~Regional Standard states one or more requirements, which if achieved by the applicable entities, will provide for a reliable bulk power system, consistent with good utility practices and the public interest.
4. **Measurability** – Each performance requirement is stated so as to be objectively measurable by a third party with knowledge or expertise in the area addressed by that requirement. Each performance requirement has one or more associated measures used to objectively evaluate compliance with the requirement. If performance can be practically measured quantitatively, metrics are provided to determine satisfactory performance.
5. **Technical Basis in Engineering and Operations** — Each ~~ERCOT-Specific Reliability Standard~~Regional Standard is based upon sound engineering and operating judgment, analysis, or experience, as determined by expert practitioners in that particular field.
6. **Completeness** — Each ~~ERCOT-Specific Reliability Standard~~Regional Standard is complete and self-contained. Supporting references may be provided with standards, but they are not part of the standard and do not impose mandatory requirements.
7. **Clear Language** - Each ~~ERCOT-Specific Reliability Standard~~Regional Standard is stated using clear and unambiguous language. Responsible entities, using reasonable judgment and in keeping with good utility practice, are able to arrive at a consistent understanding of the required performance.
8. **Practicality** — Each ~~ERCOT-Specific Reliability Standard~~Regional Standard establishes requirements that can be practically implemented by the assigned responsible entities within the specified effective date and thereafter.
9. **Consistent Terminology** — To the extent possible, ~~ERCOT-Specific Reliability Standard~~Regional Standards use a set of standard terms and definitions that are approved through the regional standards development procedure.

Although ~~ERCOT-Specific Reliability Standard~~Regional Standards have a common format and process, several types of standards may exist, each with a different approach to measurement:

- **Technical standards** are related to the provision, maintenance, operation, or state of electric systems, and will likely contain measures of physical parameters that are technical in nature.
- **Performance standards** are related to the actions of entities providing for or impacting the reliability of the bulk power system, and will likely contain measures of the results of such actions or qualities of performance of such actions.
- **Preparedness standards** are related to the actions of entities to be prepared for conditions that are unlikely to occur, but are nonetheless critical to reliability, and will likely contain measures of such preparations or the state of preparedness.

b. **Elements of a Regional Reliability Standard**

30 To ensure uniformity of regional reliability standards, ~~an ERCOT-Specific Reliability Standard~~ Regional Standard shall consist of the elements identified in this section of the procedure. These elements are intended to apply a systematic discipline in the development and revision of standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent.

31 All mandatory requirements of a regional reliability standard shall be within the standard. Supporting documents to aid in the implementation of a standard may be referenced by the standard but are not part of the standard itself.

Table 1 – Performance Elements of a Regional Reliability Standard

Identification Number	A unique identification number assigned in accordance with an administrative classification system to facilitate tracking and reference.
Title	A brief, descriptive phrase identifying the topic of the standard.
32 Applicability	Clear identification of the functional classes of entities responsible for complying with the standard, noting any specific additions or exceptions. If not applicable to the entire Texas RE area, then a clear identification of the portion of the bulk power system to which the standard applies. Any limitation on the applicability of the standard based on electric facility requirements should be described.
Effective Date and Status	The effective date of the standard or, prior to approval of the standard, the proposed effective date.
Purpose	The purpose of the standard. The purpose shall explicitly state what outcome will be achieved or is expected by this standard.
Requirement(s)	Explicitly stated technical, performance, and preparedness requirements. Each requirement identifies what entity is responsible and what action is to be performed or what outcome is to be achieved. Each statement in the requirements section shall be a statement for which compliance is mandatory.
Risk Factor(s)	The potential reliability significance of each requirement, designated as a High, Medium, or Lower Risk Factor in accordance with the criteria listed below: A High Risk Factor requirement (a) is one that, if violated, could directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures; or (b) is a requirement in a planning timeframe that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to bulk power system instability, separation, or a cascading sequence of failures, or could place the bulk power system at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to normal condition.

	<p>A Medium Risk Factor requirement (a) is a requirement that, if violated, could directly affect the electrical state or the capability of the bulk power system, or the ability to effectively monitor and control the bulk power system, but is unlikely to lead to bulk power system instability, separation, or cascading failures; or (b) is a requirement in a planning timeframe that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system, but is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to bulk power system instability, separation, or cascading failures, nor to hinder restoration to a normal condition.</p> <p>A Lower Risk Factor requirement is administrative in nature and (a) is a requirement that, if violated, would not be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor and control the bulk power system; or (b) is a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to affect the electrical state or capability of the bulk power system, or the ability to effectively monitor, control, or restore the bulk power system.</p>
<p>33 Measure(s)</p>	<p>Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measure will identify to whom the measure applies and the expected level of performance or outcomes required demonstrating compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to realize that measures are proxies to assess required performance or outcomes. Achieving the measure should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.</p>

Table 2 – Compliance Elements of a ~~Regional Reliability Standard~~ Regional Standard

<p>34 Compliance Monitoring Process</p>	<p>Defines for each measure:</p> <ul style="list-style-type: none"> • The specific data or information that is required to measure performance or outcomes. • The entity that is responsible for providing the data or information for measuring performance or outcomes. • The process that will be used to evaluate data or information for the purpose of assessing performance or outcomes. • The entity that is responsible for evaluating data or information to assess performance or outcomes. • The time period in which performance or outcomes is measured, evaluated, and then reset. • Measurement data retention requirements and assignment of responsibility for data archiving. • Violation severity levels.
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Supporting Information Elements

Interpretation	Any interpretation of regional reliability standard that is developed and approved in accordance with Section VI “Interpretation of Standard <u>Regional Standards</u> ” in Appendix B of this procedure, to expound on the application of the standard for unusual or unique situations or to provide clarifications.
Implementation Plan	Each regional reliability standard shall have an associated implementation plan describing the effective date of the standard or effective dates if there is a phased implementation. The implementation plan may also describe the implementation of the standard in the compliance program and other considerations in the initial use of the standard, such as necessary tools, training, etc. The implementation plan must be posted for at least one public comment period and is approved as part of the ballot of the standard.
Supporting References	<p>This section references related documents that support reasons for, or otherwise provide additional information related to the regional reliability standard. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Glossary of terms • Developmental history of the standard and prior versions • Notes pertaining to implementation or compliance • Standard<u>Regional Standard</u> references • Standard<u>Regional Standard</u> supplements • Procedures • Practices • Training references • Technical references • White papers • Internet links to related information

III. Maintenance of the Texas RE Reliability Standards Development Process

Significant changes to this process shall begin with the preparation of a SAR and be addressed using the same procedure as a request to add, modify, or delete ~~an ERCOT-Specifica~~Reliability StandardRegional Standard.

The RSC has the authority to make ‘minor’ changes to this process as deemed appropriate by the RSC and subject to the RSC voting practices and procedures then in effect. The Reliability Standards Manager, on behalf of the RSC, shall promptly notify the ERCOTTexas RE BOD of such ‘minor’ changes to this process for their review and concurrence at the next ERCOTTexas RE BOD meeting.

IV. Maintenance of ~~Regional Reliability Standard~~Regional Standards

The ~~RSM~~Reliability Standards Manager shall ensure that each ~~Standard~~Regional Standard is reviewed at least once every five years from the effective date of the Standard or the latest revision to the ~~Standard~~Regional Standard, whichever is the later. The review process shall be conducted by soliciting comments from the stakeholders. If no changes are warranted, the ~~Reliability Standards Manager~~RSM shall recommend to the ~~ERCOT~~Texas RE BOD that the ~~Standard~~Regional Standard be reaffirmed. If the review indicates a need to revise or delete a ~~Standard~~Regional Standard, a SAR shall be prepared and submitted in accordance with the standards development process contained in this process.

V. Urgent Action

Under certain conditions, the RSC may designate a proposed ~~ERCOT-Specific Reliability Standard~~Regional Standard or revision to a standard as requiring urgent action. Urgent action may be appropriate when a delay in implementing a proposed standard or revision could materially impact reliability of the bulk power systems. The RSC must use its judgment carefully to ensure an urgent action is truly necessary and not simply an expedient way to change or implement a ~~Standard~~Regional Standard.

An ~~requester~~originator prepares a SAR and a draft of the proposed standard and submits both to the Reliability Standards Manager. The standard request must include a justification for urgent action. The Reliability Standards Manager submits the request to the RSC for its consideration. If the RSC designates the requested standard or revision as an urgent action item, then the Reliability Standards Manager shall immediately post the draft for pre-ballot review. This posting requires a minimum 30-day posting period before the ballot and applies the same voting procedure as detailed in Step 6.

Any ~~ERCOT-Specific Reliability Standard~~Regional Standard approved as an urgent action shall have a termination date specified that shall not exceed one year from the approval date. Should there be a need to make the standard permanent the standard would be required to go through the full ~~Standard~~Regional Standard Development Process. All urgent action standards require ~~Texas RE~~BOD, NERC, and FERC approval, as outlined for standards in the regular process.

Urgent actions that expire may be renewed using the urgent action process again, in the event a permanent standard is not adopted. In determining whether to authorize an urgent action standard for a renewal ballot, the RSC shall consider the impact of the standard on the reliability of the bulk power system and whether expeditious progress is being made toward a permanent replacement standard. The RSC shall not authorize a renewal ballot if there is insufficient progress toward adopting a permanent replacement standard or if the RSC lacks confidence that a reasonable completion date is achievable. The intent is to ensure that an urgent action standard does not in effect take on a degree of permanence due to the lack of an expeditious effort to develop a permanent replacement standard. With these principles, there is no predetermined limit on the number of times an urgent action may be renewed. However, each urgent action standard renewal shall be effective only upon approval by the ~~ERCOT~~Texas RE BOD, and approval by applicable governmental authorities.

Any person or entity, including the drafting team working on a permanent replacement standard, may at any time submit a standard request proposing that an urgent action standard become a permanent standard by following the full standards process.

VI. Interpretations of ~~Standard~~Regional Standards

All persons who are directly and materially affected by ERCOT's Bulk Power System reliability shall be permitted to request an interpretation of a ~~Standard~~Regional Standard. The person requesting an interpretation will send a request to the ~~Reliability Standards Manager~~RSM explaining the specific circumstances surrounding the request and what clarifications are required as applied to those circumstances. The request should indicate the material impact to the requesting party or others caused by the lack of clarity or a possibly incorrect interpretation of the standard.

The ~~Reliability Standards Manager~~RSM will assemble a team with the relevant expertise to address the clarification. The Interpretation Drafting Team (IDT) typically consists of members from the original SDT. The ~~Reliability Standards Manager~~RSM submits the proposed list of names of the IDT to the ROS. The ROS will either accept the recommendations of the ~~Reliability Standards Manager~~RSM or modify the IDT slate.

As soon as practical (not more than 45 days), the team will draft a written interpretation to the ~~Standard~~Regional Standard addressing the issues raised. Once the IDT has completed a draft interpretation to the ~~Standard~~Regional Standard addressing only the issues raised, the team will forward the draft interpretation to the ~~Reliability Standards Manager~~RSM. The ~~Reliability Standards Manager~~RSM will forward the draft interpretation to the Texas RE ~~Director of~~Chief Compliance Officer. The ~~Director of~~Chief Compliance Officer is to assess if the inclusion of the interpretation lessens the measurability of the ~~Standard~~Regional Standard. In addition the ~~Reliability Standards Manager~~RSM will forward the interpretation to the ROS. Barring receipt of an opinion from either the ~~Director of~~Chief Compliance Officer or ROS within 21 days, that the interpretation lessens measurability or is not technically appropriate for the ~~Standard~~Regional Standard, respectively, the ~~RSM~~Reliability Standards Manager will forward the interpretation to the RSC. The RSC will determine if the interpretation is consistent with the ~~Standard~~Regional Standard. The ~~Reliability Standards Manager~~RSM, on behalf of the RSC, will forward the interpretation to the ~~ERCOT Texas RE~~ BOD for informational purposes as being appended to the approved ~~Standard~~Regional Standard.

Note: In the event that the ~~Director of~~Chief Compliance Officer determines that measurability is lessened, the ~~Director of~~Chief Compliance Officer shall provide an explanation of his/her reasoning to the ~~RSM~~Reliability Standards Manager and IDT for inclusion in a subsequent reversion. The ROS shall in a similar manner provide an explanation of its reasoning if it determines that the interpretation makes the standard technically inappropriate. In either case, the IDT and ~~Reliability Standards Manager~~RSM will continue to re-circulate the interpretation as stated above.

The interpretation will stand until such time as the ~~Standard~~Regional Standard is revised through the normal process, at which time the ~~Standard~~Regional Standard will be modified to incorporate the clarifications provided by the interpretation.

VII. Appeals

Persons who have directly and materially affected interests and who have been or will be adversely affected by any substantive or procedural action or inaction related to the

development, approval, revision, reaffirmation, or withdrawal of ~~an ERCOT-Specifica~~ Reliability StandardRegional Standard shall have the right to appeal. This Appeals Process applies only to this ~~StandardRegional Standard~~s Process.

The burden of proof to show adverse effect shall be on the appellant. Appeals shall be made within 30 days of the date of the action purported to cause the adverse effect, except appeals for inaction, which may be made at any time. In all cases, the request for appeal must be made prior to the next step in the process.

The final decisions of any appeal shall be documented in writing and made public.

The Appeals Process provides two levels, with the goal of expeditiously resolving the issue to the satisfaction of the participants:

Level 1 Appeal

Level 1 is the required first step in the appeals process. The appellant submits a complaint in writing to the ~~RSMReliability Standards Manager~~ that describes the substantive or procedural action or inaction associated with a Reliability StandardRegional Standard or the ~~StandardRegional Standard~~s Process. The appellant describes in the complaint the actual or potential adverse impact to the appellant. Assisted by any necessary staff and committee resources, the ~~RSMReliability Standards Manager~~ shall prepare a written response addressed to the appellant as soon as practical, but not more than 45-days after receipt of the complaint. If the appellant accepts the response as a satisfactory resolution of the issue, both the complaint and response will be made a part of the public record associated with the StandardRegional Standard.

Level 2 Appeal

If after the Level 1 Appeal the appellant remains unsatisfied with the resolution, as indicated by the appellant in writing to the Reliability Standards Manager, the Reliability Standards Manager shall convene a Level 2 Appeals Panel. This panel shall consist of five members total appointed by ERCOT's BOD. In all cases, Level 2 Appeals Panel Members shall have no direct affiliation with the participants in the appeal.

The ~~RSMReliability Standards Manager~~ shall post the complaint and other relevant materials and provide at least 30-days notice of the meeting of the Level 2 Appeals Panel. In addition to the appellant, any person that is directly and materially affected by the substantive or procedural action or inaction referenced in the complaint shall be heard by the panel. The panel shall not consider any expansion of the scope of the appeal that was not presented in the Level 1 Appeal. The panel may in its decision find for the appellant and remand the issue to the RSC with a statement of the issues and facts in regard to which fair and equitable action was not taken. The panel may find against the appellant with a specific statement of the facts that demonstrate fair and equitable treatment of the appellant and the appellant's objections. The panel may not, however, revise, approve, disapprove, or adopt a Reliability StandardRegional Standard. The actions of the Level 2 Appeals Panel shall be publicly posted.

In addition to the foregoing, a procedural objection that has not been resolved may be submitted to Texas RE's~~ERCOT's~~ BOD for consideration at the time the Texas RE BOD decides whether to adopt a particular ~~Reliability Standard~~Regional Standard. The objection must be in writing, signed by an officer of the objecting entity, and contain a concise statement of the relief requested and a clear demonstration of the facts that justify that relief. The objection must be filed no later than 30-days after the announcement of the vote on the ~~Standard~~Regional Standard in question.

Appendix C – Sample ~~Standard~~Regional Standard Request Form

~~ERCOT-Specific Reliability Standard~~Regional Standard Authorization Request

The tables below provide a representative example of information in a ~~Regional Reliability Standard~~Regional Standard Authorization Request. The ~~RSM~~Reliability Standards Manager shall be responsible for implementing and maintaining the applicable form as needed to support the information requirements of the Texas RE ~~Standard~~Standards Process. The latest version of the form will be downloadable from the Texas RE's ~~Standard~~Standards Development Web page.

Texas RE ~~Reliability~~ Standard Authorization Request Form

Texas RE to complete

ID
Authorized for Posting
Authorized for Development

Title of Proposed ~~Standard~~Regional Standard:

Request Date:

SAR ~~Requestor~~Originator Information

Name:	SAR Type (Check one box.)	
Company:	<input type="checkbox"/>	New Standard Regional Standard
Telephone:	<input type="checkbox"/>	Revision to Existing Standard Regional Standard
Fax:	<input type="checkbox"/>	Withdrawal of Existing Standard Regional Standard
Email:	<input type="checkbox"/>	Urgent Action

Purpose (Describe the purpose of the proposed regional reliability standard – what the standard will achieve in support of reliability.)

Industry Need (Provide a detailed statement justifying the need for the proposed regional reliability standard, along with any supporting documentation.)

Brief Description (Describe the proposed regional reliability standard in sufficient detail to clearly define the scope in a manner that can be easily understood by others.)

Reliability Functions

The **Standard Regional Standard** will Apply to the Following Functions (Check all applicable boxes.)

<input type="checkbox"/>	Reliability Coordinator	The entity that is the highest level of authority who is responsible for the reliable operation of the Bulk Electric System, has the Wide Area view of the Bulk Electric System, and has the operating tools, processes and procedures, including the authority to prevent or mitigate emergency operating situations in both next-day analysis and real-time operations. The Reliability Coordinator has the purview that is broad enough to enable the calculation of Interconnection Reliability Operating Limits, which may be based on the operating parameters of transmission systems beyond any Transmission Operator's vision.
<input type="checkbox"/>	Balancing Authority	The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
<input type="checkbox"/>	Interchange Authority	Authorizes valid and balanced Interchange Schedules.
<input type="checkbox"/>	Planning Authority	The responsible entity that coordinates and integrates transmission facility and service plans, resource plans, and protection systems.
<input type="checkbox"/>	Transmission Service Provider	The entity that administers the transmission tariff and provides Transmission Service to Transmission Customers under applicable transmission service agreements.
<input type="checkbox"/>	Transmission Owner	The entity that owns and maintains transmission facilities.
<input type="checkbox"/>	Transmission Operator	The entity responsible for the reliability of its "local" transmission system, and that operates or directs the operations of the transmission facilities.
<input type="checkbox"/>	Transmission Planner	The entity that develops a long-term (generally one year and beyond) plan for the reliability (adequacy) of the interconnected bulk electric transmission systems within its portion of the Planning Authority Area.

<input type="checkbox"/>	Resource Planner	The entity that develops a long-term (generally one year and beyond) plan for the resource adequacy of specific loads (customer demand and energy requirements) within a Planning Authority Area.
<input type="checkbox"/>	Generator Operator	The entity that operates generating unit(s) and performs the functions of supplying energy and Interconnected Operations Services.
<input type="checkbox"/>	Generator Owner	Entity that owns and maintains generating units.
<input type="checkbox"/>	Purchasing-Selling Entity	The entity that purchases or sells, and takes title to, energy, capacity, and Interconnected Operations Services. Purchasing-Selling Entities may be affiliated or unaffiliated merchants and may or may not own generating facilities.
<input type="checkbox"/>	Distribution Provider	Provides and operates the “wires” between the transmission system and the customer.
<input type="checkbox"/>	Load-Serving Entity	Secures energy and transmission service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers.

Reliability and Market Interface Principles

Applicable Reliability Principles *(Check all boxes that apply.)*

<input type="checkbox"/>	1. Interconnected bulk power systems shall be planned and operated in a coordinated manner to perform reliably under normal and abnormal conditions as defined in the NERC Standards.
<input type="checkbox"/>	2. The frequency and voltage of interconnected bulk power systems shall be controlled within defined limits through the balancing of real and reactive power supply and demand.
<input type="checkbox"/>	3. Information necessary for the planning and operation of interconnected bulk power systems shall be made available to those entities responsible for planning and operating the systems reliably.
<input type="checkbox"/>	4. Plans for emergency operation and system restoration of interconnected bulk power systems shall be developed, coordinated, maintained, and implemented.
<input type="checkbox"/>	5. Facilities for communication, monitoring, and control shall be provided, used, and maintained for the reliability of interconnected bulk power systems.
<input type="checkbox"/>	6. Personnel responsible for planning and operating interconnected bulk power systems shall be trained, qualified, and have the responsibility and authority to implement actions.
<input type="checkbox"/>	7. The security of the interconnected bulk power systems shall be assessed, monitored, and maintained on a wide-area basis.

Does the proposed **StandardRegional Standard** comply with all of the following Market Interface Principles? *(Select ‘yes’ or ‘no’ from the drop-down box.)*

Recognizing that reliability is an Common Attribute of a robust North American economy:

1. A reliability standard shall not give any market participant an unfair competitive advantage. Yes
2. A reliability standard shall neither mandate nor prohibit any specific market structure. Yes
3. A reliability standard shall not preclude market solutions to achieving compliance with that standard. Yes

4. A reliability standard shall not require the public disclosure of commercially sensitive information. All market participants shall have equal opportunity to access commercially non-sensitive information that is required for compliance with reliability standards. Yes

Detailed Description (Provide enough detail so that an independent entity familiar with the industry could draft a standard based on this description.)

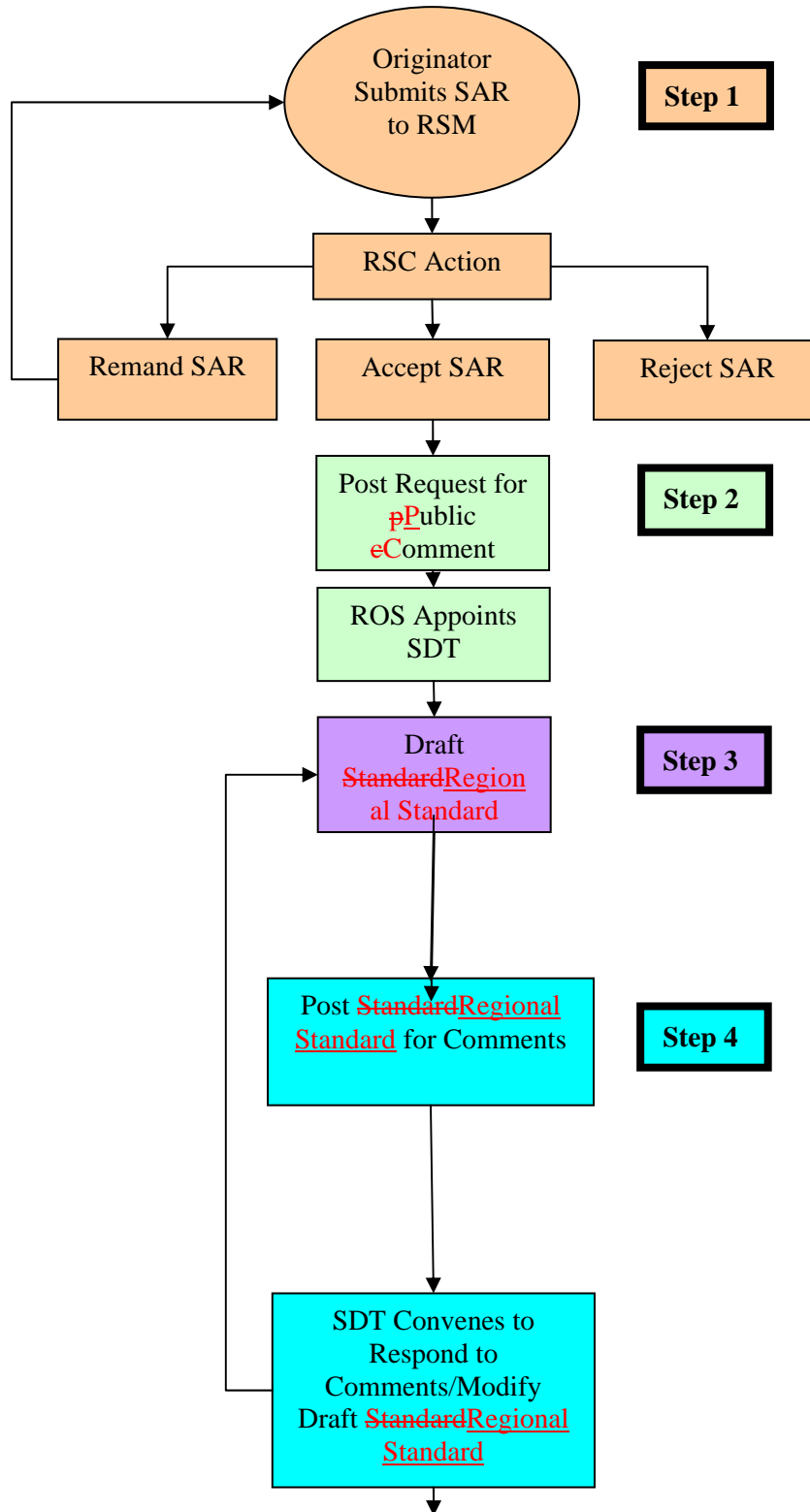
Related Standards

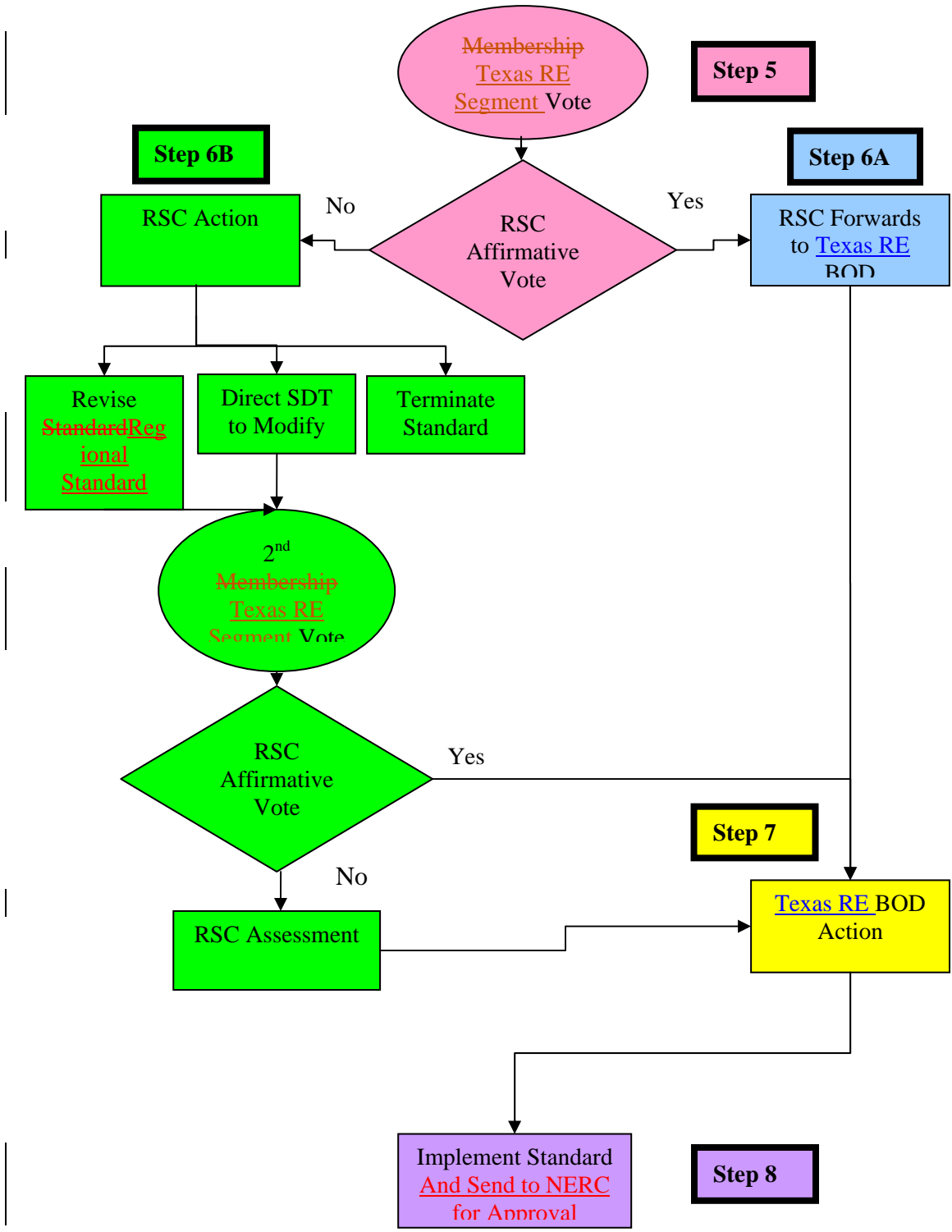
Standard No.	Explanation

Related SARs

SAR ID	Explanation

Appendix D – Process Flow Diagram





Reliability Standards Committee Procedure

Purpose

The following procedure is to define the roles of participants in the Reliability Standards Committee (RSC). This committee is responsible for review of Regional Standards Authorization Requests (SAR) and subsequent recommendations for revision, deletion or development of an ~~an ERCOT-Specific~~ Regional Standard. The RSC will also vote to recommend a proposed new or revised Regional Standard to be presented for a vote to the Texas RE Registered Ballot Body ~~all ERCOT Member Participants~~. The RSC will receive, consider, and vote on requests for new or revised ~~ERCOT-Specific-ReliabilityRegional~~ Standards and Regional Variances. The RSC will consider any requests for ~~ERCOT-Specific ReliabilityRegional~~ Standards or Regional Variances from parties that are directly and materially affected by the operation of the ERCOT Bulk Power System.

Committee Structure

The RSC is a balanced committee comprised of representatives of the eight Texas RE Segments – the ERCOT ISO and the seven (7) ERCOT Market Participant Segments ~~ERCOT Member Representatives from all market segments~~ (Independent Generators, Investor-Owned Utilities, Independent Power Marketers, Retail Electric Providers, Municipally-Owned Utilities, Cooperatives, and Consumers), to provide balanced decision-making and due process for ~~ERCOT-Specific-ReliabilityRegional~~ Standards and Regional Variances.

Membership

For the purposes of establishing a quorum and voting on any SAR requesting Urgent Action, the RSC, shall elect (2) two Standing Representatives from each Texas RE Segment elected or appointed by the voting members of the respective Texas RE Segment, with the exception of the Consumer Segment and the ERCOT ISO. The Consumer Segment shall consist of three (3) sub-segments (Residential, Commercial, and Industrial), each with one (1) Standing Representative. The ERCOT ISO shall also have one (1) Standing Representative, or three Standing Representatives for an overall total of ~~15~~ sixteen (16) Standing Representatives.

~~RSC Standing Representatives shall be appointed or elected annually in December of each year for service in the following calendar year.~~

RSC nomination Process:

The Reliability Standards Manager (RSM) shall facilitate the election or the replacement of a RSC ~~Standing Representative member~~ from the applicable ~~industry segment~~ Texas RE Segment.

~~RSC Standing Representatives shall be appointed or elected annually by the members of their respective Texas RE Segments in December of each year for service in the following calendar year. All RSC Standing Representatives shall be appointed or elected annually by the Members of their respective Segments.~~ The term for all RSC Standing Representatives shall be one year. Any RSC Standing Representative may be reappointed or reelected for consecutive terms, without limitation. A vacancy shall be filled by the same means used to elect or appoint the previous RSC Standing Representative. No Entity shall participate in more than one Texas RE

Segment of the RSC. The Representatives of the RSC shall elect from amongst themselves a Chair and Vice-chair subject to approval by the ERCOT Texas RE Board of Directors (BOD). The final list of the RSC Standing Representativesmembers will be posted on the Texas Regional Entity (RE) website.

RSC Procedures and Process Timeline

The following details RSC activities and process timeline for addressing SARs as defined in Exhibit C of the Delegation Agreement between NERC and ~~Texas RE~~ ERCOT approved on April 19, 2007, per FERC Approved Delegation Agreement.

1. Upon receiving an adequately completed SAR, the RSC shall discuss the SAR at the next scheduled meeting. The RSC may, in its sole discretion, expand or narrow the scope of the SAR under consideration and shall prioritize the development of SARs as may be required based on the number of SARs under development at any time.
2. Within 60 days of receipt of an adequately completed SAR, the RSC shall determine the disposition of the SAR and post the SAR for review and possible comments.
3. The RSC may reject, remand or recommend the SAR by motion and voting methodology indicated later in this procedure.
4. A rejected SAR will be delivered to its Originator with a written explanation, within 30 days of the decision.
5. A remanded SAR will go back to the Originator for additional work. The Texas RE RSM will make reasonable efforts to assist the Originator in addressing the deficiencies identified by the RSC. The Originator may then resubmit the modified SAR using the process above. The Originator may choose to withdraw the SAR from further consideration prior to re-submittal to the RSC.
6. Upon acceptance of a SAR for development of a Regional Standard (or modification or deletion of an existing Regional Standard), the RSC shall direct the RSM to post the SAR and the related documents for public viewing on the Texas RE website. The RSC shall also direct the ERCOT Reliability and Operations Subcommittee (ROS) to assemble a qualified balanced slate for the Standard Drafting Team (SDT).
7. Following the approval of the SDT by the ROS, the RSC will declare a preliminary date on which the SDT is expected to have a completed draft Regional Standard and associated supporting documentation available for consideration by the Registered Ballot Body ~~ERCOT Membership~~.
8. The RSC is to verify all the work completed by the SDT to ensure that it meets the requirements of the proposed Regional Standard and is consistent with the SAR on which it was developed.
9. At the direction from the RSC, the RSM then facilitates the posting of the draft Regional Standard on the Texas RE website, along with a draft implementation plan and supporting documents, for a 30-day comment period.
10. The RSC may, at any time, exercise its authority over the Standards Development Process by directing the SDT to move to Step 4 of the Texas Regional Entity Standards Development Process and post the current work product for public comment. If there are competing drafts, the RSC may, at its sole discretion, have posted the version(s) of the draft Regional Standard for comment on the Texas RE website. The RSC may take this step at any time after a SDT has been commissioned to develop the Regional Standard.

11. Upon recommendation of the SDT, and if the RSC concurs that all of the requirements for development of the Regional Standard have been met, the RSM shall post the proposed Regional Standard and implementation plan for ballot on the Texas RE website and shall announce the vote of Texas RE Segments on whether to approve the Regional Standard, including when the vote will be conducted and the method for voting.
12. Depending on the ~~ERCOT Membership~~Texas RE Segment voting result, the RSC may take various actions as stated at Steps 6A and 6B of the Texas RE Standards Development Process.

As a summary:

- Votes \geq ~~4-67~~two-thirds (2/3) affirmative of the votes cast: The RSC will forward the Regional Standard and the supporting documents to the ~~ERCOT~~Texas RE BOD
- Votes $<$ two-thirds (2/3)~~4-67~~ affirmative of the votes cast: The RSC may:
 - ❖ Revise the SAR and remand the development work back to the original SDT or a newly appointed SDT for further work. This may require a second comment period and a second voting period.
 - ❖ Direct the existing SDT to modify certain aspects of the draft Regional Standard and/or implementation plan. This may require a second comment period and a second voting period.
 - ❖ Recommend termination of all work on the development of the Regional Standard action under consideration and to notify the ~~ERCOT~~Texas RE BOD.

In any case, the RSC may refer the draft Regional Standard and implementation plan to the ~~ERCOT~~Texas RE BOD. The RSC may also submit an assessment, opinion, and recommendations to the ~~ERCOT~~Texas RE BOD.

Regional Variances

Regional Variance(s) to NERC Reliability Standards may be developed using the Texas RE Standards Development Process. The RSC shall follow the same process in the development of these variances as for the development of a Regional Standard. Once a variance has been developed it shall be submitted to NERC for approval and for inclusion in the appropriate NERC Reliability Standard(s).

Urgent Action

Under certain conditions, the Standing Representatives of the RSC may vote to designate a proposed ~~ERCOT Specific Reliability~~Regional Standard or revision to a Regional Standard, or development of a Regional Variance to a NERC Reliability Standard as requiring urgent action. The process for obtaining an ERCOT Regional Variance to a NERC Reliability Standard shall

be the same as the process for obtaining a Regional Standard. Throughout this document, where the term Regional Standard is used, the same process will be applied to a Regional Variance. Urgent action may be appropriate when a delay in implementing a proposed Regional Standard or revision could materially impact reliability of the ERCOT Bulk Power System. The RSC must use its judgment carefully to ensure an urgent action is truly necessary and not simply an expedient way to change or implement a Regional Standard. To initiate a request for urgent action for a SAR, a requester shall prepare the SAR and a draft of the proposed Regional Standard and submit both to the RSM. The SAR must include a justification for urgent action. The RSM will submit the request to the RSC for its consideration. If the Standing Representatives of the RSC approve urgent action for the requested standard or revision, then the RSM shall immediately post the draft for pre-ballot review and public comment. This posting requires a minimum 30-day posting period before the ballot and applies the same voting procedure as detailed in Step 6 of the Texas RE Standards Development Process.

Any ~~ERCOT-Specific-Reliability~~Regional Standard approved as an urgent action shall have a termination date specified that shall not exceed one year from the approval date. All urgent action Regional Standards require ~~ERCOT~~Texas RE BOD, NERC, and FERC approval, as outlined for Regional Standards in the regular process. Should there be a need to make the Regional Standard permanent, the Regional Standard would be required to go through the normal Texas RE Standards Development Process.

Urgent actions that expire may be renewed using the urgent action process again, in the event a permanent Regional Standard is not adopted. In determining whether to authorize an urgent action Regional Standard for a renewal ballot, the RSC shall consider the impact of the Regional Standard on the reliability of the Bulk Power System and whether expeditious progress is being made toward a permanent replacement Regional Standard. The RSC shall not authorize a renewal ballot if there is insufficient progress toward adopting a permanent replacement Regional Standard or if the RSC lacks confidence that a reasonable completion date is achievable. The intent is to ensure that an urgent action standard does not in effect take on a degree of permanence due to the lack of an expeditious effort to develop a permanent replacement standard. With these principles, there is no predetermined limit on the number of times an urgent action may be renewed. However, each urgent action standard renewal shall be effective only upon approval by the ~~ERCOT~~Texas RE BOD, NERC, and FERC. Any person or entity, including the SDT working on a permanent replacement Regional Standard, may at any time submit a standard request proposing that an urgent action Regional Standard become a permanent standard by following the normal Texas RE Standards Development Process.

RSC Voting

~~Each RSC Standing Representative and a~~ representative from each Voting Entity who is present at the meeting may participate in a vote. ~~Voting by phone is not allowed. For the purposes of this "RSC Voting" procedure, a "Representative" shall mean either an RSC Standing Representative or a Representative of a Voting Entity who is present at the meeting.~~

In order to take action, the RSC must reach a quorum. ~~In addition, A~~at least one Voting Entity ~~from (1) ERCOT Member Representative from five (5) six (6) of the eight (8) Texas RE seven (7)~~

~~ERCOT Market Participant~~ Segments must ~~vote~~ be present to constitute a quorum. Each ERCOT Market Participant Segment shall have one (1) Segment Vote. The ERCOT ISO shall have 1/4 vote.

~~Except for the Consumer Segment, At all meetings, each Segment shall have one (1) Segment Vote. For each ERCOT Market Participant Segments with multiple Representatives voting~~ Voting Entities, each Representative ~~The representative of each Voting Entity, each Voting Entity~~ participating in the vote, shall receive an equal fraction of each ERCOT Market Participant Segment's ~~its~~ Segment's Vote. For each ERCOT Market Participant Segment with a single Voting Entity participating in the vote, that Voting Entity shall receive the total ERCOT Market Participant Segment's Vote.

The Consumer Segment vote shall be divided into three sub-segments (Residential, Commercial, and Industrial) that receive one third of the Consumer Segment Vote. If no Representative Voting Entity from a Consumer sub-segment is present; such sub-segment's fractional vote is allocated equally to the participating sub-segment(s). If a Representative Voting Entity from a sub-segment abstains from a vote, the fraction of the Consumer Segment Vote allocated to such representative Voting Entity is not included in the vote tally.

~~Each RSC Standing Representative and a representative from each Voting Entity who is present at the meeting may participate in a vote.~~

Entities entitled to vote (Voting Entities) are the ERCOT ISO, the Office of Public Utility Counsel, and ERCOT Corporate Members, ERCOT Associate Members, and ERCOT Adjunct Members. Voting Entities who are Members must align themselves each calendar year with a Segment for which they qualify or, for Adjunct Members, a Segment to which they are similar.

In the event that a representative of any other Voting Segment abstains from a vote, the Segment Vote is allocated among the members casting a vote within the segment; except for the Consumer Segment.

E-Mail Voting:

In matters determined by the RSC Chair to require an urgent ~~or otherwise required~~ action prior to the next meeting, the RSC Chair may call a vote via electronic mail (e-mail vote) of the RSC Standing Representatives to make an urgency determination ~~may be utilized. A request for an e-mail vote can only be initiated by the Chair or Vice chair. Such~~ an urgency e-mail vote is permitted provided a notification is distributed to the RSC Standing Representative ~~member~~ list that includes a detailed description of the issue or proposition and accompanied by supporting documentation. For such urgency e-mail votes, a quorum of Standing Representatives must participate in the vote.

Meetings

Meetings of the RSC shall be open to all interested parties. The RSC shall hold meetings as needed and may use conference calls for discussions ~~or emails to conduct its business~~. The

agenda including the background materials will be posted on the Texas RE website in addition to being distributed to the RSC Standing Representatives, members, and other interested parties.

Chair and Vice-chair

The Standing Representatives of the RSC shall elect a Chair and Vice-chair from the RSC's standing membership for a term of one (1) year on a calendar year basis. The Chair and Vice-chair shall be confirmed by the ERCOT Texas RE BOD. The Chair shall be responsible for setting the agenda and presiding over meetings. The Vice-chair shall act as Chair at the RSC meetings in the absence of the Chair.

Registered Ballot Body Procedure

Purpose

This document explains the steps in establishing the Registered Ballot Body (RBB) and the subsequent Registered Ballot Pool (RBP) for the purpose of Voting by ~~Texas RE Segments—defined in the Texas RE Standards Development Process as the seven (7) ERCOT Market Participant Segments and the ERCOT ISO—ERCOT Membership~~ on proposed Regional Reliability Standards as detailed in Step 5 of ~~the~~ Texas Regional Entity Standards Development Process. ~~The Texas RE Segments are defined in the Texas Regional Entity Standards Development Process as the seven (7) ERCOT Market Participant Segments and the ERCOT ISO.~~

Membership

The Registered Ballot Body will be comprised of representatives from all ~~market segments~~ ~~Texas RE Segments~~ to provide balanced decision-making on ~~ERCOT-Specific Reliability~~ ~~Regional~~ Standards and Regional Variances. ~~The Ballot Body and~~ will vote on all proposed new or revised ~~ERCOT-Specific Reliability~~ ~~Regional~~ Standards and Regional Variances.

Entities entitled to vote (Voting Entities) are ~~the ERCOT ISO, the Office of Public Utility Counsel, and~~ ERCOT Corporate Members, ERCOT Associate Members, and ERCOT Adjunct Members. ~~Voting Entities who are Members must align themselves each calendar year with a Segment for which they qualify for or in the case of Adjunct Members, a Segment to which they are similar to. Member Voting Entities that align themselves with a Segment must be aligned with that same Segment for all ERCOT subcommittees, and remain aligned with that Segment for the entire calendar year.~~

~~Membership in ERCOT is open to any entity that meets any of the segment definitions as set forth in the ERCOT Bylaws. Members must be in an organization that either operates in the ERCOT region or represents consumers within the ERCOT region.~~

The ~~ERCOT m~~Members ~~and the Office of Public Utility Counsel~~ are organized by the following seven ~~m~~Market ~~s~~Segments:

- Consumers
- Cooperatives
- Independent Generators
- Independent Power Marketers
- Independent Retail Electric Providers
- Investor-Owned Utilities
- Municipals

Member Segment RBB Qualification Guidelines

The ~~RBB Member Segment~~ ~~segment~~ qualification guidelines are inclusive; i.e., any entity with a legitimate interest in the reliability of the ERCOT Bulk Power System that can meet any one of

the guidelines for a Texas RE Segmentsegment is entitled to belong to and vote in that Segmentsegment.

The general guidelines for all Member SegmentsRBB activities segments are:

- RBB membership shall be consistent with the Texas RE Segments.
- Those RBB members who are ERCOT Members and the Office of Public Utility Counsel must qualify in one of the ERCOT Market Participant Segmentssegments as defined in Article 3 of ERCOT Bylaws
- At any given time, affiliated entities may collectively be registered only once within a segmentSegment.
- Corporations, organizations, and entities may participate freely in all meetings.
- The qualification guidelines and rules for joining segmentsERCOT Market Participant Segments will be reviewed periodically to ensure that the process continues to be fair, open, balanced, and inclusive.
- ~~Only one representative of each Voting Entity may vote. Voting Entities are limited to their Representative or their designated Alternate Representative.~~

Voting

Only one representative of each Voting Entity may vote. Voting Entities are limited to their Representative or their designated Alternate Representative.

The Reliability Standards Manager (RSM) shall send a notice to every entity in the Registered Ballot Body (RBB) to establish a ballot pool for a Regional Standard or a Regional Variance to a NERC Reliability Standard action at least 30 days prior to the start of a ballot. The purpose of this notice is to establish a ballot pool to participate in the consensus development process and ballot the proposed action. The ballot pool may be established earlier in the development process to encourage active participation in the development process.

Any member of the Registered Ballot Body may join or drop out of a ballot pool until the ballot period begins (Step 5 of Texas Regional Entity (RE) Standards Development Process). No Registered Ballot Body member may join or leave the ballot pool once the first ballot starts, including between the first ballot and a recirculation ballot (Step 6B of Texas Regional Entity Standards Development Process). The RSM shall coordinate changes to the membership of the ballot pool and publicly post the ballot pool for each action.

At least one (1) ERCOT Member Representativerepresentative from five (5) six (6) of the eight (8) Texas RE seven (7) ERCOT Market ParticipantSegments must vote to constitute a quorum.

If a quorum of the ballot pool is not established, the Regional Standard or Regional Variance to a NERC Reliability Standard will be balloted a second time, allowing a 15-business day period for the ballot. Should a quorum not be established with the second ballot, the RSM would re-

survey the Registered Ballot Body to establish interest in participating in a ballot in accordance with the procedures for ballot pool formation. A re-ballot will take place with the revised ballot pool.

Members of the ballot pool should submit any comments on the proposed Regional Standard or Regional Variance to a NERC Reliability Standard during the public comment period. If any comments are received during the ballot period, they shall be addressed in accordance with Step 4 of Texas Regional Entity Standards Development Process and included with the recirculation ballot.

The RSM shall facilitate the Standard Drafting Team (SDT), assisted by the requester, in preparing a response to all votes submitted with reasons. The member submitting a vote with reasons will determine if the response provided satisfies those reasons. In addition, each objector shall be informed that an appeals process exists within the Texas Regional Entity Standards Development Process (Appendix B, Section VII)

A negative vote that does not contain a statement of reason does not require a response.

If there are no negative votes with reasons from the first ballot, then the results of the first ballot shall stand.

The above segment is in accordance with the NERC Standards Development Process.

At all meetings On all voting items, each Market Participant Segment shall have one (1) Segment Vote. The ERCOT ISO shall have 1/4 vote. For Texas RE Segments with more than one ~~The representative of each~~ Voting Entity, participating in the vote, each Voting Entity representative shall receive an equal fraction of its Segment's Vote.

The Consumer Segment vote shall be divided into three sub-segments (Residential, Commercial, and Industrial) that receive one third of the Consumer Segment Vote. If no representative from a Consumer sub-segment is present; such sub-segment's fractional vote is allocated equally to the participating sub-segment(s). If a representative from a sub-segment abstains from a vote, the fraction of the Consumer Segment Vote allocated to such representative is not included in the vote tally.

In the event that a representative of any other Voting Segment abstains from a vote, the Segment Vote is allocated among the members casting a vote within the segment; except for the Consumer Segment.

If a draft Standard receives 4.67two-thirds (2/3) or greater affirmative votes during the 15-day voting period, the RSC will forward the Standard to the ERCOT-Texas RE BOD for action (Step 7 of the Texas RE Standards Development Process).

If a draft Standard does not receive 4.67two-thirds (2/3) or greater affirmative votes during the 15-day voting period, the RSC may take several steps at its own discretion based on Step 6B of the Texas RE Standards Development Process.

**Reliability Standards Tracking
Comments & Responses**

2/4/09 4:56 pm

SAR-001-TRE-02 Provision for the ERCOT ISO to Participate and Have a Vote in the Processes

11/01/2008 through 11/30/2008

1. The drafting team has proposed to add voting privileges for the ERCOT ISO in the Reliability Standards Committee. Do you agree with this proposed change?

Name: **Barrow, Edwin L**
Phone: **210-353-3756**
Segment: **Municipally Owned Utility**
Answer: **Yes**

Organization: **CPS Energy**
Department: **Energy Market Operations**

Name: **Marsh, Tony**
Phone: **512-918-9501**
Segment: **Independent Retail Electric Provider**
Answer: **No**

Organization: **New Mexico Natural Gas dba Texas Power**
Department:

Name: **Bartos, Brian D**
Phone: **830-796-3741**
Segment: **Cooperative**
Answer: **Yes**

Organization: **Bandera Co-op**
Department:

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment: **Investor-Owned Utility**
Answer: **Yes**

Organization: **American Electric Power Service Corp.**
Department: **Regulatory Services**

Name: **McLeon, Richard A**
Phone: **361-485-6208**
Segment: **Cooperative**
Answer: **Yes**

Organization: **South Texas Electric Co-op**
Department: **Compliance**

Name: **Burke, Thomas**
Phone: **214-875-8425**
Segment: **Investor-Owned Utility**
Answer: **Yes**

Organization: **Luminant**
Department: **Regulatory**

Comment

The ERCOT ISO performs specific reliability functions, just as other Market Participants do, and should have voting privileges on the Reliability Standards Committee.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **Reader, Raborn L**

Phone: **713-381-4093**

Segment: **Consumer - Industrial**

Answer: **Yes**

Organization: **EPCO Holdings**

Department: **Energy Utilization**

Comment

The ERCOT ISO, as well as the other Market Participants, perform specific reliability functions and should have voting privileges concerning reliability standards.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

2. The drafting team has proposed to add voting privileges for the ERCOT ISO in the Texas RE Registered Ballot Body. Do you agree with this proposed change?

Name: **Barrow, Edwin L**
Phone: **210-353-3756**
Segment: **Municipally Owned Utility**
Answer: **Yes**

Organization: **CPS Energy**
Department: **Energy Market Operations**

Name: **Marsh, Tony**
Phone: **512-918-9501**
Segment: **Independent Retail Electric Provider**
Answer: **No**

Organization: **New Mexico Natural Gas dba Texas Power**
Department:

Name: **Bartos, Brian D**
Phone: **830-796-3741**
Segment: **Cooperative**
Answer: **Yes**

Organization: **Bandera Co-op**
Department:

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment: **Investor-Owned Utility**
Answer: **Yes**

Organization: **American Electric Power Service Corp.**
Department: **Regulatory Services**

Name: **McLeon, Richard A**
Phone: **361-485-6208**
Segment: **Cooperative**
Answer: **Yes**

Organization: **South Texas Electric Co-op**
Department: **Compliance**

Name: **Burke, Thomas**
Phone: **214-875-8425**
Segment: **Investor-Owned Utility**
Answer: **Yes**

Organization: **Luminant**
Department: **Regulatory**

Comment

The ERCOT ISO performs specific reliability functions, just as other Market Participants do, and should have voting privileges on the Texas RE Registered Ballot Body.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **Reader, Raborn L**
Phone: **713-381-4093**
Segment: **Consumer - Industrial**
Answer: **Yes**

Organization: **EPCO Holdings**
Department: **Energy Utilization**

Comment

See comments from #1 above.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

3. The drafting team is seeking comment on the weight of the ERCOT ISO vote in the Reliability Standards Committee. The ERCOT ISO should receive:

Name: **Barrow, Edwin L**
Phone: **210-353-3756**
Segment: **Municipally Owned Utility**
Answer: **One vote**

Organization: **CPS Energy**
Department: **Energy Market Operations**

Comment

Arguably, ERCOT ISO is impacted more than any other registered entity by the NERC Reliability Standards and regional standards and should be equally represented from a voting standpoint as other segments. It is an unfortunate oversight that ERCOT ISO was not included as a Texas RE Segment in the original development of the Delagation Agreement. The one-fourth vote proposal is totally arbitrary and has no basis.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **Marsh, Tony**
Phone: **512-918-9501**
Segment: **Independent Retail Electric Provider**
Answer: **Other (make comment)**

Organization: **New Mexico Natural Gas dba Texas Power**
Department:

Comment

Prior two answers are stated as "no". But, if this SAR were to pass then ERCOT should only be allowed 1/4 vote.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **Bartos, Brian D**
Phone: **830-796-3741**
Segment: **Cooperative**
Answer: **One vote**

Organization: **Bandera Co-op**
Department:

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment: **Investor-Owned Utility**
Answer: **One-fourth vote**

Organization: **American Electric Power Service Corp.**
Department: **Regulatory Services**

Comment

We support ERCOT having the right to participate and vote in the RSC; however, we don't think that any one entity should control a full segment vote. We would support anything up to 1/2 vote for ERCOT and this would be similar to the vote impact for any one RSC member.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **McLeon, Richard A**

Organization: **South Texas Electric Co-op**

Phone: **361-485-6208**
Segment: **Cooperative**
Answer: **One vote**

Department: **Compliance**

Name: **Burke, Thomas**
Phone: **214-875-8425**
Segment: **Investor-Owned Utility**
Answer: **One-fourth vote**

Organization: **Luminant**
Department: **Regulatory**

Comment

The ERCOT ISO's reliability functions are important, just as the reliability functions of the other market participants in the region are important. All Market Participants, regardless of size, have important roles to play in maintaining stable operation of the bulk electric system and no one market participant should have a "jumbo" vote on the Regional Standards Committee based on the number of reliability standards they are responsible for. If such a weighted system were developed, it would need to be applied to all market participants. □ The ERCOT Committees and Subcommittees have functioned well and kept the ERCOT system reliable without ERCOT having a vote or voting method based on MP organizational size.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **Reader, Raborn L**
Phone: **713-381-4093**
Segment: **Consumer - Industrial**
Answer: **One-fourth vote**

Organization: **EPCO Holdings**
Department: **Energy Utilization**

Comment

Each Market participants, large and small, contribute an important part to maintaining the reliability of the ERCOT system. Though the ERCOT ISOs reliability functions are important, they are just part of the over all group and should not be given a greater vote than the rest based on their size. From what I can tell, the the partial vote system seems to be working just fine in the ERCOT Committees and Subcommittees.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

4. The drafting team is seeking comment on the weight of the ERCOT ISO vote in the Texas RE Registered Ballot Body. The ERCOT ISO should receive:

Name: **Barrow, Edwin L**
Phone: **210-353-3756**
Segment: **Municipally Owned Utility**
Answer: **One vote**

Organization: **CPS Energy**
Department: **Energy Market Operations**

Name: **Marsh, Tony**
Phone: **512-918-9501**
Segment: **Independent Retail Electric Provider**
Answer: **Other (make comment)**
Comment

Organization: **New Mexico Natural Gas dba Texas Power**
Department:

Prior two answers are stated as "no". But, if this SAR were to pass then ERCOT should only be allowed 1/4 vote.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **Bartos, Brian D**
Phone: **830-796-3741**
Segment: **Cooperative**
Answer: **One vote**

Organization: **Bandera Co-op**
Department:

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment: **Investor-Owned Utility**
Answer: **One-fourth vote**
Comment

Organization: **American Electric Power Service Corp.**
Department: **Regulatory Services**

We support ERCOT having the right to participate and vote in the RBB; however, we don't think that any one entity should control a full segment vote. We would support anything up to 1/2 vote for ERCOT.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **McLeon, Richard A**
Phone: **361-485-6208**
Segment: **Cooperative**
Answer: **One vote**

Organization: **South Texas Electric Co-op**
Department: **Compliance**

Name: **Burke, Thomas**
Phone: **214-875-8425**
Segment: **Investor-Owned Utility**
Answer: **One-fourth vote**

Organization: **Luminant**
Department: **Regulatory**

Comment

See comments to SAR-001 Question 3 above.

Response

On December 16, 2008, the RSC approved the SAR-001 action to allow ERCOT ISO to have voting privileges on the RSC and the RBB, and assigned the weight of the vote to be one-fourth on both. The RSC also directed the RSM to post this action for a formal vote before the RBB as soon as possible.

Name: **Reader, Raborn L**
Phone: **713-381-4093**
Segment: **Consumer - Industrial**
Answer: **One-fourth vote**

Organization: **EPCO Holdings**
Department: **Energy Utilization**

5. The drafting team has proposed some technical clarifications as well as several typographical corrections to comply with the FERC Order on the Delegation Agreement. Do you support these changes?

Name: **Barrow, Edwin L**
Phone: **210-353-3756**
Segment: **Municipally Owned Utility**
Answer: **Yes**

Organization: **CPS Energy**
Department: **Energy Market Operations**

Name: **Marsh, Tony**
Phone: **512-918-9501**
Segment: **Independent Retail Electric Provider**
Answer: **Yes**

Organization: **New Mexico Natural Gas dba Texas Power**
Department:

Name: **Bartos, Brian D**
Phone: **830-796-3741**
Segment: **Cooperative**
Answer: **Yes**

Organization: **Bandera Co-op**
Department:

Name: **Ness, Thad K**
Phone: **614-716-2053**
Segment: **Investor-Owned Utility**
Answer: **No opinion**

Organization: **American Electric Power Service Corp.**
Department: **Regulatory Services**

Name: **McLeon, Richard A**
Phone: **361-485-6208**
Segment: **Cooperative**
Answer: **Yes**

Organization: **South Texas Electric Co-op**
Department: **Compliance**

Name: **Burke, Thomas**
Phone: **214-875-8425**
Segment: **Investor-Owned Utility**
Answer: **Yes**

Organization: **Luminant**
Department: **Regulatory**

Name: **Reader, Raborn L**
Phone: **713-381-4093**
Segment: **Consumer - Industrial**
Answer: **Yes**

Organization: **EPCO Holdings**
Department: **Energy Utilization**

TEXAS REGIONAL ENTITY
REGISTERED BALLOT BODY
JANUARY 28, 2009

SAR-001 Ballot Pool--- Yellow Highlighted

Dow Chemical Company	Consumer, Industrial	Paul Gabba
Occidental Chemical Corporation	Consumer, Industrial	Joe Matranga
EPCO Holdings, Inc.	Consumer, Industrial	Raborn Reader
City of Dallas	Consumer, L. Commercial	Nick Fehrenbach
City of Lewisville	Consumer, L. Commercial	Phillip Boyd
Office of Public Utility Counsel	Consumer, Residential	Danny Bivens
City of Eastland	Consumer, S. Commercial	Chris Brewster
Bandera Electric Coop	Cooperative	Brian Bartos
Bluebonnet Electric Coop	Cooperative	Bil Kahanek
Brazos Electric Power Cooperative Inc.	Cooperative	Robert Kelly
Lower Colorado River Authority	Cooperative	Jim Clawson
Nueces Electric Cooperative, Inc.	Cooperative	Sarah Fisher
Pedernales Electric Coop	Cooperative	Dale Jones
Rayburn Country Electric Cooperative	Cooperative	Eddy Reece
San Bernard Electric Cooperative, Inc.	Cooperative	Don Roberts
South Texas Electric Cooperative, Inc.	Cooperative	Richard McLeon
Calpine Corporation	Independent Generator	Darrell Scruggs
Formosa Plastics Corp.	Independent Generator	David Lin
NextEra Energy Resources LLC	Independent Generator	Michael J. Sonnelitter
NRG Texas LLC	Independent Generator	Robert Bailey
Suez Energy Marketing NA Inc.	Independent Generator	Cesar Seymour
Topaz Power Group LLC	Independent Generator	Carlos Benavides
BP Alternative Energy	Independent Generator	Pamela Zdenek
E.ON Climate & Renewables NA, Inc.	Independent Generator	Amanda Stevenson
International Power America, Inc.	Independent Generator	Billy Shaw
Constellation Energy Commodities Group Inc.	Independent PM	Steve Knapp
Shell Energy North America LP	Independent PM	Jeff Brown
Exelon Generation Company LLC	Independent PM	Robin Boehnemann
Reliant Energy Inc.	Independent PM	Rick Keetch
Tenaska Power Services	Independent PM	Carolina Price
EPIC Merchant Energy ERCOT LLC	Independent PM	Gordon Scott
New Mexico Natural Gas LP d/b/a Texas Power	Independent REP	David Chase
Cirro Energy	Independent REP	David Cook
Direct Energy LP	Independent REP	Joel Firestone
American Electric Power	Investor Owned Utility	Thad K. Ness
CenterPoint Energy	Investor Owned Utility	John Brockhan
Oncor Electric Delivery Company	Investor Owned Utility	Michael Quinn
Texas-New Mexico Power Company	Investor Owned Utility	Rex McDaniel
Sharyland Utilities LP	Investor Owned Utility	Dwight Yarbrough
City of Georgetown	Municipal	Jimmy Sikes
CPS Energy	Municipal	Les Barrow
Denton Municipal Electric	Municipal	Jeff Morris
Garland Power & Light	Municipal	David Grubbs
New Braunfels Utilities	Municipal	Gregory Baumbach
Texas Municipal Power Agency	Municipal	Frank Owens
Austin Energy	Municipal	Mark Dreyfus

Reliability Standards Tracking

Ballot Pool Listing

SAR-001-TRE-02 Provision for the ERCOT ISO to Participate and Have a Vote in the Processes

Company	Industry Segment	Name
American Electric Power Service Corp.	Investor-Owned Utility	Thad K Ness
Austin Energy	Municipally Owned Utility	Mark Dreyfus
Bandera Co-op	Cooperative	Brian D Bartos
BP Alternative Energy	Independent Generator	Pamela C Zdenek
Brazos Co-op	Cooperative	Robert M Kelly
Calpine	Independent Generator	Darrell Scruggs
CenterPoint	Investor-Owned Utility	John Brockhan
Cirro Group	Independent Retail Electric Provider	David L Cook
City of Dallas	Consumer - Commercial	Nikolaus K Fehrenbach
City of Eastland	Consumer - Commercial	CHRIS L BREWSTER
City of Georgetown	Municipally Owned Utility	Jimmy L Sikes
City of Lewisville	Consumer - Commercial	Phillip L Boyd
Constellation Energy Commodities Group	Independent Power Marketer	Stephen C Knapp
CPS Energy	Municipally Owned Utility	Edwin L Barrow
Direct Energy	Independent Retail Electric Provider	Joel B Firestone
Dow Chemical Company	Consumer - Industrial	Anthony Gabba
E.ON Climate & Renewables NA Inc.	Independent Generator	Amanda Stevenson
EPCO Holdings	Consumer - Industrial	Raborn L Reader
Exelon Generation	Independent Power Marketer	Robin Boehnemann
Garland Power & Light	Municipally Owned Utility	David L Grubbs
International Power America Services	Independent Generator	Billy S Shaw
Lower Colorado River Authority	Cooperative	Jim Clawson
New Mexico Natural Gas dba Texas Power	Independent Retail Electric Provider	David Chase
NRG Texas	Independent Generator	Robert Bailey
Occidental Chemical Corp.	Consumer - Industrial	Joe D Matranga
Office of Public Utility Counsel	Consumer - Residential	Danny E Bivens
Oncor Electric Delivery Company	Investor-Owned Utility	Timothy M Quinn
Reliant Energy	Independent Power Marketer	Rick A Keetch
San Bernard Co-op	Cooperative	Don Roberts
Sharyland Utilities	Investor-Owned Utility	Dwight L Yarbrough
Shell Energy North America (US), L.P.	Independent Power Marketer	Jeff Brown
South Texas Electric Co-op	Cooperative	Richard A McLeon

Reliability Standards Tracking

Ballot Pool Listing

SAR-001-TRE-02 Provision for the ERCOT ISO to Participate and Have a Vote in the Processes

Company	Industry Segment	Name
Suez Energy Marketing NA	Independent Generator	Cesar Seymour
Tenaska Power Services	Independent Power Marketer	Carolina M Price
Texas Municipal Power Agency	Municipally Owned Utility	Frank J Owens
Texas-New Mexico Power Company	Investor-Owned Utility	Rex P McDaniel
Topaz Power Group	Independent Generator	Carlos H Benavides

Reliability Standards Tracking Detailed Ballot Voting Results

02/04/2009 4:55 pm

SAR-001-TRE-02 Provision for the ERCOT ISO to Participate and Have a Vote in the Processes

Ballot Period: 1

Voting Period: **01/19/2009** thru **02/02/2009**

Certified Date: **02/03/2009**

Certified Outcome: **PASSED**

Consumer - Commercial	Yes	No	Abstain	Total Eligible Votes
	3	0	0	3
Yes Voters				
CHRIS LBREWSTER		City of Eastland		
Nikolaus KFehrenbach		City of Dallas		
Phillip LBoyd		City of Lewisville		
Consumer - Industrial	3	0	0	3
Yes Voters				
Anthony Gabba		Dow Chemical Company		
Joe DMatranga		Occidental Chemical Corp.		
Raborn LReader		EPCO Holdings		
Consumer - Residential	1	0	0	1
Yes Voters				
Danny EBivens		Office of Public Utility Counsel		
Cooperative	3	2	0	5
Yes Voters				
Jim Clawson		Lower Colorado River Authority		
Richard AMcLeon		South Texas Electric Co-op		
Robert MKelly		Brazos Co-op		
No Voters				
Brian DBartos		Bandera Co-op		
Don Roberts		San Bernard Co-op		
Non-Voters				
Kahanek, William B		Bluebonnet Electric Cooperative		
Reece Jr., Eddy P		Rayburn Country Co-op		
Independent Generator	7	0	0	7
Yes Voters				
Amanda Stevenson		E.ON Climate & Renewables NA Inc.		
Billy SShaw		International Power America Services		
Carlos HBenavides		Topaz Power Group		
Cesar Seymour		Suez Energy Marketing NA		
Darrell Scruggs		Calpine		
Pamela CZdenek		BP Alternative Energy		
Robert Bailey		NRG Texas		
Non-Voters				
lin, david t		Formosa Plastics Corp.		

Reliability Standards Tracking Detailed Ballot Voting Results

02/04/2009 4:55 pm

SAR-001-TRE-02 Provision for the ERCOT ISO to Participate and Have a Vote in the Processes

Ballot Period: 1

Voting Period: **01/19/2009** thru **02/02/2009**

Certified Date: **02/03/2009**

Certified Outcome: **PASSED**

Independent Power Marketer	Yes	No	Abstain	Total Eligible Votes
	4	1	0	5
Yes Voters				
Carolina MPrice			Tenaska Power Services	
Rick AKeetch			Reliant Energy	
Robin Boehnemann			Exelon Generation	
Stephen CKnapp			Constellation Energy Commodities Group	
No Voters				
Jeff Brown			Shell Energy North America (US), L.P.	
Independent Retail Electric Provider	Yes	No	Abstain	Total Eligible Votes
	2	0	1	3
Yes Voters				
David Chase			New Mexico Natural Gas dba Texas Power	
Joel BFirestone			Direct Energy	
Abstentions				
David LCook			Cirro Group	
Investor-Owned Utility	Yes	No	Abstain	Total Eligible Votes
	5	0	0	5
Yes Voters				
Dwight LYarbrough			Sharyland Utilities	
John Brockhan			CenterPoint	
Rex PMcDaniel			Texas-New Mexico Power Company	
Thad KNess			American Electric Power Service Corp.	
Timothy MQuinn			Oncor Electric Delivery Company	
Municipally Owned Utility	Yes	No	Abstain	Total Eligible Votes
	2	3	0	5
Yes Voters				
Frank JOwens			Texas Municipal Power Agency	
Jimmy LSikes			City of Georgetown	
No Voters				
David LGrubbs			Garland Power & Light	
Edwin LBarrow			CPS Energy	
Mark Dreyfus			Austin Energy	
Non-Voters				
morris, william j			Denton Municipal Electric	

Reliability Standards Tracking Detailed Ballot Voting Results

02/04/2009 4:55 pm

SAR-001-TRE-02 Provision for the ERCOT ISO to Participate and Have a Vote in the Processes

Ballot Period: 1

Voting Period: **01/19/2009** thru **02/02/2009**

Certified Date: **02/03/2009**

Certified Outcome: **PASSED**

Voter Comments

Name: **Dwight LYarbrough**

Organization: **Sharyland Utilities**

Voted **YES**

Comment

Response

1/4 Vote

A majority of the SAR-001 Standard Drafting Team (SDT) believes that giving the ERCOT ISO a one-fourth segment vote allows it a voice in the regional reliability standards processes with as much of a segment vote as any single other ERCOT member company, considering there are, on average, about four member companies per segment that usually vote.

A minority of the SAR-001 SDT believes that creating an ISO segment with a fractional vote is inconsistent with all existing NERC processes, and is inconsistent with the voting weights other ISOs receive in their respective regions.

Name: **Rick AKeetch**

Organization: **Reliant Energy**

Voted **YES**

Comment

Response

This SAR will allow the ERCOT ISO to have a "seat at the table" and actively participate in RSC processes.

A majority of the SAR-001 Standard Drafting Team (SDT) believes that giving the ERCOT ISO a one-fourth segment vote allows it a voice in the regional reliability standards processes with as much of a segment vote as any single other ERCOT member company, considering there are, on average, about four member companies per segment that usually vote.

A minority of the SAR-001 SDT believes that creating an ISO segment with a fractional vote is inconsistent with all existing NERC processes, and is inconsistent with the voting weights other ISOs receive in their respective regions.

Name: **Brian DBartos**

Organization: **Bandera Co-op**

Voted **NO**

Comment

Response

Bandera Electric Cooperative believes ERCOT ISO should participate as a standing member in the Regional Standards Committee (RSC) and have a full vote. The RSC has a different function from market governance and therefore a different approach should be taken.

A majority of the SAR-001 Standard Drafting Team (SDT) believes that giving the ERCOT ISO a one-fourth segment vote allows it a voice in the regional reliability standards processes with as much of a segment vote as any single other ERCOT member company, considering there are, on average, about four member companies per segment that usually vote.

Reliability Standards Tracking Detailed Ballot Voting Results

02/04/2009 4:55 pm

SAR-001-TRE-02 Provision for the ERCOT ISO to Participate and Have a Vote in the Processes

Ballot Period: 1

Voting Period: **01/19/2009** thru **02/02/2009**

Certified Date: **02/03/2009**

Certified Outcome: **PASSED**

A minority of the SAR-001 SDT believes that creating an ISO segment with a fractional vote is inconsistent with all existing NERC processes, and is inconsistent with the voting weights other ISOs receive in their respective regions.

Name: **David LGrubbs**

Organization: **Garland Power & Light**

Voted **NO**

Comment

I have cast my vote in the negative. I do not believe ERCOT should have a vote in the Regional Standards process. I believe that ERCOT's opinion or vote should reflect the combined views of its members. The best indicator of that combined view is the vote cast by the membership. I acknowledge that many of the Standards will impact the ERCOT organization significantly and some standards may directly apply only to ERCOT (although the cost impact and operational issues will be felt by the membership). Therefore, ERCOT staff should be encouraged to participate in the development of Regional Standards and submit comments that would be considered by the standard drafting committees and the membership. I believe, however, the vote of the membership should stand independently regardless of the ERCOT staff opinion or vote.

Response

A majority of the SAR-001 Standard Drafting Team (SDT) believes that giving the ERCOT ISO a one-fourth segment vote allows it a voice in the regional reliability standards processes with as much of a segment vote as any single other ERCOT member company, considering there are, on average, about four member companies per segment that usually vote.

A minority of the SAR-001 SDT believes that creating an ISO segment with a fractional vote is inconsistent with all existing NERC processes, and is inconsistent with the voting weights other ISOs receive in their respective regions.

Name: **Don Roberts**

Organization: **San Bernard Co-op**

Voted **NO**

Comment

The proposed 1/4 ERCOT ISO voting weight is inadequate. SBEC feels the ERCOT ISO should be set at 1 complete vote.

Response

A majority of the SAR-001 Standard Drafting Team (SDT) believes that giving the ERCOT ISO a one-fourth segment vote allows it a voice in the regional reliability standards processes with as much of a segment vote as any single other ERCOT member company, considering there are, on average, about four member companies per segment that usually vote.

A minority of the SAR-001 SDT believes that creating an ISO segment with a fractional vote is inconsistent with all existing NERC processes, and is inconsistent with the voting weights other ISOs receive in their respective regions.

Name: **Edwin LBarrow**

Organization: **CPS Energy**

Voted **NO**

Comment

Response

Reliability Standards Tracking Detailed Ballot Voting Results

02/04/2009 4:55 pm

SAR-001-TRE-02 Provision for the ERCOT ISO to Participate and Have a Vote in the Processes

Ballot Period: 1

Voting Period: **01/19/2009** thru **02/02/2009**

Certified Date: **02/03/2009**

Certified Outcome: **PASSED**

CPS Energy agrees that ERCOT needs a seat at the table. We agree that following a structure similar to NERC's and placing the ISO in its own segment makes sense. However, it defies all logic to create a new segment and give it less voting strength than the other segments, which in all cases get one vote. Thus, we cannot support the SAR as written.

A majority of the SAR-001 Standard Drafting Team (SDT) believes that giving the ERCOT ISO a one-fourth segment vote allows it a voice in the regional reliability standards processes with as much of a segment vote as any single other ERCOT member company, considering there are, on average, about four member companies per segment that usually vote.

A minority of the SAR-001 SDT believes that creating an ISO segment with a fractional vote is inconsistent with all existing NERC processes, and is inconsistent with the voting weights other ISOs receive in their respective regions.

Name: **Jeff Brown**

Organization: **Shell Energy North America (US), L.P.**

Voted **NO**

Comment

Response

We believe that ERCOT needs to remain fair and independent in all of their activities and therefore it is not in the best interest of the market or the standards setting process to allow ERCOT to have vote.

A majority of the SAR-001 Standard Drafting Team (SDT) believes that giving the ERCOT ISO a one-fourth segment vote allows it a voice in the regional reliability standards processes with as much of a segment vote as any single other ERCOT member company, considering there are, on average, about four member companies per segment that usually vote.

A minority of the SAR-001 SDT believes that creating an ISO segment with a fractional vote is inconsistent with all existing NERC processes, and is inconsistent with the voting weights other ISOs receive in their respective regions.

Name: **Mark Dreyfus**

Organization: **Austin Energy**

Voted **NO**

Comment

Response

I do not understand the logic of creating a separate market segment for ERCOT, but limiting the weight of its vote to one-quarter the weight of other segments. ERCOT must be an equal partner with the market participants in compliance processes and decision-making. I would instead support giving ERCOT a full vote.

A majority of the SAR-001 Standard Drafting Team (SDT) believes that giving the ERCOT ISO a one-fourth segment vote allows it a voice in the regional reliability standards processes with as much of a segment vote as any single other ERCOT member company, considering there are, on average, about four member companies per segment that usually vote.

A minority of the SAR-001 SDT believes that creating an ISO segment with a fractional vote is inconsistent with all existing NERC processes, and is inconsistent with the voting weights other ISOs receive in their respective regions.

		TALLY TOTAL			
		Tally Votes	Voting Structure	Motion Passes	Total Abstentions
Issue: SAR-001: Provision to Give ERCOT ISO 1/4 vote in Regional Standards Processes					
Date: February 3, 2009	Clear	Record Vote	Segment Vote:	5.800	1.200
Prepared by: Sarah Hensley, Standards Development Coordinator					1

Sector / Entity	Representative	Present	Yes	No	Abstain
Coop					
Bandera Co-op	Brian Bartos	y		0.200	
Brazos Co-op	Robert Kelly	y	0.200		
South Texas Electric Coop	Richard McLeon	y	0.200		
San Bernard Co-op	Don Roberts	y		0.200	
Lower Colorado River Authority	Jim Clawson	y	0.200		
Segment Vote:		5	0.600	0.400	0
Municipal					
CPS Energy	Edwin Barrow	y		0.200	
Texas Municipal Power Agency	Frank Owens	y	0.200		
Austin Energy	Mark Dreyfus	y		0.200	
Garland Power & Light	David Grubbs	y		0.200	
City of Georgetown	Jimmy Sikes	y	0.200		
Segment Vote:		5	0.400	0.600	0
Investor Owned Utilities					
American Electric Power Service Corp.	Thad Ness	y	0.200		
CenterPoint	John Brockhan	y	0.200		
Texas-New Mexico Power Company	Rex McDaniel	y	0.200		
Oncor Electric Delivery Company	Timothy Quinn	y	0.200		
Sharyland Utilities	Dwight Yarbrough	y	0.200		
Segment Vote:		5	1.000	0.000	0
Independent Generator					
Calpine	Darrell Scruggs	y	0.143		
Suez Energy Marketing	Cesar Seymour	y	0.143		
International Power America Services	Billy Shaw	y	0.143		
BP Alternative Energy	Pamela Zdenek	y	0.143		
NRG Texas	Robert Bailey	y	0.143		
Topaz Power Group	Carlos Benavides	y	0.143		
E.ON Climate & Renewables	Amanda Stevenson	y	0.143		
Segment Vote:		7	1.000	0.000	0
Consumers					
Divide Subsegments?	y	Consumer Vote Total	1		
City of Lewisville	Comm Phillip Boyd	y	0.111		
City of Eastland	Comm Chris Brewster	y	0.111		
City of Dallas	Comm Nikolaus Fehrenbach	y	0.111		
Dow Chemical Company	Indu Anthony Gabba	y	0.111		
EPCO Holdings	Indu Raborn Reader	y	0.111		
Occidental Chemical Corp.	Indu Joe Matranga	y	0.111		
Office of Public Utility Counsel	Resi Danny Bivens	y	0.333		
Segment Vote:		7	1.000	0.000	0
Independent REP					
Direct Energy	Joel Firestone	y	0.500		
Cirro Group	David Cook	y			a
New Mexico Natural Gas dba Texas Power	David Chase	y	0.500		
Segment Vote:		3	1.000	0.000	1
Independent Power Marketers					
Exelon Generation	Robin Boehnemann	y	0.200		
Reliant Energy	Rick Keetch	y	0.200		
Constellation Energy Commodities Group	Stephen Knapp	y	0.200		
Shell Energy North America	Jeff Brown	y		0.200	
Tenaska Power Services	Carolina Price	y	0.200		
Segment Vote:		5	0.800	0.200	0
All Sectors Voting Totals					
Segment Vote:		37	5.800	1.200	1