

Date: May 7, 2009

To: ERCOT Technical Advisory Committee

From: Mark Bruce, TAC Chair

Re: Agenda Item No. 2 ERCOT Board Update

Members:

Please see below for a summary of items of interest from the April 22, 2009 meeting of the ERCOT Board of Directors. Action items from the Board to the TAC appear in **RED**.

Protocol Revision Requests

The Board approved all PRRs recommended by TAC as described below:

PRR 768 TDSP Energy Storage for Reliability

Approved as recommended by TAC.

PRR 789 Removal of Grey Box Language Related to Lagged Dynamics Load Profiling Due to Unfunded Projects

Approved as recommended by TAC.

PRR 790 Load Profile ID Annual Validation Change Request

Approved as recommended by TAC.

PRR 803 Revised Implementation Approach for PRR 601

The Board had a substantive discussion regarding the costs and benefits of PRR 803. At the end of the discussion, the PRR was approved as recommended by TAC. During the discussion, Directors expressed concern about any zonal market systems changes which impact the nodal project and **directed TAC to carefully weigh the costs and benefits of any future proposed changes to zonal systems as we once again approach the nodal market conversion.**

PRR 804 Revisions to Section 21 Appeals Process

After some discussion, PRR 804 was approved with Board amendments. The Board Action Report is attached for your reference. Although the PRR was approved, the general sentiment of the Board seemed to be that **issues remain which could be addressed in a subsequent PRR should TAC choose to do so.** Specifically mentioned were the appeal of a decision to grant or deny Urgent Status; whether to suspend consideration of items while they are being appealed; and what the best policy would be regarding the appeal of a remanded issue.

Nodal Protocol Revision Requests

The Board approved the NPRR recommended by TAC as described below:

NPRR 149 Change the Name of Emergency Electric Curtailment Plan (EECP) to Energy Emergency Alert (EEA)

Approved as recommended by TAC.

ERCOT CEO Report

ERCOT CEO Bob Kahn briefly addressed several items in his report to the Board:

1. ERCOT's request to revise the Nodal Surcharge is filed and pending before the PUCT.
2. Dan Woodfin and Warren Lasher of ERCOT's System Planning Division were recognized by the Texas House of Representatives for their work to implement Competitive Renewable Energy Zones.
3. Mr. Kahn announced Richard Morgan is now the acting Chief Information Officer of ERCOT.
4. ERCOT expects to deliver than annual Capacity Demand Reserve (CDR) Report on schedule in May.
5. ERCOT expects to soon complete its reply to a request from PUCT Chairman Barry Smitherman to evaluate the possible impacts of CO2 legislation on Texas electricity consumers. Mr. Kahn said ERCOT's response will be publicly available and will likely be presented at the May ERCOT Board meeting.

Discussion related to wind metrics and PRR 800

Some directors voiced displeasure that TAC did not present PRR 800 for approval at the April Board meeting, citing a December 2008 directive for TAC to bring "replacement metrics" within 120 days following the adoption of PRR 777. The Board emphasized the importance of having metrics by which to gauge performance in key areas, particularly relating to wind generation, and **urged TAC act on PRR 800 with haste.**

Open Action Items from the Board for TAC

1. PRR 800 or similar Resource Plan performance metric (requested by April 2009)
2. Develop recommendation on outstanding issues related to the ERCOT Planning Charter revisions. (no deadline)
3. Revisit the issue of ancillary services cost allocation to Resources (no deadline)
4. Address outstanding issues from PRR 804 (optional)