



**Date:** June 9, 2009  
**To:** ERCOT Board of Directors  
**From:** Mark Bruce, Technical Advisory Committee (TAC) Chair  
**Subject:** Protocol Revision Requests (PRRs)

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors (ERCOT Board) Meeting Date:** June 16, 2009

**Agenda Item No.:** 12a

**Issue:**

Consideration of the following PRRs:

- PRR796 – Resource Plan Performance Metrics Revision
- PRR802 – Transmission Congestion Rights (TCR) Transition to Congestion Revenue Rights (CRR) Refund Revision
- PRR809 – Out of Merit Capacity (OOMC) Startup Costs Clarification and Modification – URGENT

**Background/History:**

Unless otherwise noted: (i) all Market Segments were present for each vote and (ii) ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed the revision requests and do not believe it requires changes to credit monitoring activity or the calculation of liability.

- **PRR796 – Resource Plan Performance Metrics Revision [FPL Energy].**  
**Proposed effective date:** July 1, 2009  
**ERCOT Impact Analysis:** No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.  
**Revision Description:** With this PRR, ERCOT shall determine the performance of providers of Qualified Scheduling Entities (QSEs) Schedule Control Error (SCE) performance under normal operating conditions. ERCOT shall remove from consideration of average performance of a QSE any period during which an abnormal or unusual event(s) has occurred and which does not have a passing score.  
**Procedural History:** PRR796 was posted on January 7, 2009. On February 19, 2009, the Protocol Revision Subcommittee (PRS) unanimously voted to refer PRR796 to the Reliability and Operations Subcommittee (ROS). On March 19, 2009, PRS unanimously voted to recommend approval of PRR796 as amended by ROS comments. On April 23, 2009, PRS unanimously voted to forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On May 7, 2009, TAC unanimously voted to recommend approval of PRR796 as recommended by PRS.
- **PRR802 – TCR Transition to CRR Refund Revision [ERCOT].**  
**Proposed effective date:** July 1, 2009  
**ERCOT Impact Analysis:** No budgetary impact; no additional full-time equivalents



needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations.

**Revision Description:** This PRR revises Section 7.5.10, Transition of TCRs to CRRs, providing flexibility in the event monthly TCRs are awarded and require refund for the subsequent month after Nodal go-live.

**Procedural History:** PRR802 and its corresponding Impact Analysis were posted on February 19, 2009. On March 19, 2009, PRS unanimously voted to recommend approval of PRR802 as submitted. On April 23, 2009, PRS unanimously vote to forward the PRS Recommendation Report and Impact Analysis to TAC for approval. On May 7, 2009, TAC unanimously voted to recommend approval of PRR802 as recommended by PRS.

- **PRR809 – OOMC Startup Costs Clarification & Modification [ERCOT] – URGENT.**

**Proposed Effective Date:** July 1, 2009

**CEO Determination:** No opinion on whether or not PRR809 is necessary prior to the Texas Nodal Market Implementation Date.

**ERCOT Impact Analysis:** No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this PRR; no impact to grid operations; ERCOT may consider automating the calculation changes at a later date; the interim solution is to perform the changes proposed by this PRR manually.

**Revision Description:** This PRR modifies Section 6.8.2.2, Capacity and Minimum Energy Payments, to state the criteria currently used to determine eligibility for OOMC startup costs, as well as clawback of startup costs. This PRR also incorporates ‘max zero’ logic into the settlement formula that calculates the price for the startup costs ( $PS_{ui}$ ).

**Procedural History:** PRR809 was posted on March 27, 2009. On April 23, 2009, PRS unanimously voted to recommend approval of PRR809 as amended by Luminant Energy and Reliant Energy comments. On May 21, 2009, PRS unanimously voted to grant PRR809 Urgent status. PRS also unanimously voted to endorse and forward the PRS Recommendation Report as amended by ERCOT comments and as revised by PRS and the Impact Analysis to TAC. On June 4, 2009, TAC unanimously voted to recommend approval of PRR809 as amended by the May 29, 2009 Topaz comments and as revised by TAC.

The TAC Recommendation Reports and Impact Analyses for these PRRs are included in the ERCOT Board meeting materials. In addition, these PRRs and supporting materials are posted on the ERCOT website at the following link: <http://www.ercot.com/mktrules/protocols/prr.html>.

**Key Factors Influencing Issue:**

PRS met, discussed the issues and submitted recommendation reports to TAC regarding PRR796, PRR802 and PRR809. TAC considered the issues and voted to take action on PRR796, PRR802 and PRR809 as described above.



<p><b><u>Alternatives:</u></b></p> <ol style="list-style-type: none"><li>1. Approve the TAC recommendation on PRR796, PRR802, and/or PRR809 as described above or as modified by the ERCOT Board;</li><li>2. Reject the TAC recommendation on PRR796, PRR802, and/or PRR809;</li><li>3. Defer decision on the merits of the TAC recommendation on PRR796, PRR802, and/or PRR809; or</li><li>4. Remand PRR796, PRR802, and/or PRR809 to TAC with instructions.</li></ol>
<p><b><u>Conclusion/Recommendation:</u></b></p> <p>As more specifically described above, TAC recommends that the ERCOT Board approve PRR796, PRR802, and PRR809.</p>



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**BOARD OF DIRECTORS RESOLUTION**

WHEREAS, the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) deems it desirable and in ERCOT's best interest to approve: PRR796 – Resource Plan Performance Metrics Revision; PRR802 – TCR Transition to CRR Refund Revision; and PRR809 – OOMC Startup Costs Clarification & Modification.

THEREFORE be it RESOLVED, that the Board hereby approves PRR796, PRR802, and PRR809.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its June 16, 2009 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by

\_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Michael G. Grable  
Corporate Secretary