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#### **DOCKET NO. 36416**

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This Order addresses AEP Energy Partners' (AEP) appeal of the Electric Reliability Council of Texas's (ERCOT) board's approval of commercially significant constraints (CSCs), transmission congestion zones, closely related elements, and boundary generation resources in the ERCOT transmission system, which resulted in the assignment of the Oklaunion Generating Station to the West Congestion Zone for the 2009 calendar year. For the reasons discussed in this Order, the Commission denies AEP's appeal and directs ERCOT to conduct protocol revisions.

**ORDER** 

#### I. Background

AEP is a power marketer that operates in ERCOT.¹ It currently has a contract for the output from AEP Texas North Company's 50% share of the 350-megawatt Oklaunion coal generation plant. Each year, ERCOT determines the CSCs and congestion zones under § 7.2 of the ERCOT protocols. This process consists of four separate actions that include (1) establishing the CSCs for the upcoming year under § 7.2.1, (2) establishing the congestion zones for the upcoming year under § 7.2.2, (3) establishing the closely related elements (CREs) for the

<sup>&</sup>lt;sup>1</sup> AEP's Appeal at 1.

upcoming year under § 7.2.3, and (4) determining generation resources deemed likely to change their output under § 7.2.4.<sup>2</sup>

Protocol § 7.2.1 requires the use of the Steady State Working Group Data Set A summer peak case—a pre-contingency model—to develop the CSCs.<sup>3</sup> This model assumes a fully-intact transmission system, i.e. no transmission facilities are assumed to be out of service. In the next step, ERCOT conducts a clustering analysis that places generators and load in congestion zones based on similarity in terms of impact on CSCs.

Protocol § 7.2.2 establishes the process and procedures for clustering generation and loads. The relevant language of § 7.2.2 states:

A statistical clustering analysis will be used to aggregate transmission buses into zones based upon similar Shift Factors relative to all CSCs. The clustering must meet the following criteria: (i) each CSC must straddle a zonal boundary (however, not every zonal boundary need be straddled by a CSC); and (ii) station IDs as provided by TDSPs in Protocol Section 15.1.2.5, Response from TDSP to Registration Notification Request, can be assigned only into one congestion zone.

This clustering analysis is necessarily dependent on the capacity and topology of the transmission system, which is reflected in a system model.<sup>4</sup> The congestion zone determination process is governed exclusively by the requirements in Protocol § 7.2.2. ERCOT maintains that there are no supporting operating guides that otherwise direct ERCOT's administration of § 7.2.2.<sup>5</sup> In performing both the identification of CSCs and the clustering of generation and loads analyses, the ERCOT staff has always used, and the resulting ERCOT board's determinations have always utilized, the latest Steady State Working Group Data Set A summer peak case as the load-flow model,<sup>6</sup> even though § 7.2.2, does not specify the use of a particular system model.<sup>7</sup>

<sup>&</sup>lt;sup>2</sup> ERCOT's Response to AEP's Appeal at 5.

<sup>&</sup>lt;sup>3</sup> *Id.* 

<sup>&</sup>lt;sup>4</sup> AEP's Appeal at 6.

<sup>&</sup>lt;sup>5</sup> *Id*.

<sup>6</sup> *Id* 

<sup>&</sup>lt;sup>7</sup> ERCOT's Response to AEP's Appeal at 5.

When the results of ERCOT staff's analyses were considered by the Congestion Management Working Group (CMWG), CMWG did not reach unanimous consensus on the proposed CSCs and transmission congestion zones for 2009. Instead, it approved three scenarios—scenarios 3b, 3g, and 3h—for consideration by the Wholesale Market Subcommittee (WMS). Each of those scenarios proposed five CSCs for 2009 and four transmission congestions zones. The CSCs for 2009 changed from prior years due to the completion of the Long Creek substation, which unloaded the CSCs that had been used in determining the transmission congestion zones for 2008. Scenario 3h was distinguishable from all other proposed scenarios for 2009 because ERCOT staff utilized the Abilene-Mulberry Creek-to-Long Creek line (Mulberry line) as a limiting element CSC for the West-to-North and North-to-West CSC for 2009, with the Bowman line as the contingency. ERCOT Protocol § 7.2.1(1)(a)(i) provides that "[i]f a transmission line is repeatedly the limiting element under multiple contingencies it will be considered a CSC candidate." ERCOT staff contended that the Bowman line underwent a forced outage repeatedly in the summer of 2008.

WMS recommended scenario 3h to the Technical Advisory Committee (TAC) for recommendation to the ERCOT board. However, two business days before the TAC meeting, an entirely new scenario emerged—scenario 3i—that was not among the scenarios ERCOT staff presented to either CMWG or WMS for review. Scenario 3i differed significantly from the three previous scenarios proposed by ERCOT staff because, for the first time, post-contingency shift factors were used for the clustering analysis. While not having been first analyzed and vetted by CMWG or WMS, as ERCOT Protocol § 7.2.2 specifically contemplates, scenario 3i was presented to and approved by TAC, which then recommended its adoption to the ERCOT board. The ERCOT board, in light of procedural concerns, remanded the proceeding back to TAC to reexamine scenarios 3b, 3h, and 3i.

Due to the November 1 annual deadline, TAC chose to convene a joint TAC and WMS meeting to consider the proposed scenarios and make a recommendation to the ERCOT board. At the joint meeting, ERCOT staff confirmed again that there would be sufficient generation in

<sup>&</sup>lt;sup>8</sup> AEP Appeal at 7.

<sup>&</sup>lt;sup>9</sup> AEP Appeal at 7-8.

the West Congestion Zone under scenario 3h (with Oklaunion in the North Congestion Zone) to resolve zonal congestion in the West Zone. WMS and TAC, however, nonetheless recommended approval of scenario 3i.<sup>10</sup>

The ERCOT board voted on October 21, 2008 to approve the 2009 CSCs, transmission congestion zones, CREs, and boundary generation resources in the ERCOT transmission system based on the load-flow study known as scenario 3i—a scenario under which several generators, but not Oklaunion, were moved from the West to the North Congestion Zone. Scenario 3h, which utilized pre-contingency shift factors for the clustering analysis, would have moved all of the foregoing generators, plus Oklaunion, to the North Congestion Zone. AEP posits that had the ERCOT staff and board followed the procedures and analysis that have been established and followed in applying and interpreting § 7.2 of the ERCOT protocols in previous years, scenario 3h would and should have been approved.<sup>11</sup>

#### II. Discussion

The Commission previously found good cause for waiver of the alternative dispute resolution requirement in P.U.C. PROC. R. 22.251(c) and granted that portion of AEP's appeal.<sup>12</sup> However, the Commission also found that the factual record was insufficient and therefore ruled in its April 17, 2009 order that the factual determinations necessary to the resolution of the matter were not made.<sup>13</sup> Therefore, pursuant to Commission rules, the applicable standard of review of any factual issue is on a *de novo* basis.<sup>14</sup>

AEP contends that ERCOT misapplied the relevant ERCOT protocols, both procedurally and substantively, in its approval of the 2009 CSCs and congestion zones based upon the load flow study designated 3i. Additionally, AEP asserts that the adoption of scenario 3i was

<sup>&</sup>lt;sup>10</sup> AEP Appeal at 8.

<sup>&</sup>lt;sup>11</sup> AEP Appeal at 4.

<sup>&</sup>lt;sup>12</sup> Order at 1 (April 17, 2009).

<sup>&</sup>lt;sup>13</sup> *Id*.

<sup>&</sup>lt;sup>14</sup> P.U.C. PROC. R. 22.251(1).

arbitrary and discriminatory in causing its Oklaunion generation resource to be placed in the West Congestion Zone.

#### A. ERCOT Protocol Procedural Issues

In this section, the Commission addresses the procedural application of the 2009 congestion management selection process, specifically in regards to the lateness of the introduction of scenario 3i, the out-of-sequence committee deliberations that occurred in the approval process, and the adequacy of the notice to stakeholders prior to scenario 3i's submission to TAC. There is no dispute among the parties that scenario 3i was not initially properly vetted through WMS prior to the September 4, 2008 TAC meeting. While this atypical presentation of scenario 3i to TAC by ERCOT rather than by WMS raised some initial concerns, the Commission finds that the correct procedures were eventually followed.

ERCOT maintains that the notice given to TAC members regarding the September 4, 2009 TAC meeting complied with Part IV.D of the TAC procedures because all agenda items were published at least one week prior to the meeting. The Commission is concerned that notice with documentation of scenario 3i was provided less seven days before the September 4 TAC meeting; however, the Commission finds that the TAC meeting notice procedures do not presently require advance notice with documentation. Therefore, there is no basis for AEP's appeal based on a violation of TAC's meeting notice procedure. Nevertheless, the Commission directs ERCOT to revise TAC's meeting notice procedure to ensure that each TAC member is able to receive documentation relevant to each agenda item with adequate notice to allow fully informed decisions by TAC members.

# **B. ERCOT Protocol § 7.2.2 - Shift Factors**

The Commission next addresses ERCOT's substantive application of Section VII of the ERCOT protocols in arriving at its 2009 congestion management zone configuration. Specifically, the Commission considers whether any precedence was established by ERCOT in its historical use of pre-contingency shift factors, as opposed to post-contingency shift factors, and whether the propriety of ERCOT's unprecedented use of post-contingency shift factors is justified by economic considerations in contrast to reliability or operational concerns.

ERCOT argued that § 7.2.2, which is the protocol section that governs the development of congestion zones, allows for the use of either a pre or post-contingency shift factor in the clustering analysis. AEP responded that because ERCOT has always used pre-contingency analysis in applying Protocol § 7.2.2, ERCOT no longer has discretion to begin using post-contingency analysis without proper notice. The Commission finds that ERCOT Protocol § 7.2.2 does not specify either a pre- or post-contingency analysis. Consequently, the Commission determines that ERCOT did not violate Protocol § 7.2.2 by using a post-contingency analysis; however, the Commission directs ERCOT to address in a protocol revision whether analysis conditions that are pre-contingency, post-contingency or both may be considered in the congestion zone management determination, and, if so, under what circumstances.

## C. ERCOT Protocol § 7.2.2 - Market Economics Criteria

AEP argued that ERCOT violated its protocols by considering ERCOT market economics, i.e. congestion management costs and operational experience, as determinants for selection of the appropriate clustering analysis pursuant to § 7.2.2.17 ERCOT maintains that to the extent it based the clustering analysis choice on market cost implications, i.e., a preference for zonal congestion management techniques over local congestion management techniques, it did so qualitatively not quantitatively; and furthermore, § 7.2.2 does not prohibit these considerations. The Commission finds that the protocols do not preclude ERCOT from considering these factors to support its choice of zonal congestion management techniques over local congestion management techniques. Consequently, the Commission finds no protocol violation in this regard, but directs ERCOT to address in a protocol revision whether in future years market economics can be considered in the congestion zone management determination, and, if so, under what conditions.

<sup>15</sup> Direct Testimony of Beth Garza, ERCOT Ex. 5 at 15.

<sup>&</sup>lt;sup>16</sup> AEP Reply Brief at 4.

<sup>&</sup>lt;sup>17</sup> AEP Initial Brief at 7.

<sup>&</sup>lt;sup>18</sup> Direct Testimony of Beth Garza, ERCOT Ex. 5 at 20-21.

# D. ERCOT Protocol § 7.2.1(1)(a)(i) - CSC Designation

Scenario 3i was unique in its use of post-contingency shift factors for the clustering analysis, although scenario 3i, like scenario 3h, used the Mulberry line as a limiting element CSC with the Bowman line as the contingency. The Commission questioned whether, a single line, e.g., the Bowman line, with multiple outages, met the requirement of the term "multiple contingencies" in § 7.2.1(1)(a)(i) that requires a transmission line repeatedly be the limiting element under multiple contingencies in order for that line to be a CSC candidate. AEP did not address this issue. The Commission finds no protocol violation in this regard, but directs ERCOT to make Protocol § 7.2.1(1)(a)(i) more explicit in term of the attributes of line outage(s) that qualify as a multiple contingency for purposes of designating a limiting element a CSC.

#### E. AEP's Discrimination Claim

The Commission next addresses whether AEP was treated in an arbitrary and discriminatory manner. AEP argued that ERCOT applied a post-contingency analysis solely in order to achieve the goal of moving Oklaunion from the North Congestion Zone to the West Congestion Zone and that, without making any change to its protocols, ERCOT abruptly broke from its well-established practice of using the same steady-state model used for the CSC designation for performing the clustering analysis. AEP also argued that ERCOT modified its standard clustering analysis based on operational considerations, more specifically a desire to avoid the risk of additional uplifted congestion costs, when, under the protocols such a consideration is expressly allowed only in the CSC determination, not in the clustering analysis.<sup>19</sup> ERCOT maintained that ERCOT's analysis was based on how electricity flows on the physical system, where those flows result in transmission congestion, and how that congestion could best be managed. ERCOT also asserted that the fact that those considerations affected AEP uniquely does not mean there was any discrimination against AEP.20 As discussed previously, the use of a post-contingency model and the consideration of market costs did not violate any ERCOT protocol. Further, the Commission finds that ERCOT's focus was on attempting to manage congestion costs, not on moving the Oklaunion plant to particular congestion zone. Accordingly,

<sup>&</sup>lt;sup>19</sup> AEP Initial Brief at 14.

<sup>&</sup>lt;sup>20</sup> Direct Testimony of Kent Saathoff, ERCOT Ex. 4 at 8-9.

the Commission does not find a violation based on arbitrary and discriminatory treatment of AEP.

#### F. Non-Protocol Procedural Issues

In addition to ERCOT's protocols, the Commission also addresses other ERCOT procedures and policies related to the 2009 congestion zone determination process, including the sufficiency of the TAC and WMS meeting minutes and the propriety of discussions that took place prior to August 29, 2008, which involved ERCOT, Luminant, J. Aron, Direct Energy, and LCRA, but which did not include AEP. The Commission does not find either of these two procedural concerns meritorious grounds for appeal. Nevertheless, the Commission directs ERCOT to ensure that minutes of TAC and WMS meetings are more explicit universally and specifically that the minutes of TAC and WMS meetings reflect ERCOT staff's positions and recommendations made during those meetings., With regard to the informal discussions that took place between August 21 and 29, 2008 among ERCOT, Luminant, J. Aron, Direct Energy, and LCRA, the Commission finds that informal discussions between ERCOT staff and stakeholders are not prohibited and further the Commission finds no evidence of improper motive in the content of the discussions. Notwithstanding its approval, generally, of informal discussions between ERCOT staff and stakeholders, the Commission admonishes ERCOT in conducting such communications among some, but not all, similarly situated stakeholders when one or more absent stakeholders may be adversely affected by the outcome of those discussions. Consequently, the Commission directs ERCOT staff to strive to include affected parties in discussions, which may be adverse to any one or more of those parties.

### III. Findings of Fact

#### **Procedural History**

- 1. On November 18, 2008, AEP filed its appeal of the ERCOT board decision.
- 2. Luminant was granted intervention on December 8, 2008.

- 3. At the December 12, 2008 prehearing conference, Brownsville Public Utilities Board, Office of Public Utility Counsel, Austin Energy, CPS Energy, PSEG Texas, and Direct Energy were granted intervener status. Direct Energy was granted intervention on December 19, 2008.
- 4. On January 12, 2009, the following parties: AEP, ERCOT, Commission Staff, Shell Energy North America (US), the Office of Public Utility Counsel, CPS Energy, the City of Austin d/b/a Austin Energy, Direct Energy, LP, CPL Retail Energy, LP, and WTU Retail Energy, LP jointly filed stipulated facts for purposes of resolving factual issues in the appeal. Not signing but not opposing the stipulation of facts were interveners: PSEG Texas, LP, the Public Utilities Board of the City of Brownsville, and Rio Grande Electric Cooperative, Inc.
- 5. Rio Grande Electric Cooperative and Shell Energy were granted intervention on January 20, 2009.
- 6. At the April 9, 2009 open meeting, the Commissioners deliberated the arguments presented by the parties on the issues identified, including (1) what prompted ERCOT to apply a post-contingency analysis for the first time; (2) what operational concerns necessitated the introduction of scenario 3i; (3) were the meetings among ERCOT staff, Luminant, J. Aron, Direct Energy, and LCRA prior to the introduction of scenario 3i at the September 4, 2008 TAC meeting appropriate; (4) was the treatment of AEP arbitrary and discriminatory; (5) was the joint WMS and TAC meeting appropriate; and (6) what would the correct remedy be if ERCOT were found to have violated the protocols or the Commission rules. The Commissioners ultimately concluded that the facts presented were not sufficient to resolve these issues and that an evidentiary hearing should be convened as soon as possible. Rather than refer the case to the State Office of Administrative Hearings, the Commissioners decided to hear the case.
- 7. The Commission found good cause for waiver of the alternative dispute resolution requirement pursuant to P.U.C. PROC. R. 22.251(c) and granted that portion of the AEP appeal to the Commission.

- 8. The Commission issued an Order on April 17, 2009 memorializing the decision in findings of fact 6 and 7.
- 9. On April 15, 2009, Order No. 12 established the procedural schedule, including a hearing on the merits by the Commission on May 8, 2009.
- 10. On April 29, 2009, Order No. 13 established procedures and guidelines for the prehearing conference and hearing on the merits and set a deadline of May 12, 2009 for filing of post-hearing briefs.
- 11. On May 8, 2009 the Commission held the hearing on the merits.

### A. ERCOT Protocol Procedural Matters

- 12. Section 7.2.1 of the ERCOT protocols establishes the process for determining CSCs.
- 13. The division of the ERCOT transmission grid into congestion management zones is based on an annual process for determining CSCs and CREs that is set forth in the ERCOT protocols.
- 14. With respect to congestion zones, if no new CSCs are considered, the previous year's congestion zones apply.
- 15. On July 11, July 22, and August 1, 2008, the results of ERCOT staff's analyses of the 2009 CSCs and congestion zones for the ERCOT transmission grid were considered by the CMWG.
- 16. On August 1, 2008, CMWG selected three scenarios (scenarios 3b, 3g, and 3h) for consideration by WMS and selected market-participant advocates to present each scenario to WMS at its August 20, 2008 meeting.
- 17. Each of the three scenarios proposed five CSCs for 2009 and four congestions zones. The scenarios differed in the selection of the West-to-North and North-to-West CSC and in congestion zone composition resulting from the clustering analysis.
- 18. On August 20, 2008, WMS recommended scenario 3h to TAC for recommendation to the ERCOT board. Under that scenario, Oklaunion was moved from the West Zone to the North Zone.

- 19. AEP has an interest in half of the output of Oklaunion.
- 20. Between the August 20 WMS meeting and August 29, 2008, ERCOT staff and four market participants (Luminant, J. Aron, Direct Energy, and LCRA) discussed ERCOT's operational concerns associated with scenario 3h and potential alternatives to address those operational concerns.
- 21. AEP did not participate in the discussions with ERCOT and the four market participants that occurred between August 20 and 29, 2008 and was not aware of them until after they occurred.
- 22. On August 29, 2008, two business days before the next TAC meeting, ERCOT staff presented scenario 3i to stakeholders for consideration at the TAC meeting on September 4, 2008.
- 23. At its September 4, 2008 meeting, TAC approved scenario 3i and recommended its adoption to the ERCOT board.
- 24. On September 16, 2008, the ERCOT board, in light of procedural concerns, remanded the TAC recommendation back to TAC to reexamine scenarios 3b, 3h, and 3i.
- 25. On October 8, 2008, a joint TAC and WMS meeting convened to consider the three scenarios and to make a recommendation to the ERCOT board for its October 2008 meeting. At that meeting, ERCOT staff stated a preference for scenario 3i.
- 26. On October 8, 2008, in separate votes, WMS first and then TAC recommended approval of scenario 3i.
- 27. On October 13, 2008, AEP appealed TAC's selection of scenario 3i to the ERCOT board.
- 28. On October 21, 2008, the ERCOT board first considered the TAC decision and AEP's appeal and then approved the 2009 congestion zones, CSCs, and boundary generation resources based on scenario 3i.

# B. ERCOT Protocol § 7.2.2 - Shift Factors

29. Protocol § 7.2.2 governs the development of congestion zones and does not specify whether a pre- or post-contingency shift factor is to be used in the clustering analysis.

- 30. During the summer of 2008, congestion was frequently observed as a result of the contingency outage of the line between Oklaunion and Bowman, resulting in the overload of the Abilene-Mulberry Creek-to-Long Creek transmission line. Thus, the post-contingency clustering aspect of scenario 3i mirrors the manner in which ERCOT operated the grid in 2008 to manage congestion.
- 31. If the CSC is a contingency element, using pre-contingency shift factors in the clustering analysis is appropriate; and if the CSC is a limiting element, using post-contingency shift factors is appropriate.
- 32. The reason that ERCOT staff deviated in 2009 from its historical use of a precontingency-based clustering analysis was that for the first time an appropriate contingency element could not be identified as a CSC candidate for the North-to-West and West-to-North Zone CSC.

### C. ERCOT Protocol § 7.2.2 - market economic criteria

- 33. Scenario 3i was developed due to operational concerns related to transfers between the West and North Zones. Scenario 3h used shift factors from a pre-contingency system model to perform the clustering analysis and define congestion zones, which required ERCOT to use local congestion management to manage West-North CSC transmission constraints. To mitigate this concern, ERCOT staff performed the clustering analysis based on a post-contingency model, forming the basis for a new scenario 3i.
- 34. The post-contingency shift factors, utilized only with scenario 3i, allowed zonal congestion management techniques to predominate in managing West-to-North CSC transmission constraints.
- 35. There are ERCOT market implications according to the method used for managing congestion. Zonal congestion costs can be directly assigned to those QSEs scheduling between the zones, while local congestion costs are uplifted for payment by all QSEs representing load.

# D. ERCOT Protocol § 7.2.1(1)(a)(i) CSC designation

- 36. The West-to-North CSC for 2009 changed from prior years because of physical changes in the topology of the ERCOT transmission grid, such as, for example, the completion of the Long Creek substation and the substantial increase in wind generation. The West-to-North CSC selected for 2009 is the Sweetwater-to-Long Creek and Abilene-Mulberry Creek-to-Long Creek 345-kV double circuit and this CSC is used for both scenario 3h and scenario 3i.
- 37. The contingency element is the transmission line that causes the overloading of the limiting element when disabled. The limiting element is the transmission line that is overloaded upon loss of the contingency element.
- 38. The Oklaunion-to-Bowman line was the likely candidate for the contingency element based on historical experience. However, ERCOT staff did not believe that flows on this transmission element would accurately represent energy flows between the West and North Zones and, therefore, the Oklaunion-to-Bowman line was not a preferred CSC candidate. Accordingly, ERCOT selected the limiting element as the West-to-North and North-to-West CSC, but for all other 2009 CSCs, the contingency element was appropriate as the CSC.
- 39. The selection of the transmission line between Abilene-Mulberry Creek and Long Creek as one element of the West-to-North CSC was the first time in the history of ERCOT's zonal market that a limiting element was selected as a CSC. In all years prior to 2009, the CSCs have always been the contingency element for all zones.

#### E. AEP's discrimination claim

40. While scenario 3i resulted in Oklaunion remaining in the West Congestion Zone, instead of being moved to the North Zone under scenario 3h, ERCOT's basis for selecting scenario 3i over 3h was based upon congestion management techniques consistent with its preferred market economic goals.

#### F. Non-protocol ERCOT procedures

- 41. Between August 20 and 29, 2008, ERCOT staff and Luminant, J. Aron, Direct Energy, and LCRA discussed operational concerns associated with scenario 3h. AEP did not participate in these discussions and was not aware of them
- 42. Substantive notice of scenario 3i was not provided to TAC members seven days in advance of the September 4, 2008 TAC meeting.

#### III. Conclusions of Law

- 1. The Commission has jurisdiction over this application under PURA §§ 39.001(c) and 39.151(a)(1) and P.U.C. PROC. R. 25.361(b). The Commission further has jurisdiction under P.U.C. PROC. R. 22.251.
- 2. The Commission, having found the record insufficient, determined that review was to be *de novo*, pursuant to P.U.C. PROC. R. 22.251(l).
- 3. Notice given to TAC members regarding the September 4, 2009 meeting was not a violation under Part IV of the TAC procedures.
- 4. The use of a post-contingency analysis was not a violation under § 7.2.2 of the ERCOT protocols.
- 5. The use of market economic considerations to elect post-contingency shift factors for the West-to-North and North-to-West CSC was not a violation under § 7.2.2 of the ERCOT protocols.
- 6. AEP was not treated in an arbitrary or discriminatory manner.

# IV. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following order:

1. The appeal by AEP of the decision of the ERCOT board that resulted in assigning Oklaunion Generating Station to the West Zone is denied.

- 2. ERCOT shall revise all ERCOT protocols that allowed or contributed to the concerns the Commission raised during the open meetings of May 21, 2009 and June 2, 2009 concerning ERCOT's 2009 CSC and congestion zone selection including, but not limited to: adding more specificity to the relevant ERCOT protocols as to the types of statistical clustering analyses that ERCOT staff may utilize to determine congestion zones; the circumstances under which ERCOT staff may use a particular type of statistical clustering analysis; and the criteria such as reliability, operational, or economic considerations that may be taken into consideration in developing congestion zones as well as more explicitly defining what is meant by multiple contingencies for purposes of determining a CSC candidate under § 7.2.1(1)(a)(i) of the ERCOT protocols.
- 3. ERCOT shall address any and all non-protocol, congestion-zone-management selection concerns that the Commission raised during the open meetings of May 21, 2009 and June 2, 2009, including but not limited to: ensuring that minutes of TAC and WMS meeting are more detailed and specifically reflect the recommendations of ERCOT staff made at those meetings; providing that in addition to timely notice of the agenda, agenda item documentation is provided to stakeholders seven days in advance of meetings; and ensuring that ERCOT staff include affected parties in discussions which may adversely affect those parties.
- 4. All other motions, requests for entry of specific findings of fact and conclusions of law, and other requests for general or specific relief, if not expressly granted herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the \_\_\_\_\_ day of July 2009.

PUBLIC UTILITY COMMISSION OF TEXAS

BARRY T. SMITHERMAN, CHAIRMAN

KENNETH W. ANDERSON, JR., CHAMISSIONER

I respectfully dissent.

DONNA L. NELSON, COMMISSIONER

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