



**Date:** August 11, 2009  
**To:** ERCOT Board of Directors  
**From:** Mark Bruce, Technical Advisory Committee (TAC) Chair  
**Subject:** Nodal Protocol Revision Request (NPRR) Parking Deck

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors (ERCOT Board) Meeting Date:** August 18, 2009

**Agenda Item No.:** 11a

**Issue:**

Consideration of a process to manage NPRRs that are not necessary for the Texas Nodal Market Implementation Date (TNMID).

**Background/History:**

With the implementation of Protocol Revision Request (PRR) 799, ERCOT Chief Executive Officer (CEO) Approval of NPRRs and System Change Requests (SCRs) Prior to Posting on Market Information System (MIS), the ERCOT CEO evaluates submitted NPRRs to determine if each NPRR is necessary prior to the TNMID. A process is needed to manage NPRRs that the ERCOT CEO determines are not necessary prior to the TNMID. On April 23, 2009, the Protocol Revision Subcommittee (PRS) unanimously recommended approval of a parking deck concept for NPRRs. On May 7, 2009, TAC recommended approval of the parking deck concept whitepaper for NPRRs with one (1) abstention from the Independent Power Marketer Market Segment. On May 20, 2009, the ERCOT Board referred the TAC recommendation to the Special Nodal Program Committee (SNPC) for review. On July 20, 2009, the SNPC endorsed the TAC recommendation with amendments to clarify the ranking of projects within the Project Prioritization List and to increase transparency regarding the projected effective date of gray boxed language. On July 21, 2009, a Board motion to endorse the SNPC recommendation failed by one (1) vote and the parking deck concept was remanded to TAC for further deliberation. On August 6, 2009, TAC unanimously recommended the Board endorse the parking deck concept as recommended by the SNPC. The concept paper as endorsed by the SNPC is included as Attachment A to this memo for your review.

**Key Factors Influencing Issue:**

TAC considered in great detail the concerns raised by ERCOT Directors regarding the challenge of approving Protocols revisions without the benefit of an accompanying Impact Analysis and the lack of certainty surrounding the approval of system changes which ultimately may not be funded and implemented. However, TAC strongly believes the process described in Attachment A is the best approach as it balances the needs for market transparency, market certainty, ERCOT system project planning functions, and critical documents version control, while supporting the Board's core goal of minimizing impacts on the nodal market implementation project. Specifically, TAC offers the following supporting reasons for approval of the TAC parking deck recommendation:

1. Better change management – The proposal will allow for the most efficient release

planning. If revisions are considered separately but packaged together, they can be reviewed together, budgeted together, and implemented together while allowing each revision to stand on its own merits. If potential revisions are tabled at TAC, numerous revisions will be ongoing at the same time, and will lead to uncertainty, inefficiency, and no optimization.

2. Version control – Effort to synchronize multiple NPRRs with current baseline will increase likelihood for error and for conflicting language. Without the parking deck solution, the Board and TAC will experience the same frustrations as during the 2007 “Baselines 1 and 2” discussions. The parking deck implements lessons learned from previous periods with version control challenges.
3. Contingent approval – In today’s change management process, there are already multiple avenues when the Board can decide to not implement a previously approved revision. The Board may decide that other higher priorities outweigh the costs to implement a revision, or may decide to cancel or not approve the project associated with a revision. The parking deck proposal gives the Board another opportunity to use its judgment to make such a decision. To address the Board’s concerns about “effective upon system implementation” gray box language in the Protocols, TAC agrees with the SNPC recommendation that another, more precise description, such as “pending funding,” could improve clarity.
4. No extra overhead – The Board does not need to review language twice if it chooses not to. Instead, it could review a list the same as or similar to today’s Project Prioritization List.
5. Appeals – If there are any appeals of an approved but pending revision, they could be handled prior to system implementation. For example, when PRR676 was appealed ERCOT had begun to implement the revision that was ultimately rejected.

**Alternatives:**

1. Approve the TAC recommendation for managing NPRRs that are not necessary for the TNMID as described in Attachment A or as modified by the ERCOT Board;
2. Reject the TAC recommendation;
3. Defer decision on the TAC recommendation; or
4. Remand the issue to TAC with instructions.

**Conclusion/Recommendation:**

As more specifically described above, TAC recommends that the ERCOT Board endorse the parking deck concept for NPRRs as described in Attachment A.



**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 adopt a process for managing Nodal Protocol Revision Requests that are deemed not necessary for the Texas Nodal Market Implementation Date.

THEREFORE be it RESOLVED, that the Board hereby endorses the process for managing Nodal Protocol Revision Requests that are deemed not necessary for the Texas Nodal Market Implementation Date as described in the whitepaper submitted by the Technical Advisory Committee.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its August 18, 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