



Date: August 11, 2009
To: Board of Directors
From: Mark Bruce, Technical Advisory Committee (TAC) Chair
Subject: Single Entry Model (SEM) Go-Live

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: August 18, 2009

Agenda Item No.: 12d

Issue:

Section 21.12.3 of the ERCOT Protocols states, “No part of the nodal market design may start operation until all the Market Readiness Criteria for that part of the nodal market design have been met.” The same Protocols section requires the ERCOT Board to certify that the readiness criteria are met before each part of the nodal market design is implemented. ERCOT is preparing for the August 31 launch of the SEM and Board certification of readiness is required prior to SEM Go-Live.

Background/History:

The SEM Go-Live is the planned August 31, 2009 switchover for all Transmission Service Provider submissions of network operations model change requests from the Texas Market Link Service Requests used today to the Network Operations Model Change Requests via the Network Model Management System to be used in the nodal market. Following SEM Go-Live, the nodal network operations model will become the official model of the ERCOT system and the current zonal model will be synched to the nodal model for the remaining life of the zonal model. Utilization of an accurate, common network model by ERCOT and Market Participants is a key first step to successful nodal market implementation.

Key Factors Influencing Issue:

The results of ERCOT’s validation testing are due to be released on August 17. The TAC will hold a special meeting on August 18 to review the results, receive Market Participant input, and vote on a recommendation to the ERCOT Board whether the SEM Go-Live readiness criteria have been satisfied. The TAC recommendation will be reported to the Board during the TAC Report at the August 18, 2009 Board of Directors meeting.

Alternatives:

1. Certify ERCOT and Market Participant readiness to implement the Single Entry Model; or
2. Do not certify ERCOT and Market Participant readiness to implement the Single Entry Model and instruct ERCOT Staff and TAC complete readiness activities and develop a revised SEM Go-Live schedule.

Recommendation:

TAC will provide a recommendation to the Board on August 18 following the conclusion of TAC deliberations that morning regarding the certification of ERCOT and Market Participant



readiness for the planned August 31 SEM Go-Live.



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

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to implement the nodal market Single Entry Model (SEM); and

WHEREAS, the Board certifies the Market Readiness Criteria for SEM-Go-Live have been met;

THEREFORE, BE IT RESOLVED, that ERCOT is hereby authorized and approved to implement the Single Entry Model component of the ERCOT nodal market design.

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