



Date: September 8, 2009
To: ERCOT Board of Directors
From: Mark Bruce, Technical Advisory Committee (TAC) Chairman
Subject: Protocol Revision Requests (PRRs)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: September 15, 2009

Agenda Item No.: 12a

Issue:

Consideration of the following PRRs:

- PRR812 – Wind Generator Forecast Scheduling (formerly “Wind Generator Forecast for Scheduling Metric”)
- PRR818 – Out-of-Merit Capacity (OOMC) for Quick Start Units – 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.

- **PRR812 – Wind Generator Forecast Scheduling (formerly “Wind Generator Forecast for Scheduling Metric”) [Wind Coalition].**

Proposed Effective Date: October 1, 2009

Chief Executive Officer (CEO) Determination: No opinion on whether or not PRR812 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.

Revision Description: This PRR specifies the process for Wind-powered Generation Resources (WGRs) to update Resource Plans and schedules every hour using the ERCOT provided most likely Short-Term Wind Power Forecast (STWPF) as the standard for accuracy.

Procedural History: PRR812 was posted on April 24, 2009. On May 21, 2009 the Protocol Revision Subcommittee (PRS) voted to reject PRR812. The motion failed via roll call vote. PRS then voted to approve PRR812 as amended by the Wholesale Market Subcommittee (WMS) comments via roll call vote. On June 18, 2009 PRS voted via roll call vote to recommend approval of PRR812 as revised by PRS, with the recommendation to change “shall” to “may” and convey to TAC and the ERCOT Board that WMS and the Qualified Scheduling Entity (QSE) Managers Working Group (QMWG) recommended the metric with “shall” language, but that the ERCOT CEO has determined Nodal resource impacts with this language; and PRS requests that the ERCOT Board determine the priority of renewable energy metrics versus impacts to Nodal. On July 9, 2009 TAC unanimously voted to remand PRR812 to PRS to work out the issues identified by TAC and to bring back

to TAC next month. On July 23, 2009, PRS voted to recommend approval of PRR812 as amended by Direct Energy comments and as revised by PRS. There was one (1) opposing vote from the Investor Owned Utility (IOU) Market Segment and one (1) abstention from the Independent Generator Market Segment. On August 6, 2009 TAC unanimously voted to recommend approval of PRR812 as amended by NEXtera Energy Resources comments and to direct TAC subcommittees to perform periodic analysis using this methodology.

- **PRR818 – OOMC for Quick Start Units [Topaz] – URGENT.**

Proposed Effective Date: October 1, 2009

CEO Determination: No opinion on whether or not PRR818 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; minor impact to a business process to handle the additional settlement and billing disputes - can be accommodated by the current ERCOT staff; no impact to grid operations.

Revision Description: This PRR provides that a Quick Start Unit that is not synchronously interconnected to the ERCOT System that receives an Out-of-Merit Energy (OOME) Dispatch Instruction or Local Balancing Energy Instruction will be settled as providing OOMC Service.

Procedural History: PRR818 was posted on June 26, 2009. On July 1, 2009, the motion to grant PRR818 Urgent status failed via PRS email vote. On July 23, 2009 PRS unanimously voted to grant PRR818 Urgent status and to table PRR818 until the August 20, 2009 PRS meeting. On August 25, 2009 PRS unanimously voted to recommend approval of PRR818 as amended by the August 24, 2009 WMS comments and to forward to TAC. On September 3, 2009 TAC unanimously voted to recommend approval of PRR818 as amended by the September 1, 2009 ERCOT comments.

The TAC Recommendation Reports, Impact Analyses, and CEO Determinations, if applicable, 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 the PRRs described herein. TAC considered the issues and voted to take action on the PRRs as described above.

Alternatives:

1. Approve the TAC recommendation on PRRs 812 and/or 818 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on PRRs 812 and/or 818;
3. Defer decision on the merits of the TAC recommendation on PRRs 812 and/or 818; or
4. Remand PRRs 812 and/or 818 to TAC with instructions.



Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve PRRs 812 and 818.



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 the following PRRs:

- PRR812 – Wind Generator Forecast Scheduling (formerly “Wind Generator Forecast for Scheduling Metric”)
- PRR818 – Out-of-Merit Capacity (OOMC) for Quick Start Units

THEREFORE be it RESOLVED, that the Board hereby approves PRRs 812 and 818.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its September 15, 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