



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

Issue for the ERCOT Board of Directors

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

Agenda Item No.: 12b

Issue:

Consideration of the following NPRRs:

- NPRR165 – Synchronizing Section 1 with Protocol Revision Request (PRR) 697
- NPRR168 – Change the Definition of “Start-up” and Include the Fuel from Breaker Close to Low Sustained Limit (LSL) in Startup Costs (formerly titled “Verifiable Costs General Corrections”)
- NPRR183 – Synchronization of PRR790, Load Profile ID Annual Validation Change Request
- NPRR184 – Section 2, Addition of Definitions and Acronyms from Zonal Protocols and Clarifications
- NPRR185 – Cancellations of Reliability Unit Commitment (RUC)-Committed Resources
- NPRR186 – Naming Convention Clarification
- NPRR188 – Mega Volt-Amperes (MVA) for Security-Constrained Economic Dispatch (SCED) Input
- NPRR192 – Qualified Scheduling Entity (QSE) Energy and Ancillary Service Compliance Criteria

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 request and do not believe it requires changes to credit monitoring activity or the calculation of liability.

- **NPRR165 – Synchronizing Section 1 with PRR697 [ERCOT].**
Proposed Effective Date: Upon Texas Nodal Market Implementation.
Chief Executive Officer (CEO) Determination: Necessary prior to the Texas Nodal Market Implementation Date (TNMID).
ERCOT Impact Analysis: No incremental cost to ERCOT; no impact to ERCOT staffing; no impact to computer systems; existing business processes can accommodate this NPRR; no impact to grid operations and practices.
Revision Description: This NPRR synchronizes the Nodal Protocols with PRR697, Posting Requirement Changes, which incorporated disclosure requirement changes resulting from P.U.C. SUBST. R. 25.505, Resource Adequacy in the Electric Reliability of Texas Power Region, adopted under Public Utility Commission of Texas (PUCT) Project No. 33490, Rulemaking Proceeding to Address Pricing Safeguards in the Markets Operated by the

Electric Reliability Council of Texas.

Procedural History: NPRR165 was posted on November 18, 2008. On December 18, 2008 the Protocol Revision Subcommittee (PRS) unanimously voted to refer NPRR165 to the Transition Plan Task Force (TPTF) for review. The Independent Generator Market Segment was not present for the vote. On March 19, 2009 PRS unanimously voted to table NPRR165. On April 23, 2009 PRS unanimously voted to table NPRR165 until NPRR156, Transparency for PSS and Full Interconnection Studies, is approved by the ERCOT Board. On June 18, 2009 PRS unanimously voted to recommend approval of NPRR165 as amended by ERCOT comments and as revised by PRS. On July 23, 2009 PRS unanimously voted to recommend approval of NPRR165 as amended by the July 20, 2009 ERCOT comments and to table NPRR165 pending an Impact Analysis and CEO Revision Request Review. On August 25, 2009 PRS unanimously voted to endorse and forward the July 23, 2009 PRS Action Report as revised by PRS and Impact Analysis for NPRR165 to TAC. On September 3, 2009 TAC unanimously voted to recommend approval of NPRR165 as recommended by PRS in the August 25, 2009 PRS Recommendation Report.

- **NPRR168 – Change the Definition of “Start-up” and Include the Fuel from Breaker Close to LSL in Start-up Costs (formerly titled “Verifiable Costs General Corrections”) [Verifiable Cost Working Group (VCWG)].**

Proposed Effective Date: Upon Texas Nodal Market Implementation

CEO Determination: No opinion on whether or not NPRR168 is necessary prior to the TNMID.

ERCOT Impact Analysis: No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this NPRR; no impact to grid operations.

Revision Description: This NPRR allows QSEs or Resource Entities to file Resource fuel consumption from breaker close to LSL and breaker open to shutdown. This NPRR includes a reduction to the startup cost that reflects an estimate of the expected revenue that would be credited to the QSE for output during the time period between breaker close and LSL. This reduction is determined by calculating a heat rate proxy that when multiplied by the appropriate fuel price will yield an estimate of the Settlement Point Price (SPP) as described in the Verifiable Cost Manual.

Procedural History: NPRR168 was posted on November 24, 2009. On December 18, 2008 PRS unanimously voted to refer NPRR168 to TPTF for review. The Independent Generator Market Segment was not present for the vote. On March 19, 2009 PRS unanimously voted to refer NPRR168 to the Wholesale Market Subcommittee (WMS) for review. On July 23, 2009 PRS unanimously voted to recommend approval of NPRR168 as amended by WMS comments and as revised by PRS. On August 25, 2009 PRS unanimously voted to endorse and forward the July 23, 2009 PRS Recommendation Report and Impact Analysis for NPRR168 to TAC. On September 3, 2009 TAC unanimously voted to recommend approval of NPRR168 as recommended by PRS in the August 25, 2009 PRS Recommendation Report.

- **NPRR183 – Synchronization of PRR790, Load Profile ID Annual Validation Change**

Request [Profiling Working Group (PWG)].

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: Necessary prior to the TNMID.

ERCOT Impact Analysis: No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business processes can accommodate this NPRR; no impact to grid operations.

Revision Description: This NPRR synchronizes the Nodal Protocols with PRR790, Load Profile ID Annual Validation Change Request, which allows for changes in the Annual Validation process timeline due to extreme events.

Procedural History: NPRR183 was posted on June 22, 2009. On July 23, 2009 PRS unanimously voted to recommend approval of NPRR183 as submitted. On August 25, 2009 PRS unanimously voted to endorse and forward the July 23, 2009 PRS Recommendation Report and Impact Analysis for NPRR183 to TAC. On September 3, 2009 TAC unanimously voted to recommend approval of NPRR183 as recommended by PRS in the August 25, 2009 PRS Recommendation Report.

- **NPRR184 – Section 2, Addition of Definitions and Acronyms from Zonal Protocols and Clarifications [ERCOT].**

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: Necessary prior to the TNMID.

ERCOT Impact Analysis: No cost impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impact to ERCOT grid operations and practices.

Revision Description: This NPRR incorporates certain definitions and acronyms from the zonal Protocols for terms that are used in the Nodal Protocols but are not defined in Section 2, Definitions and Acronyms. Some of these definitions have been slightly modified for use in the Nodal Protocols. This NPRR also makes clarifying revisions to Section 2.

Procedural History: NPRR184 was posted on June 24, 2009 PRS unanimously voted to recommend approval of NPRR184 as submitted. On August 25, 2009 PRS unanimously voted to endorse and forward the July 23, 2009 PRS Recommendation Report as amended by the August 21, 2009 ERCOT comments and Impact Analysis for NPRR184 to TAC. On September 3, 2009 TAC unanimously voted to recommend approval of NPRR184 as recommended by PRS in the August 25, 2009 PRS Recommendation Report.

- **NPRR185 – Cancellations of RUC-Committed Resources [WMS].**

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: No opinion on whether or not NPRR185 is necessary prior to the TNMID.

ERCOT Impact Analysis: No cost impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impact to ERCOT grid operations and practices.

Revision Description: This NPRR will provide units that are cancelled after being RUC-committed in the Day-Ahead RUC (DRUC) or Hourly RUC (HRUC) a process to recover costs that they incur between the time of RUC commitment and the cancellation of the

RUC. These costs would include actual fuel and Operations and Management (O&M) expenses that were incurred by the cancellation.

Procedural History: NPRR185 was posted on July 6, 2009. On July 23, 2009 PRS unanimously voted to recommend approval of NPRR185 as submitted. On August 25, 2009 PRS unanimously voted to endorse and forward the July 23, 2009 PRS Recommendation Report and Impact Analysis for NPRR185 to TAC. On September 3, 2009 TAC unanimously voted to recommend approval of NPRR185 as recommended by PRS in the August 25, 2009 PRS Recommendation Report.

- **NPRR186 – Naming Convention Clarification [Network Data Support Working Group (NDSWG)].**

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: No opinion on whether or not NPRR186 is necessary prior to the TNMID.

ERCOT Impact Analysis: No cost impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impact to ERCOT grid operations and practices.

Revision Description: This NPRR clarifies the Nodal Protocols regarding the naming convention approved by TAC by removing the requirement for use of a prefix within the name of Transmission Elements. The naming convention does not and should not require inclusion of a prefix to identify Transmission Service Providers (TSPs).

Procedural History: NPRR186 was posted on July 9, 2009. On July 23, 2009 PRS unanimously voted to recommend approval of NPRR186 as submitted. On August 25, 2009 PRS unanimously voted to endorse and forward the July 23, 2009 PRS Recommendation Report and Impact Analysis for NPRR186 to TAC. On September 3, 2009 TAC unanimously voted to recommend approval of NPRR186 as recommended by PRS in the August 25, 2009 PRS Recommendation Report and as revised by TAC.

- **NPRR188 – MVA for SCED Input [NDSWG].**

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: No opinion on whether or not NPRR188 is necessary prior to the TNMID.

ERCOT Impact Analysis: No cost impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impact to ERCOT grid operations and practices.

Revision Description: This NPRR removes the TSP requirement to provide MVA to be used in Real-Time sequence and SCED. This NPRR also corrects the use of Common Information Model (CIM) and corrects the Dynamic Rating requirement.

Procedural History: NPRR188 was posted on July 10, 2009. On July 23, 2009 PRS voted to recommend approval of NPRR188 as submitted with one (1) abstention from the Independent Generator Market Segment. On August 25, 2009 PRS unanimously voted to endorse and forward the July 23, 2009 PRS Recommendation Report and Impact Analysis for NPRR188 to TAC. On September 3, 2009 TAC unanimously voted to recommend approval of NPRR188 as recommended by PRS in the August 25, 2009 PRS



Recommendation Report.

- **NPRR192 – QSE Energy and Ancillary Service Compliance Criteria [PUCT/TRE/ERCOT].**

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: No opinion on whether or not NPRR192 is necessary prior to the Texas Nodal Implementation Date.

ERCOT Impact Analysis: Less than \$50K – budget impact will be accommodated by anticipated cost savings for Nodal Program; no ERCOT staffing impacts; impacts to ERCOT Energy Management System (EMS) and Enterprise Data Warehouse (EDW); no impacts to ERCOT business functions; no impact to ERCOT grid operations and practices.

Revision Description: This NPRR establishes performance criteria for following energy deployments and/or providing Ancillary Services which must be met by Generation and Load Resources. For performance in providing Ancillary Services, the NPRR includes criteria for both Ancillary Service Capacity Monitoring and for periods during which ERCOT has deployed Ancillary Services. The calculation of energy deployment performance is also updated.

Procedural History: NPRR192 was posted on August 11, 2009. On August 25, 2009 PRS voted to recommend approval of NPRR192 as amended by CPS Energy comments and as revised by PRS, with X=5%, Y=5MW, and Z=10% and values to be reevaluated and modified as necessary by TAC and the Texas Regional Entity (TRE) beginning two (2) months prior to the TNMID and as necessary after the TNMID. There were two (2) abstentions from the Consumer and Investor Owned Utility (IOU) Market Segments. On September 3, 2009 TAC unanimously voted to recommend approval of NPRR192 as recommended by PRS in the August 25, 2009 PRS Recommendation Report and as revised by TAC, with X=5%, Y=5MW, and Z=10% and values to be reevaluated and modified as necessary by TAC and the TRE beginning two months prior to the TNMID and as necessary after the TNMID.

The TAC Recommendation Reports, Impact Analyses, and CEO Revision Request Reviews for these NPRRs are included in the ERCOT Board meeting materials. In addition, these NPRRs and supporting materials are posted on the ERCOT website at the following link: <http://nodal.ercot.com/protocols/npr/index.html>.

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted recommendation reports to TAC regarding the NPRRs described herein. TAC considered the issues and voted to take action on the NPRRs as described above.

Alternatives:

1. Approve the TAC recommendation on NPRRs 165, 168, 183, 184, 185, 186, 188, and/or 192 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on NPRRs 165, 168, 183, 184, 185, 186, 188, and/or 192;
3. Defer decision on the TAC recommendation on NPRRs 165, 168, 183, 184, 185, 186, 188,



and/or 192; or

4. Remand NPRRs 165, 168, 183, 184, 185, 186, 188, and/or 192 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 165, 168, 183, 184, 185, 186, 188, and 192 as described herein.



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 NPRRs:

- NPRR165 – Synchronizing Section 1 with Protocol Revision Request (PRR) 697
- NPRR168 – Change the Definition of “Start-up” and Include the Fuel from Breaker Close to Low Sustained Limit (LSL) in Startup Costs (formerly titled “Verifiable Costs General Corrections”)
- NPRR183 – Synchronization of PRR790, Load Profile ID Annual Validation Change Request
- NPRR184 – Section 2, Addition of Definitions and Acronyms from Zonal Protocols and Clarifications
- NPRR185 – Cancellations of Reliability Unit Commitment (RUC)-Committed Resources
- NPRR186 – Naming Convention Clarification
- NPRR188 – Mega Volt-Amperes (MVA) for Security-Constrained Economic Dispatch (SCED) Input
- NPRR192 – Qualified Scheduling Entity (QSE) Energy and Ancillary Service Compliance Criteria

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 165, 168, 183, 184, 185, 186, 188, and 192.

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