

DOCKET NO. 37819

NEXTERA ENERGY RESOURCES, §
LLC'S APPEAL OF PROTOCOL § PUBLIC UTILITY COMMISSION
REVISION REQUEST NO. 830 §
ADOPTED BY THE ELECTRIC § OF TEXAS
RELIABILITY COUNCIL OF TEXAS §

**NEXTERA ENERGY RESOURCES, LLC'S APPEAL AND
MOTION FOR PARTIAL SUSPENSION OF PROTOCOL REVISION REQUEST
NO. 830 ADOPTED BY THE ELECTRIC RELIABILITY COUNCIL OF TEXAS**

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I. INTRODUCTION	3
II. AFFECTED PARTIES	6
III. STATEMENT OF THE CASE.....	6
IV. STATEMENT OF ALL ISSUES OR POINTS PRESENTED	9
V. STATEMENT OF FACTS	9
VI. QUESTIONS OF FACT FOR EVIDENTIARY HEARING	14
VII. ARGUMENT.....	14
A. PRR 830's Application to Existing WGRs Lacks a Rational Basis	14
1. ERCOT's Erroneous Protocol Interpretation and Claim that PRR 830 "Clarified" Previous Protocols Curtailed Necessary Analysis of PRR 830.....	15
a. ERCOT's Withdrawn Protocol Interpretation is Erroneous	15
i. ERCOT's Protocol Interpretation is Inconsistent with the pre-PRR 830 Protocols and other ERCOT Documents	15
ii. ERCOT's Protocol Interpretation is Inconsistent with ERCOT and TSP Conduct over the Last Four Years	16
iii. ERCOT's Protocol Interpretation is Inconsistent with PURA.....	18

iv.	ERCOT's Protocol Interpretation is Inconsistent with Industry Norms and Wind Turbine Capabilities at the Time	19
v.	ERCOT's Protocol Interpretation Violates Protections from Laws that are Unconstitutionally Vague.....	23
b.	ERCOT's Protocol Interpretation and "Clarification" Claim were Erroneously Used to Justify Hasty and Inadequate Consideration of PRR 830.....	24
2.	Study Assumptions by ERCOT Staff and "Philosophy" are Not Protocols	24
3.	PRR 830 Proponents' Vague Comments about Reliability are not Supported by any Study, are Contradicted by the Only Study that was Presented, and are not Credible	25
B.	PRR 830's "Pay the TSP" and "Proposal to ERCOT" Provisions Do Not Provide Meaningful Alternatives	26
C.	Applying PRR 830 to Existing WGRs Could Cause Significant Harm to NextEra's Existing WGRs	27
D.	Applying PRR 830 to Existing WGRs Circumvented the ADR Process and the Commission's Statutory Role and Violated Due Process.....	29
E.	PRR 830's Treatment of Existing WGRs is Unsound Policy and Violates PURA.....	31
F.	PRR 830 is Subject to a Stringent Standard of Commission Review.....	34
G.	PRR 830 Violates Constitutional Protections on Delegation of Legislative Power to a Private Entity.....	36
H.	PRR 830 Violates Constitutional Protections on Takings	41
VIII.	MOTION FOR SUSPENSION.....	42
A.	Suspension is Necessary to NextEra's Ability to Obtain Meaningful or Timely Relief.....	42
B.	Good Cause Exists for Suspension	42
IX.	PROCEDURAL MOTIONS.....	46
X.	CONCLUSION.....	46
EXHIBITS:		
A	Affidavit	
B	Written Record from ERCOT Process that Led to PRR 830's Approval	
C	Transcript of ERCOT Board Meeting Discussion of PRR 830	

TO THE HONORABLE CHAIRMAN AND COMMISSIONERS OF THE PUBLIC UTILITY
COMMISSION OF TEXAS:

Pursuant to P.U.C. PROC. R. 22.251, on behalf of its subsidiaries that are Existing Wind-power Generation Resources (“WGRs”),¹ NextEra Energy Resources, LLC (“NextEra”) respectfully files this appeal and motion for partial suspension of Protocol Revision Request (“PRR”) No. 830 (“Appeal”). The Electric Reliability Council of Texas (“ERCOT”) adopted PRR 830 on November 17, 2009. This Appeal seeks relief only from implementation of PRR 830’s Reactive Power requirements against “Existing WGRs.” For this purpose, “Existing WGRs” is narrowly defined to mean “WGRs that commenced operation in ERCOT on or after February 17, 2004, and were operational and connected to the ERCOT grid no later than December 1, 2009 (the effective date of PRR 830).”² This Appeal is thus limited to PRR 830’s most serious retroactive effect, and does not alter the Reactive Power requirements that PRR 830 imposes on new wind generation.³ This Appeal is filed within 35 days of the ERCOT Board’s adoption of PRR 830, and is therefore timely.⁴

I. INTRODUCTION

Retrofitting NextEra’s Existing WGRs to comply with PRR 830 could cost tens of millions of dollars, with no showing that it is needed or would improve reliability. PRR 830 was adopted hastily, with little substantive consideration and virtually no amendments, in express

¹ These NextEra subsidiaries are listed in the Chronology in Section V of this Appeal. They are all Commission-registered power generation companies (“PGCs”) and ERCOT-registered WGRs.

² Certain Generation Resources, including all Generation Resources that were in operation before September 1, 1999 and Qualified Renewable Generation Resources in operation before February 17, 2004, whose current design does not allow them to meet such Reactive Power requirements, are expressly exempted from the Reactive Power requirements of PRR 830.

³ This does not mean that NextEra agrees with aspects of PRR 830 not included in this Appeal.

reliance on regulatory “philosophy”⁵ and a disputed and withdrawn Protocol Interpretation⁶ that, at ERCOT’s urging, the Commission has not yet reviewed. All 1708.5 megawatts (“MW”) of NextEra’s Existing WGRs that are subject to PRR 830’s Reactive Power requirements began commercial operation before ERCOT even issued its Protocol Interpretation. PRR 830 conflicts with previous ERCOT and transmission service provider (“TSP”) conduct regarding NextEra’s Existing WGRs, deletes Protocol language they have relied on, and subjects them to costly and excessive Reactive Power requirements.

The heart of this dispute is whether to require Existing WGRs to supply Reactive Power capability in a “Triangle” or a “Rectangle.” For four years the Triangle has been NextEra’s understanding of the Protocol requirements, as shown in many interconnection and other formal documents NextEra submitted without objection from the TSPs or ERCOT. The Rectangle is the interpretation taken in ERCOT’s November 2008 Protocol Interpretation and imposed on Existing WGRs in PRR 830. The difference is summarized below:

- The Triangle means that Reactive Power is available in direct proportion to the actual power generated. When wind increases, the Existing WGR generates more power and makes more Reactive Power available.

⁴ P.U.C. PROC. R. 22.251(d); ERCOT Protocol § 21.4.11.3.

⁵ See Exhibit B, 830 PRR-41 Board Action Report 111709, Summary of PRS Discussion (“On 10/22/09, ERCOT staff explained that PRR830 is not intended to change the philosophy of the Protocols”); 830PRR-36 ERCOT ISO Position Statement 111009 at 3 (“ERCOT ISO believes that having a common, minimum set of standards for all Generation Resources levels the playing field and enables all Generation Resources to compete on an equal basis”); 830PRR-35, TAC Advocate Position Statement at 2 (“the philosophy behind the ERCOT requirements is that generators have a fixed requirement”).

⁶ “Protocol Interpretation Request on Reactive Power Capability Requirements,” M-D111308-01 Legal (Nov. 13, 2008) (“Protocol Interpretation”).

- The Rectangle requires an Existing WGR to supply Reactive Power at the highest possible level regardless of wind level and its actual power output. Under PRR 830, the only exception is when the Existing WGR's power output is ten percent or less of rated capacity, in which case ERCOT can order that the unit be disconnected from the grid.

In the past 18 months, NextEra has spent large sums in response to PRRs that required new or upgraded capabilities and processes for Existing WGRs to support operational reliability.⁷ These new requirements were supported, even authored, by WGRs. NextEra has not argued and will not argue that Existing WGRs cannot be required to provide new or upgraded technical capabilities. Even when new requirements require substantial unit outages and/or dedication of significant technical and financial resources, NextEra does not oppose retrofits out of hand, but asks that proponents provide reasonable justification and analysis to support the value of the proposed requirements. ERCOT's adoption of PRR 830 not only lacks such support, but raises other significant concerns, discussed in this Appeal.

Exhibit A to this Appeal is a supporting affidavit. Exhibit B is a copy of the written record from the ERCOT process that led to PRR 830's approval, and a supporting affidavit. Exhibit C is the transcript of the ERCOT Board meeting discussion of PRR 830.

In support of this Appeal, NextEra shows the following.

⁷ Examples include upgrading generation control systems to implement ramp rate limitations (PRR 778); installing additional data-gathering equipment and telemetry to support development of the ERCOT system-wide wind forecast and accelerated implementation of Texas Nodal Market requirements deemed to have immediate benefit (PRR 794); and changes to key operational processes to support ERCOT's ability to manage wind variability-related issues (PRRs 763, 773, and 793). See Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 3.

II. AFFECTED PARTIES

The relief sought in this Appeal would, if granted, affect ERCOT. NextEra is serving a copy of this Appeal on ERCOT's General Counsel:

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As required by PROC. R. 22.251(d)(1), NextEra provides the following information:

III. STATEMENT OF THE CASE

Underlying Proceedings. PRR 830 was submitted by ERCOT staff on September 8, 2009, pursuant to § 21.2 of the Protocols. Urgent status was granted on September 10, 2009, and the PRR was subsequently approved by the Protocol Revision Subcommittee ("PRS"), the Technical Advisory Committee ("TAC"), and the ERCOT Board.⁸

A related case is Docket No. 36482.⁹

Identity of Directly Affected Entities or Classes. Granting NextEra's requested relief would affect Existing WGRs. NextEra does not know the identity of all of these similarly situated entities.

Concise Description of Conduct From Which Relief is Sought. NextEra seeks review of the reasonableness of ERCOT's adoption of PRR 830 with respect to all Existing WGRs,

⁸ The PRS initially referred PRR 830 to the Reliability and Operations Subcommittee ("ROS"), where it was recommended for approval and sent back to the PRS.

requiring them to make available at their points of interconnection, at all MW output levels, a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT.

Statement of Applicable ERCOT Procedures and Protocols. The following ERCOT Protocols are relevant to this Appeal: §§ 2.1 (Definitions); 6.5.7.1 (Generation Resources Required to Provide VSS Installed Reactive Capacity); 6.5.7.2 (QSE Responsibilities) and 6.7.6 (Deployment of Voltage Support Service).

NextEra used the procedures available under Protocol § 21, including submission of comments and active participation in all ERCOT meetings wherein PRR 830 was considered and approved over NextEra's objections. NextEra also submitted two alternatives, PRR 835 and an alternative to PRR 830 it proposed to the Board,¹⁰ which were rejected.

As a matter of law, ADR is not a prerequisite to an appeal of ERCOT's adoption of a PRR. This is clear from P.U.C. PROC. R. 22.251(c)'s use of the disjunctive "or":

An entity must use Section 20 of the ERCOT Protocols (Alternative Dispute Resolution Procedures, or ADR), or Section 21 of the Protocols (Process for Protocol Revision), or other Applicable ERCOT Procedures, before presenting a complaint to the commission. For the purpose of this section, the term "Applicable ERCOT Procedures" refers to Sections 20 and 21 of the ERCOT Protocols and other applicable sections of the ERCOT protocols that are available to challenge or modify ERCOT conduct, including participation in the protocol revision process.¹¹

Nor do the Protocols require ADR before appealing adoption of a PRR.¹²

⁹ *Appeal of Competitive Wind Generators Regarding the Electric Reliability Council of Texas' Interpretation of the Reactive Power Protocols*, Docket No. 36482, Order (December 8, 2009).

¹⁰ See Exhibit B, 830PRR-30 NextEra Energy Resources Appeal 110609.

¹¹ Emphasis added. See also P.U.C. SUBST. R. 25.362(c)(2).

¹² See Protocol §§ 21.1, 21.4.11 and 21.4.11.3.

In the alternative, pursuant to P.U.C. PROC. R. 22.251(c)(2) NextEra requests a good cause waiver of any requirement to engage in ADR before filing this Appeal. An ADR requirement would be fruitless and harmful to NextEra:

- ERCOT staff cannot reverse a PRR adopted by the ERCOT Board.
- ERCOT's legal positions, as well as negotiations and ADR¹³ between ERCOT and NextEra regarding these issues, indicate that requiring ADR regarding this Appeal would merely delay Commission review.
- PRR 830 is in effect with a December 31, 2010 deadline for Existing WGRs. From start to finish, retrofitting NextEra's Existing WGRs would take at least nine months, and might take significantly longer, as discussed in Section VII.C. Under the facts discussed in this Appeal, NextEra should not be forced to begin incurring the very costs that are the purpose of this Appeal or risk sanctions.

These matters are discussed further in sections that follow.

Statement Related to Suspension. Section VIII of this Appeal is NextEra's motion for partial suspension of PRR 830 during pendency of this Appeal, as permitted under P.U.C. PROC. R. 22.251(d)(2) and (i). The suspension would be of implementation of PRR 830's Reactive Power requirements with respect to Existing WGRs.

Commission Jurisdiction. The Commission has jurisdiction over this Appeal under PURA¹⁴ §§14.001, 39.001, 39.003, and 39.151.

¹³ Since August 12, 2009, NextEra has been in ADR with ERCOT regarding ERCOT's insistence on its withdrawn Protocol Interpretation. ERCOT cited its Protocol Interpretation to stakeholders as a justification both for adopting PRR 830 and for not being concerned about PRR 830's impact on Existing WGRs.

¹⁴ Public Utility Regulatory Act ("PURA"), TEX. UTIL. CODE §§ 11.001-64.158 (West 2007 & Supp. 2009).

IV. STATEMENT OF ALL ISSUES OR POINTS PRESENTED

This Appeal presents the following issues:

1. Whether it was reasonable and lawful for ERCOT to impose the Reactive Power requirements of PRR 830 on Existing WGRs.
2. Whether ERCOT used a lawful process in adopting PRR 830 with respect to Existing WGRs.
3. Whether ERCOT should have first performed a study to demonstrate the need for Existing WGRs to provide the Reactive Power capability required by PRR 830.
4. Whether unintended reliability consequences could result from imposing the Reactive Power requirements on all Existing WGRs regardless of demonstrated need.
5. Whether the PRR 830 language describing how Existing WGRs can comply is so vague as to be meaningless and unenforceable.
6. Whether PRR 830's application of its Reactive Power requirements to Existing WGRs is unsound as a matter of policy.

V. STATEMENT OF FACTS

Voltage Support Service ("VSS") is required to maintain transmission and distribution voltages on the ERCOT transmission grid within acceptable limits. It is an uncompensated ancillary service supplied by a Generation Resource that provides Reactive Power (measured by megavolt-amperes reactive ("VARs")) to the grid, allowing ERCOT to control and maintain the flow of electricity on the transmission system. TSPs also provide VAR support to the grid through the installation of capacitors and reactors.

ERCOT Protocols §§ 6.5.7.1 and 6.7 were included, for the most part, in the initial Protocols and approved by the Commission in Docket No. 23220.¹⁵ On February 17, 2004,

¹⁵ *Petition of the Electric Reliability Council of Texas for Approval of the ERCOT Protocols*, Docket No. 23220, Order on Rehearing (Jun. 4, 2001).

ERCOT approved PRR 473, which included certain exceptions for Qualified Renewable Generation Resources in operation before February 17, 2004. As noted above, *all* Generation Resources in operation prior to September 1, 1999, are also exempted from the Reactive Power requirements that PRR 830 imposes on WGRs.

Until PRR 830 was adopted, the following Protocols read as follows:

§6.5.7.1 *Generation Resources Required to Provide VSS Installed Reactive Capability*

- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power at rated capability (MW) to maintain a Voltage Profile established by ERCOT. This quantity of Reactive Power is the Unit Reactive Limit (URL).
- (2) Generation Resources required to provide VSS except as noted below in items (3) or (4), shall have and maintain a URL, which has an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the transmission grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the point of interconnection to the TDSP.

§6.7.6 *Deployment of Voltage Support Service*

- (5) At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.

That NextEra's Existing WGRs provide Reactive Power according to the Triangle has been clear for years in documents they have submitted in connection with the interconnection of

their new wind generation to the ERCOT grid, registration of generation assets, and scheduling of transmission service. TSPs performed interconnection studies and negotiated with the WGRs with respect to the facilities that the WGRs were required to install. The WGRs and interconnecting TSPs then executed Standard Generation Interconnection Agreements (“SGIAs”). The WGRs filed required reports with ERCOT, during and after the interconnection process,¹⁶ demonstrating the Reactive Power capabilities of their generating equipment.

On November 13, 2008, ERCOT issued its Protocol Interpretation, construing the above Protocol language in a manner that differs from the construction reflected in documents described in the preceding paragraph. ERCOT did so with a legal notice to all ERCOT market participants “clarifying” the Reactive Power requirements therein. According to ERCOT Legal, the above Protocols require a Generation Resource to provide Reactive Power at its Unit Reactive Limit (“URL”) at all times (“the Rectangle”), regardless of how much real power the Resource is generating. Certain Generation Resources, including Existing WGRs, produce Reactive Power at their URL only when operating at full output, producing less Reactive Power at lower power outputs, but remaining able to maintain the required power factor of 0.95 (“the Triangle”).

On December 12, 2008, several WGRs (Competitive Wind Generators, or “CWG”) filed an appeal of the Protocol Interpretation, which was assigned Docket No. 36482.

On June 1, 2009, ERCOT issued a Market Notice withdrawing the Protocol Interpretation on the basis that ERCOT failed to comply with the P.U.C. SUBST. R. 25.503(i)(3) requirement to

¹⁶ See Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 1.

consult with Commission staff before issuing it. ERCOT's Market Notice states: "ERCOT's opinion of the ERCOT Protocol Reactive Power capability requirements is unchanged."

On September 8, 2009, ERCOT staff filed PRR 830, which stated that it "clarifies" Protocol §§ 6.5.7.1 and 6.7 to reflect the withdrawn Protocol Interpretation.¹⁷

At the November 5, 2009, open meeting, the Commission orally voted to grant an ERCOT motion to dismiss Docket No. 36482, on procedural grounds only, due to CWG's not having first pursued ADR with ERCOT with respect to its appeal.

On November 17, 2009, the ERCOT Board adopted PRR 830 following approval by the required stakeholder committees. PRR 830 took effect on December 1, 2009.

On December 8, 2009, the Commission issued its Order dismissing Docket No. 36482.

Through its PGC subsidiaries, NextEra has 1708.5 MW of Existing WGR capacity subject to the Reactive Power requirements of PRR 830. The in-service dates of this NextEra Existing WGR capacity and key dates relating to this Appeal are shown in the chronology below:

Chronology	
2/17/04	ERCOT approves PRR 473, amending the Protocols regarding Reactive Power requirements.
2/05	Callahan Divide ¹⁸ (114 MW) goes in service. ¹⁹
11/05	Horse Hollow Phase I ²⁰ (213 MW) goes in service.
4/06	Red Canyon I ²¹ (84 MW) goes in service.
6/06	Horse Hollow Phase III ²² (223.5 MW) goes in service.

¹⁷ See Exhibit B, 830PRR-01 Reactive Power Capability Requirement 090809 at 1-2.

¹⁸ Its legal name is FPL Energy Callahan Wind, LP.

¹⁹ Some of these WGRs began delivering small amounts of energy during the commissioning process before the dates shown.

²⁰ Its legal name is FPL Energy Horse Hollow Wind, LLC.

²¹ Its legal name is Post Wind Farm, LP.

9/06	Horse Hollow Phase II ²³ (299 MW) goes in service.
11/07	Capricorn Ridge ²⁴ (364 MW) goes in service.
4/08 to 5/08	Capricorn Ridge expansion ²⁵ (298.5 MW) goes in service.
10/08	Wolf Ridge ²⁶ (112.5 MW) goes in service.
11/13/08	ERCOT Legal issues its Protocol Interpretation.
12/12/08	CWG files its appeal of ERCOT's Protocol Interpretation to the Commission, which is assigned Docket No. 36482.
6/1/09	ERCOT withdraws its Protocol Interpretation but states: "ERCOT's opinion of the ERCOT Protocol Reactive Power capability requirements is unchanged."
8/12/09	After informal negotiations, NextEra begins ADR with ERCOT regarding ERCOT's insistence on its withdrawn Protocol Interpretation. Despite several requests by NextEra, the meeting of senior representatives that will allow the ADR to conclude has not yet occurred.
9/8/09	ERCOT staff proposes PRR 830, citing its withdrawal of its Protocol Interpretation and Docket No. 36482 in justifying its request that the PRR be granted urgent status, and requesting a November 1, 2009 effective date. ²⁷
11/5/09	Commissioners orally vote to dismiss Docket No. 36482.
11/17/09	ERCOT Board approves PRR 830, with virtually no changes from the original proposal except a one-month delay to the effective date.
12/8/09	Commission issues its order dismissing Docket No. 36482.

Thus all 1708.5 MW of NextEra's Existing WGRs that are subject to PRR 830's Reactive Power requirements began commercial operation before ERCOT issued its Protocol Interpretation.

²² It is part of the entity whose legal name is FPL Energy Horse Hollow Wind II, LLC.

²³ It is part of the entity whose legal name is FPL Energy Horse Hollow Wind II, LLC.

²⁴ This is Phases I and II, which are part of the entity whose legal name is Capricorn Ridge Wind, LLC.

²⁵ This is Phases III and IV. Phase III is part of the entity whose legal name is Capricorn Ridge Wind, LLC and its expansion was 186 MW. The legal name of Phase IV is Capricorn Ridge Wind II, LLC, whose generating capacity was 112.5 MW.

²⁶ Its legal name is Wolf Ridge Wind, LLC.

²⁷ See Exhibit B, 830PRR-01 Reactive Power Capability Requirement 090809 at 1-2.

VI. QUESTIONS OF FACT FOR EVIDENTIARY HEARING

1. Did ERCOT staff perform a study or develop data showing that imposing PRR 830's Reactive Power requirements on Existing WGRs is: (1) needed for system reliability, or (2) effective, cost-effective, and reasonable?
2. Is the "Rectangle" considered the industry norm for WGRs outside of ERCOT's Protocol Interpretation and adoption of PRR 830?
3. Do ERCOT's, TSPs' and Existing WGRs' conduct since 2004 support ERCOT's Protocol Interpretation and position that PRR 830 clarified the Protocols?
4. What harm would NextEra's Existing WGRs face from imposing PRR 830's Reactive Power requirements on its Existing WGRs?
5. What is the cost and feasibility for NextEra's Existing WGRs of PRR 830 options besides retrofitting?

VII. ARGUMENT

This Appeal should be granted for reasons discussed below.

A. PRR 830's Application to Existing WGRs Lacks a Rational Basis

ERCOT and stakeholder proponents of PRR 830 made three basic arguments:

- An erroneous claim that PRR 830 "clarified" previous Protocols, which was used to justify the lack of study and of serious consideration of the need for, problems with, and alternatives to implementing PRR 830 with respect to Existing WGRs;
- A regulatory "philosophy" that ignores differences in the technical attributes and advantages of various technology types and that is at odds with the law, the facts and sound policy;
- Vague assertions about reliability that are not supported by any study showing a need to impose PRR 830's requirements on Existing WGRs, and that are contradicted by ERCOT and the TSP conduct regarding interconnection of NextEra's Existing WGRs to the

ERCOT grid, registration of those generation assets, and scheduling of transmission service, and contradicted by the only study in the record, which was done by NextEra.

As discussed below, none of these three arguments by PRR 830 proponents is valid or justifies application of PRR 830 to Existing WGRs, and none deserves deference in the Commission's consideration of this case.

1. ERCOT's Erroneous Protocol Interpretation and Claim that PRR 830 "Clarified" Previous Protocols Curtailed Necessary Analysis of PRR 830

As discussed below, ERCOT's Protocol Interpretation and claim that PRR 830 clarified previous Protocols were wrong, and curtailed the type of study and consideration that were needed before imposing PRR 830's Reactive Power requirements on Existing WGRs.

a. ERCOT's Withdrawn Protocol Interpretation is Erroneous

i. ERCOT's Protocol Interpretation is Inconsistent with the pre-PRR 830 Protocol Language and other ERCOT Documents

Until ERCOT adopted PRR 830 last month, Protocol §§ 6.5.7.1(2) and 6.7.6(5) indicated that "URL" refers to Reactive Power produced when a Resource is operating at its rated capability, and that the required Reactive Power capability varies with the Resource's actual power production. PRR 830 deleted the reference to "URL" in § 6.5.7.1(2). It also deleted all of § 6.7.6(5). That section contained the language italicized below that described and authorized the Triangle Reactive Power capability curve:

At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power

available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.²⁸

Other ERCOT requirements and documents also supported the Triangle interpretation. For example, Protocols § 6.5.7.2(7) reads:

QSE shall advise ERCOT Operations whenever their Generation Resources are not operating at a power factor level as specified in the Operating Guides. Upon such notice, ERCOT Operations, in conjunction with the appropriate TSP, shall investigate the situation with the goal of restoring the reported unit's operation to within the specified power factor range. Actions that ERCOT may take include the addition or removal of transmission reactive devices to/from service or a request to another Generator Resource within electrical proximity for the production of leading or lagging VARS (as appropriate) so as to equitably share the need for voltage support among Generation Resources. Requests arising within the context of this subsection may not result in the operation of a Generation Resource outside of the specified reactive operating range. Accordingly, Generation Resources are expected to voluntarily comply with these requests. Nothing in this subsection is meant to supersede ERCOT's Dispatch authority in the event of emergency operations.²⁹

Operating Guide § 3.1.4.1 states: "ERCOT has the right and obligation to Dispatch the reactive output (VARs) of each generation Facility within its design capability to maintain adequate transmission voltage in ERCOT."³⁰

ii. ERCOT's Protocol Interpretation is Inconsistent with ERCOT and TSP Conduct over the last Four Years

That NextEra's Existing WGRs were designed based on the Triangle is shown in many documents it has submitted in connection with interconnection of new wind generation, registration of generation assets, and scheduling of transmission service. ERCOT performed the required security screening studies for NextEra's Existing WGRs, the WGRs signed SGIAAs with the TSPs, and ERCOT has been scheduling transmission service. Given ERCOT's and the

²⁸ Emphasis added.

²⁹ Emphasis added.

TSPs' duties in that regard, NextEra's Existing WGRs reasonably expected that ERCOT and the TSPs considered those WGRs' designs to be compliant with the Protocols and that if there had been concerns, they would have been raised so NextEra could address them in advance.

ERCOT and the TSPs' roles are described in Commission rules and Protocols:

- "ERCOT shall . . . accept and supervise the processing of all requests for interconnection to the ERCOT transmission system from owners of new generating facilities; . . . plan the ERCOT transmission system; . . . administer procedures for the registration of market participants; . . ."³¹
- "**Conditions precedent for receiving service.** Subject to the terms and conditions of this section and in accordance with the ERCOT Protocols and commission-approved tariffs, the TSP will provide transmission service to any transmission service customer . . . provided that: (1) the transmission service customer has complied with the applicable provisions of the ERCOT Protocols; . . . **Technical arrangements to be completed prior to commencement of service.** Service under this section shall not commence until the installation has been completed of all equipment specified under the interconnection agreement, consistent with guidelines adopted by the national reliability organization and ERCOT . . ."³²
- "To register as a Resource, an Entity must: . . . Demonstrate to ERCOT's reasonable satisfaction that it is capable of performing the functions of a Resource, . . . Demonstrate

³⁰ Emphasis added.

³¹ P.U.C. SUBST. R. 25.361(c) (emphasis added).

³² P.U.C. SUBST. R. 25.198(b) and (e).

that it is capable of complying with the requirements of all ERCOT Protocols and guidelines.”³³

- “For any Market Participant’s failure to meet the Reactive Power voltage control requirements of these Protocols, ERCOT shall notify the Market Participant in writing of such failure and, upon a request from the Market Participant, explain whether and why the failure must be corrected.”³⁴

Again, many formal documents submitted by NextEra’s Existing WGRs showed that they make Reactive Power available in the shape of a Triangle. Rather than assume that ERCOT, the TSPs and Existing WGRs all failed in their responsibilities under the Protocols and Commission rules for years while these activities were occurring with respect to eight additions of NextEra WGR capacity totaling 1708.5 MW, the credible explanation is that the Protocol Interpretation is in error and was not held at the time by ERCOT, TSP and Existing WGR professionals who were performing important duties in the manner required by law. That conclusion is further supported by other events in the 2004-2005 time frame, as discussed below.

iii. ERCOT’s Protocol Interpretation Is Inconsistent with PURA

In July 2005, the Legislature adopted PURA § 39.904(1), which states: “The commission may adopt rules requiring renewable power facilities to have reactive power control capabilities or any other feasible technology designed to reduce the facilities’ effects on system reliability.” Under this subsection, in adopting PRR 830 ERCOT erred by requiring Existing WGRs to supply Reactive Power capabilities without determining that those capabilities are feasible

³³ Protocol § 16.5.2; *see also* § 16.2.4.

³⁴ Protocol § 6.5.7.3(4).

technology designed to reduce the renewable power facilities' effects on system reliability.³⁵ As NextEra's study and presentation to ROS³⁶ demonstrated, the need for additional Reactive Power near wind farms typically occurs when the amount of energy generated by the turbines increases. The "Triangle" provides this by definition, *i.e.*, the amount of Reactive Power produced increases as the amount of energy produced by the turbines increases.

As discussed below, NextEra's understanding of PURA, the pre-PRR 830 Protocols, and ERCOT and TSP conduct regarding them are also supported by industry norms and wind turbine capabilities at the time.

iv. ERCOT's Protocol Interpretation is Inconsistent with Industry Norms and Wind Turbine Capabilities at the Time

The Commission has held: "Although ERCOT's Protocols are not statutes, they are administrative rules adopted by the Commission and serve a similar function to the Commission's Substantive Rules, which are interpreted and analyzed in the same manner as a statute."³⁷ One such rule is: "Words and phrases that have acquired a technical or particular meaning, whether by legislative definition or otherwise, shall be construed accordingly."³⁸ For example, undefined terms such as "operating capability" in the pre-PRR 830 Protocols are appropriately interpreted in light of industry norms and technology capabilities.³⁹ ERCOT's Protocol Interpretation is inconsistent with that rule of construction.

³⁵ The first part of § 39.904(l) is expressly limited to "reactive power control capabilities."

³⁶ See Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1, Attachment C.

³⁷ *Complaint of Constellation Energy Commodities Group, Inc. against the Electric Reliability Council of Texas*, Docket No. 33500, Order, CL No. 15 (Jan. 25, 2008) citing *Lewis v. Jacksonville Bldg. & Loan Ass'n*, 540 S.W.2d 307, 310 (Tex. 1976).

³⁸ Code Construction Act, TEX. GOV'T CODE § 311.011(b).

³⁹ See, *e.g.*, *Application of Oncor Electric Delivery Co., LLC for Authority to Change Rates*, Docket No. 35717, Order on Rehearing (Nov. 30, 2009) at 10 (Commission finding that it was reasonable for a TSP to make

The Federal Energy Regulatory Commission ("FERC") examined reactive power capabilities and requirements for WGRs extensively during the 2004-2005 timeframe in which the pre-PRR 830 Protocols and PURA § 39.904(l) were adopted. In three orders - Order No. 2003-A,⁴⁰ Order No. 661,⁴¹ and Order No. 661-A⁴² - FERC reached the following conclusions:

Order No. 2003-1 (March 5, 2004)

- FERC adopted, but exempted wind generators from, its required Power Factor Design Criteria for an Interconnection Customer that is a Large Generating Facility.⁴³ FERC concluded that those requirements are designed around the needs of large, synchronous generators and that a slightly different approach might be needed for a generator relying on newer technologies because it may have unique electrical characteristics.⁴⁴
- FERC added a blank placeholder for inclusion of requirements specific to newer technologies.⁴⁵

Order No. 661 (June 2, 2005)

- FERC found: "Conventional generators inherently provide reactive power, whereas most induction-type generators used by wind plants currently can only provide reactive power through the addition of external devices."⁴⁶

metering equipment purchase decisions that were based in part on national and state legislative initiatives to promote advanced metering).

⁴⁰ *Standardization of Generator Interconnection Agreements and Procedures*, Docket No. RM02-1-001, Order No. 2003-A, 106 FERC ¶ 61,220 (Mar. 5, 2004).

⁴¹ *Interconnection for Wind Energy*, Docket No. RM05-4-000, Order No. 661 (Jun. 2, 2005), 111 FERC ¶ 61,353 (Jun. 2, 2005).

⁴² *Interconnection for Wind Energy*, Docket No. RM05-4-001, Order No. 661-A (Dec. 12, 2005).

⁴³ Order No. 2003-1 at 40.

⁴⁴ Order No. 2003-1 at 86.

⁴⁵ Order No. 2003-1 at 86 and 4.

- FERC adopted requirements specific to wind plants, stating: “The rule recognizes the technical differences of wind generating technology, and benefits customers by removing unnecessary obstacles to further development of wind generating resources while ensuring that reliability is protected.”⁴⁷
- For wind generating plants over 20 MW, FERC adopted the power factor range of +/- 0.95, to be measured at the point of interconnection. FERC imposed that requirement on the wind generation only if the Transmission Provider shows, through the System Impact Study, that such capability is required of that plant to ensure safety or reliability.⁴⁸ This “ensures that the Transmission Provider does not require a wind plant to install costly equipment that is not needed for grid safety or reliability.”⁴⁹
- FERC rejected a proposed approach that “would lead to high cost individualized generator designs by equipment manufacturers that would not serve the long-term needs of the wind industry.”⁵⁰
- FERC applied its requirements starting with interconnection agreements filed on or after six months after publication of the adopted rule, concluding: “It would be unfair and unreasonable to apply the . . . power factor requirements in the Final Rule immediately or retroactively.”⁵¹

⁴⁶ Order No. 661 at 25, n. 27.

⁴⁷ Order No. 661 at 1-2.

⁴⁸ Order No. 661 at 30.

⁴⁹ Order No. 661 at 32.

⁵⁰ Order No. 661 at 34.

⁵¹ Order No. 661 at 61.

Order No. 661-A (December 12, 2005)

- FERC concluded:

The fact that the transmission system is constantly changing is not new or unique to the study of wind plant interconnections. The studies that are part of the interconnection process should take into account likely circumstances that could occur on the Transmission Provider's system, whether the studies are conducted in connection with a proposed wind plant or another type of generating facility. Furthermore, we are not persuaded that the approach adopted in the Final Rule will result in additional studies, increased costs and delays, and cost shifts.⁵²

- FERC stated: "all wind generating equipment vendors cannot meet the required power factor range at all levels of output."⁵³
- FERC determined: "One of these differences is that for wind plants, reactive power capability is a significant added cost, while it is not a significant additional cost for traditional generators. Given these technical differences, treating wind plants differently with regard to reactive power requirements is not unduly discriminatory or preferential."⁵⁴

FERC's conclusions demonstrate that ERCOT's Protocol Interpretation is inconsistent with wind turbine capabilities on and after the February 2004 adoption of the pre-PRR 830 Protocols. They also highlight serious policy problems with ERCOT's position regarding application of PRR 830 to Existing WGRs.

⁵² Order No. 661-A at 27.

⁵³ Order No. 661-A at 31.

⁵⁴ Order No. 661-A at 28.

**v. ERCOT's Protocol Interpretation Violates Protections from
Laws that are Unconstitutionally Vague**

If required to support ERCOT's Protocol Interpretation, the pre-PRR 830 Protocols would have to be considered unconstitutionally vague. A law is unconstitutionally vague if the persons regulated by it are exposed to risk or detriment without fair warning or if it invites arbitrary and discriminatory enforcement.⁵⁵ The standard is whether the law would require people of common intelligence to guess at its meaning or there is a substantial risk of miscalculation by those whose acts are subjected to regulation.⁵⁶ In determining whether a rule gives fair notice, courts examine whether it conveys sufficiently definite warning as to the proscribed conduct when measured by common understanding and practices.⁵⁷ With respect to the pre-PRR 830 Protocol language, as well as common understanding and practices, ERCOT's Protocol Interpretation fails those tests. Moreover, as the Austin Court of Appeals stated regarding P.U.C. SUBST. R. 25.503 (the wholesale market enforcement rule):

We decline the Commission's invitation to apply the less stringent standard for vagueness applicable to economic regulation. Where, as here, a rule or statute carries "potentially significant civil and administrative penalties, including fines and license revocation," quasi-criminal treatment is appropriate and thus the more strict standard of review applies.⁵⁸

⁵⁵ *Canal Insurance Co. v. Hopkins*, 238 S.W.3d 549, 566 (Tex. App. — Tyler 2007, pet. denied).

⁵⁶ *Canal*, 238 S.W.3d at 566.

⁵⁷ *TXU Generation Co. v. Pub. Util. Comm'n*, 165 S.W.3d 821, 839 (Tex. App. — Austin 2005, pet. denied).

⁵⁸ *TXU*, 165 S.W.3d at 839 n. 9.

b. ERCOT's Protocol Interpretation and "Clarification" Claim were Erroneously Used to Justify Hasty and Inadequate Consideration of PRR 830

During the ERCOT proceedings, ERCOT and other PRR 830 proponents sought to justify its hasty and unsupported adoption by claiming that it clarified existing Protocols.⁵⁹ The redline version of PRR 830⁶⁰ readily shows the invalidity of that claim. PRR 830 proposed substantive new language and contained substantive deletions of key elements of the pre-PRR 830 Reactive Power capability language.⁶¹

ERCOT's insistence on its Protocol Interpretation and characterization of PRR 830 as clarifying the Protocols curtailed substantive review of PRR 830. For example, when proposing PRR 830, ERCOT staff cited the withdrawn Protocol Interpretation and Docket No. 36482 in urging that PRR 830 be given urgent status.⁶² ERCOT's claim that PRR 830 clarified existing Protocols was cited to justify not performing a study to determine whether there is a reliability need and not being concerned about PRR 830's impact on Existing WGRs.⁶³

2. Study Assumptions by ERCOT Staff and "Philosophy" are Not Protocols

Arguments by PRR 830 proponents included that if their position was not adopted, certain study assumptions by ERCOT staff would be invalid,⁶⁴ and regulatory "philosophy." For

⁵⁹ There are many examples throughout the ERCOT record. *See, e.g., Exhibit B*, 830PRR-01 Reactive Power Capability Requirement 090809 at 1-2; 830PRR-38, TAC Advocate Supporting Document.

⁶⁰ *See Exhibit B*, 830PRR-01 Reactive Power Capability Requirement 090809 at 4-7.

⁶¹ *See Exhibit B*, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 2.

⁶² *See Exhibit B*, 830PRR-01 Reactive Power Capability Requirement 090809 at 1.

⁶³ *See, e.g., Exhibit B*, 830PRR-35 TAC Advocate Supporting Document 111009 at 4: "Because PRR 830 was proposed to clarify, not change, the existing requirements, TAC and other stakeholder groups heard and rejected arguments that the clarification in PRR 830 should not apply to certain existing generators because the existing requirements were ambiguous." (Emphasis added.) *See also id.* at 5.

⁶⁴ *See, e.g., Exhibit B*, 830PRR-36 ERCOT ISO Position Statement 111009 at 3.

example, in comments to the Board, the ERCOT ISO representative stated: “ERCOT ISO believes that having a common, minimum set of standards for all Generation Resources levels the playing field and enables all Generation Resources to compete on an equal basis.”⁶⁵ But study assumptions by ERCOT staff and “philosophy” are not Protocols, and are contradicted by all of the matters discussed above.

3. PRR 830 Proponents’ Vague Comments about Reliability are not Supported by any Study, are Contradicted by the Only Study that Was Presented, and are not Credible

Because Reactive Power does not travel well, it typically provides more benefit to the system if it is nearer to load.⁶⁶ NextEra’s Existing WGRs are located in remote areas far from load centers.⁶⁷ Even if they could provide significant amounts of Reactive Power, there likely would be no benefit to load centers that are hundreds of miles away.⁶⁸ NextEra’s study and presentation to ROS⁶⁹ show this.

By contrast, ERCOT staff offered no data or studies to quantify the system benefits or show the reliability effects of imposing PRR 830’s Reactive Power requirements on Existing WGRs in regions with low load levels.⁷⁰ The ROS, TAC’s subcommittee of technical experts regarding system reliability, filed only 24 words in its endorsement of the PRR,⁷¹ which provide no explanation or technical guidance. At no point was PRR 830 studied by the kinds of working

⁶⁵ Exhibit B, 830PRR-36 ERCOT ISO Position Statement 111009 at 3.

⁶⁶ *See* Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 4.

⁶⁷ *See* Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 4.

⁶⁸ *See* Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 4.

⁶⁹ *See* Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1, Attachment C.

⁷⁰ *See* Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 4.

⁷¹ *See* Exhibit B, 830 PRR-11, ROS Comments 101909.

groups or task forces where thorough, substantive, detailed discussion by specialized subject matter experts typically occurs in the stakeholder process.⁷² The few assertions about reliability by PRR 830 proponents are vague and unsupported, *e.g.*, “From an ERCOT Operations perspective, it is suboptimal not to have the same Reactive Power support from all units, and ERCOT has experienced events that may not have occurred had all WGRs been capable of providing full Reactive Power support.”⁷³ Other PRR 830 advocates state that Reactive Power is important to reliability, which is obvious and irrelevant to the issue here: whether imposing PRR 830 on Existing WGRs is important to reliability.

B. PRR 830’s “Pay the TSP” and “Proposal to ERCOT” Provisions Do Not Provide Meaningful Alternatives

PRR 830 refers to two alternatives to retrofits: paying TSPs to supply Reactive Power capability,⁷⁴ and making a specific proposal to ERCOT.⁷⁵ With respect to this Appeal, neither “alternative” is meaningful.

In addition to suggesting that TSPs may be better able to provide voltage support than Existing WGRs, there are two fatal flaws with PRR 830’s pay-the-TSP “alternative.” First, the PRR 830 language regarding it is too vague to be enforceable or understandable. For example, the language does not make clear whether the pay-the-TSP “alternative” requires the TSP to address voltage issues in the region near the Existing WGR or allows the TSP to add equipment

⁷² See Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 2.

⁷³ Exhibit B, 830PRR-36 ERCOT ISO Position Statement 111009 at 3-4 (emphasis added).

⁷⁴ See Exhibit B, 830PRR-41 Board Action Report 111709 at 10, PRR 830, § 6.7.1(7) (“A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).”)

hundreds of miles away, near load centers, still at Existing WGR expense. Likewise, PRR 830 changes Protocol § 6.5.7.1(1) to require compliance by Generation Resources, unless “otherwise provided in paragraphs (2) through (4) below.”⁷⁶ Because the “pay-the-TSP” alternative is in paragraph (7), it is unclear whether WGRs would still have to provide Reactive Power under §6.5.7.1(1) even after paying the TSP.

Second, PRR 830 allows the TSP unilaterally to decide whether to agree to the “TSP payment option” and what the TSP will be paid. PRR 830 provides no standards in either regard. Thus the “pay the TSP” option might not even be available, and if it is, its cost for the Existing WGR could be very high.

At present NextEra has no specific proposal it can make to ERCOT that ERCOT has not already rejected.

Fundamentally, whether PRR 830 treats the Existing WGRs in a reasonable and lawful manner must be judged based on alternatives that the Existing WGRs have, not those over which TSPs or ERCOT have veto power and regarding which PRR 830 provides no standards.

C. Applying PRR 830 to Existing WGRs Could Cause Significant Harm to NextEra’s Existing WGRs

NextEra is continuing to refine its estimated cost for its Existing WGRs to comply with PRR 830, but currently estimates that if it must retrofit all of its Existing WGRs to comply, that would cost \$12 million if dynamic control is not required, and \$23 million if ERCOT decides to

⁷⁵ See Exhibit B, 830PRR-41 Board Action Report 111709 at 10, PRR 830, § 6.7.1(6) (“... ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision”).

⁷⁶ See Exhibit B, 830PRR-41 Board Action Report 111709 at 10, PRR 830, § 6.7.1(1).

require dynamic control. This does not count revenue lost due to outages to retrofit the Existing WGRs.

NextEra is also investigating the length of time to perform such a retrofit, from start to finish, considering the impact of PRR 830's applicability to other wind generators' Existing WGRs and the likely resulting shortage of outside labor and materials. NextEra currently estimates that time to retrofit all of its Existing WGRs from start to finish as a minimum of nine months, and possibly substantially longer for reasons beyond NextEra's control.

PRR 830 also imposes regulatory risk on NextEra. Under PURA, Commission rules and the Protocols, NextEra's Existing WGRs are PGCs required by law to comply with Protocols that are in effect and not suspended.⁷⁷ In connection with this dispute, ERCOT referred NextEra to the Commission staff and Texas Regional Entity ("TRE") before either the conclusion of NextEra's ADR with ERCOT over the Protocol Interpretation or the deadline to appeal PRR 830. Absent suspension of PRR 830 with respect to Existing WGRs, potential sanctions for failure to comply with it include administrative penalties and revocation or suspension of the Commission registration required to operate.⁷⁸ Administrative penalties can be as high as \$25,000 per violation per day of violation.⁷⁹ Registration suspension would deprive NextEra of the commercial value of its Existing WGRs during the period of suspension. Registration revocation would deprive NextEra of its Existing WGRs' remaining commercial value. The

⁷⁷ PURA §§ 39.351(a), 39.151(j) and 39.356(b); P.U.C. SUBST. R. 25.109 and 25.503(f)(2).

⁷⁸ *Id.*

⁷⁹ PURA § 15.023(b).

Commission has found that NextEra has invested more than \$1 billion in its Existing WGRs in the region in question.⁸⁰

D. Applying PRR 830 to Existing WGRs Circumvented the ADR Process and the Commission's Statutory Role and Violated Due Process

For many reasons discussed above, Existing WGRs did not have adequate, timely notice that ERCOT's Protocol Interpretation would be applied against them. Again, all of NextEra's Existing WGRs for which PRR 830 requires compliance were in service before ERCOT first issued its Protocol Interpretation. A deprivation of property without due process violates the United States and Texas Constitutions. Due process at a minimum requires notice and an opportunity to be heard at a meaningful time and in a meaningful manner.⁸¹

An analysis of procedural due process considers three factors: 1) the private interest that will be affected by the official action; 2) the risk of an erroneous deprivation of such interest through the procedures used, and the probable value, if any, of additional or substitute procedural safeguards; and 3) the government's interest, including the function involved and the fiscal and administrative burdens that the additional or substitute procedural requirements would entail.⁸² Under these factors, due process was not provided here.

First, NextEra's private interest is estimated at tens of millions of dollars of unexpected costs that it cannot avoid if required to retrofit all of its Existing WGRs to comply with PRR 830.

Second, the process that led to adoption of PRR 830 creates a high risk of erroneously depriving NextEra of that interest. ERCOT withdrew its Protocol Interpretation but continued to

⁸⁰ *Commission Staff's Petition for Designation of Competitive Renewable Energy Zones*, Docket No. 33672, Order on Rehearing, FF No. 85 (Oct. 7, 2008).

⁸¹ *Univ. of Texas Med. Sch. v. Than*, 901 S.W.2d 926, 930 (Tex. 1995).

⁸² *Kettlewell v. Hot-Mix, Inc.*, 566 S.W.2d 663, 666 Tex. Civ. App. Houston [1st Dist.] 1978, no writ).

insist on it. Based on ERCOT's Protocol Interpretation and argument that PRR 830 clarifies existing Protocols, PRR 830 was rushed through the ERCOT process and adopted with almost no changes. As discussed above, ERCOT staff cited the withdrawn Protocol Interpretation and Docket No. 36482 in urging that PRR 830 be given urgent status, and that argument was also used to justify lack of study of need and lack of concern about PRR 830's impact on Existing WGRs. On November 5, 2009, the Commission orally granted ERCOT's motion to dismiss the wind generators' appeal of the Protocol Interpretation, Docket No. 36482, on the basis that ADR had not yet occurred regarding it. On August 12, 2009, NextEra – an intervener in that case – requested ADR with ERCOT regarding its Protocol Interpretation. Despite several requests by NextEra, the meeting of senior representatives that will allow that ADR to conclude and NextEra to appeal to the Commission has not yet occurred.⁸³ Less than two weeks after the Commission vote, instead of pursuing the ADR that was the rationale used in ERCOT's motion to dismiss, ERCOT adopted PRR 830, applying its Protocol Interpretation to Existing WGRs with retroactive effect. NextEra's Existing WGRs are now subject to a PRR adopted in reliance on ERCOT's withdrawn Protocol Interpretation that the Commission has not reviewed. While NextEra and ERCOT were in ADR over its Protocol Interpretation, and before the deadline to appeal PRR 830, ERCOT referred NextEra to the Commission staff and the TRE. Given all of these facts described above, PRR 830's application to Existing WGRs violates due process.

Third, reliability is a vital government interest but the flawed process and analysis ERCOT used to adopt PRR 830 does not further that interest. Nor is there evidence that ERCOT

⁸³ See Protocols § 20.3: "When ERCOT is a party to the dispute and the parties waive the mediation and arbitration procedures by written agreement, the time periods for appeal of the ADR that are set forth in the applicable PUCT regulations shall apply from the date of the meeting between the senior representatives."

would face fiscal or administrative burdens of studying the need for PRR 830 and alternatives thereto.

As discussed above, in addition to violating due process, the process used to adopt PRR 830 circumvented the ADR process and Commission review. The ADR process is a prerequisite to Commission review only by rule and by Protocol; ERCOT conduct being subject to Commission review is statutory.⁸⁴ Protocols § 10.1 states: "Parties shall exercise good faith efforts to timely resolve disputes under this section."

E. PRR 830's Treatment of Existing WGRs Is Unsound Policy and Violates PURA

Many bases for this Appeal raise policy as well as legal and factual concerns. Two are discussed below.

The first is PRR 830's retroactive effect. Again, all 1708.5 MW of NextEra Existing WGR capacity subject to PRR 830's Reactive Power requirements began service before ERCOT even issued its Protocol Interpretation. NextEra's Existing WGRs represent an enormous sunk investment that, unlike planned projects, cannot be shifted to a different turbine design or a non-ERCOT location, or be delayed, downsized or cancelled. The costs at issue would be imposed not by competition or market conditions, but by a Protocol revision with retroactive effect. In the past, ERCOT has applied the reasonable policy that evolving technical requirements should be applied on a going forward basis unless compelling evidence supporting retroactive

⁸⁴ See PURA § 39.151(d).

application is presented.⁸⁵ ERCOT improperly rejected NextEra's request to apply the same standard regarding PRR 830.

The second policy issue involves the "philosophy" cited to support PRR 830, *e.g.*, "ERCOT ISO believes that having a common, minimum set of standards for all Generation Resources levels the playing field and enables all Generation Resources to compete on an equal basis."⁸⁶ A requirement that all generation technologies and vintages from February 2004 on be required to supply identical Reactive Power capabilities is unsound for reasons that FERC determined after investigation in its orders discussed above. It also focuses entirely on one attribute – Reactive Power capability – that Existing WGRs do not provide to the extent that some traditional generation does, while ignoring major benefits that Existing WGRs provide and traditional generation does not. Those benefits include:

- Lower electric prices. "Wind generation has had the impact of reducing wholesale and retail prices of electricity."⁸⁷ "Prices are also lower ERCOT-wide when there are large amounts of wind energy being produced."⁸⁸
- Environmental benefits. "Because wind-generated electricity burns no fuel with resulting air emissions, each MWh of electricity generated by wind that displaces electricity generated by burning coal or gas results in a reduction of emissions of NO_x, SO₂, and

⁸⁵ See Exhibit B, 830PRR-42 NextEra Energy Resources Board Presentation 112009, Powerpoint presentation at 27. This is discussed in more detail in Exhibit B, 830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1 at 3.

⁸⁶ Exhibit B, 830PRR-36 ERCOT ISO Position Statement 111009 at 3.

⁸⁷ Public Utility Commission of Texas, Report to the 81st Texas Legislature: Scope of Competition in Electric Markets in Texas (Jan. 2009) ("2009 Scope Report") at 65.

⁸⁸ 2009 Scope Report at 65. See also Docket No. 33672, Order on Rehearing, FF No. 176 ("Wind is not subject to fuel-cost volatility like natural gas, or the uncertainties of the costs of future regulations on greenhouse gases.")

CO₂.”⁸⁹ “Texas’ carbon dioxide emissions have fallen more than nearly every other state this decade. This decrease is a by-product of Texas’ regulatory and legal environment, which has allowed more wind power to be constructed than any other state.”⁹⁰

- Water conservation. “It is estimated that 350 gallons of water are consumed per MWh from a gas plant and 800 gallons of water per MWh from a coal plant. After construction of wind facilities, there is very little water consumed in the process of generating electricity.”⁹¹

PURA recognizes the particular benefits to the public from renewable energy. PURA requires Commission rules that “encourage the development, construction, and operation of new renewable energy projects at those sites in this state that have the greatest economic potential for capture and development of this state’s environmentally beneficial renewable resources.”⁹² Its list of customer safeguards includes “access to . . . providers of energy generated by renewable energy resources.”⁹³ Indeed, without Existing WGRs Texas would currently be in violation of PURA’s mandatory minimum renewable energy capacity.⁹⁴

⁸⁹ Docket No. 33672, Order on Rehearing, FF No. 166.

⁹⁰ Letter from Rick Perry, Governor, State of Texas, to The Honorable Lisa P. Jackson, Administrator, U.S. Environmental Protection Agency (Dec. 9, 2009) at 3.

⁹¹ Docket No. 33672, Order on Rehearing, FF No. 165.

⁹² PURA § 39.904(c)(2)(B).

⁹³ PURA § 39.101(b)(3).

⁹⁴ Without Existing WGRs, pre-2004 wind generation and all vintages of non-wind renewable generation would be insufficient to meet the RPS requirement currently in effect. See PURA § 39.904(a) (“The cumulative installed renewable capacity in this state shall total . . . 3,272 megawatts by January 1, 2009, 4,264 megawatts by January 1, 2011 . . .”); see also 2009 Scope Report at 62-63; Public Utility Commission of Texas, Report to the 80th Texas Legislature: Need for Transmission and Generation Capacity in Texas: Renewable Energy Implementation and Costs (Dec. 2006) at 12.

As noted above, PRR 830 does not comply with PURA § 39.904(1). It also violates the PURA requirement that rules imposed on competitive market participants be practical and limited.⁹⁵ Moreover, as the Commission has concluded: “Although ERCOT needs the ability to exercise discretion with respect to some matters, it must do so in a reasonable, nondiscriminatory manner.”⁹⁶ As noted above, after investigation FERC determined that, because WGRs have different capabilities and incur costs to provide reactive power that conventional generation does not, differences in reactive power requirements are appropriate and non-discriminatory. FERC also concluded that imposing reactive power requirements retroactively would be unfair and unreasonable. PRR 830 not only increases Existing WGRs’ costs and risks, but sets a precedent that will discourage investment. For these and other reasons discussed in this Appeal, PRR 830’s application to Existing WGRs violates substantive requirements in PURA and is unsound as a matter of policy.

F. PRR 830 Is Subject to a Stringent Standard of Commission Review

Although the Commission will generally show substantial deference to ERCOT decisions,

because the Commission is ultimately responsible for ensuring full and fair competition among all providers of electricity, the following matters will be subject to a heightened level of scrutiny by the Commission: (1) matters that have major impacts on the fundamental design and competitiveness of markets; (2) matters that have disparate impacts on particular types of market participants; (3) matters that may unnecessarily create barriers to entry; and (4) matters that may conflict with legislative or Commission policies.⁹⁷

⁹⁵ See PURA § 39.001(d).

⁹⁶ Docket No. 23220, Order on Rehearing, Finding of Fact No. 23; *see also* PURA §§ 31.002(9), 39.001(c) and 39.151(a).

⁹⁷ *Petition of the Electric Reliability Council of Texas for Approval of the ERCOT Protocols*, Docket No. 23220, Order on Rehearing (Jun. 4, 2001), Conclusion of Law No. 7.

All four factors support applying the heightened level of Commission scrutiny here. With respect to Existing WGRs, PRR 830 has “major impacts on the fundamental design and competitiveness of markets;” has “disparate impacts on particular types of market participants;” “may unnecessarily create barriers to entry” by establishing a process and precedent discouraging to investment and market entry; and “may conflict with legislative or Commission policies.” The inadequate process and analysis used to adopt PRR 830 are additional reasons not to accord it deference.

Moreover, none of the specific rationales used to justify PRR 830 are those on which the Commission should show ERCOT deference. Those include ERCOT’s Protocol Interpretation, which deals with a non-technical question of law, and regulatory “philosophy” cited as a basis for PRR 830.⁹⁸ The Commission is better qualified than ERCOT to determine these matters. ERCOT has recognized that the Commission is the proper forum for Protocol interpretation,⁹⁹ and that policy determinations are not ERCOT’s role but are reserved to the Commission.¹⁰⁰ Former Commission Chairman Paul Hudson has commented: “I don’t think ERCOT does allocation very well . . .”¹⁰¹ The Commission typically defers to ERCOT on matters of reliability, but for reasons that do not apply here, where ERCOT relied heavily on its legal position and regulatory “philosophy” instead of performing a technical study.

⁹⁸ *TXU*, 165 S.W.3d at 830 (“we need not give as much deference to an agency’s interpretation of its statute if that interpretation deals with a non-technical question of law or a matter outside of the agency’s expertise”).

⁹⁹ *Complaint of Constellation Power Source, Inc. against the Electric Reliability Council of Texas*, Docket No. 27918 (Jun. 20, 2003) at 3, n. 4.

¹⁰⁰ See, e.g., *Constellation NewEnergy, Inc.’s Appeal and Complaint of ERCOT Decision to Approve PRR 676, PRR 674 and Request for Expedited Relief*, Docket No. 33416, Electric Reliability Council of Texas, Inc.’s Response to Constellation New Energy’s Motion to Suspend Enforcement of PRR676 Pursuant to PUC Proc. R. 22.251(i) (Jan. 23, 2007) at 2.

¹⁰¹ Docket No. 33416, Hearing Tr. at 241 (Jan. 18, 2007).

G. PRR 830 Violates Constitutional Protections on Delegation of Legislative Power to a Private Entity

NextEra respects the dedication and capabilities of ERCOT, its staff and its Board and committee members, and supports ERCOT's broad authority and stakeholder process, which usually functions well. Recognizing the potential consequences of ERCOT actions, however, the Legislative gave the Commission complete authority to review ERCOT's actions.¹⁰² As discussed above, subjecting Existing WGRs to PRR 830 violates PURA and Commission requirements. Moreover, if ERCOT had the delegated authority to take such action, PRR 830 would not satisfy constitutional restrictions on delegation of Legislative power to a private entity like ERCOT, as addressed below.

ERCOT's revision of its Protocols is an exercise of delegated Legislative power. Legislative power includes "the power to provide the details of the law, to promulgate rules and regulations to apply the law, and to ascertain conditions upon which existing laws may operate."¹⁰³ PURA authorizes the Commission by rule to establish requirements relating to reliability, and authorizes the Commission to delegate that authority to ERCOT,¹⁰⁴ which the Commission has done.¹⁰⁵ As noted earlier, the Commission has held: "Although ERCOT's Protocols are not statutes, they are administrative rules adopted by the Commission and serve a similar function to the Commission's Substantive Rules . . ."¹⁰⁶ Neither PURA nor Commission

¹⁰² PURA § 39.151(d).

¹⁰³ *FM Props Operating Co. v. City of Austin*, 22 S.W.3d 868, 878 (Tex. 2000).

¹⁰⁴ PURA § 39.151(d).

¹⁰⁵ P.U.C. SUBST. R. 25.5(47).

¹⁰⁶ *Complaint of Constellation Energy Commodities Group, Inc. against the Electric Reliability Council of Texas*, Docket No. 33500, Order, CL No. 15 (Jan. 25, 2008).

rules establish PRR 830's Reactive Power requirements or impose them on Existing WGRs; only PRR 830 does that.

Regarding whether ERCOT is a private entity, the Texas Supreme Court has held: "courts have universally treated a delegation as private where interested parties have been given authoritative powers of determination, usually in conjunction with a public administrative agency."¹⁰⁷ That is true even if the decisionmakers are elected or the government constrains their power by advance restriction or subsequent review.¹⁰⁸ Applying this standard, ERCOT is a private entity. Under PURA, most of the voting members of the ERCOT Board are representatives of private, interested parties.¹⁰⁹ The same is true of the committees that considered PRR 830. ERCOT is a corporation,¹¹⁰ and the Commission can revoke ERCOT's delegated authority.¹¹¹

The Texas Supreme Court has stated that delegation to private entities involves "troubling constitutional issues" such as the private entity's pecuniary or personal interests,¹¹² and described as troubling that private entities are not elected or appointed by public officials.¹¹³ The Court will approve private delegations of Legislative power only if they satisfy an eight-factor balancing test:

¹⁰⁷ *Tex. Boll Weevil Eradication Found., Inc. v. Lewellen*, 952 S.W.2d 454, 470-471, 40 Tex. Sup. Ct. J. 523 (Tex. 1997).

¹⁰⁸ *Boll Weevil*, 952 S.W.2d at 471.

¹⁰⁹ See PURA § 39.151(g).

¹¹⁰ ERCOT's full name, shown on the bottom of its website <http://www.ercot.com>, is Electric Reliability Council of Texas, Inc.

¹¹¹ P.U.C. SUBST. R. 25.364.

¹¹² *Boll Weevil*, 952 S.W.2d at 469.

¹¹³ *FM*, 22 S.W.3d at 874.

- (1) Are the private delegate's actions subject to meaningful review by a state agency or other branch of state government?
- (2) Are the persons affected by the private delegate's actions adequately represented in the decision-making process?
- (3) Is the private delegate's power limited to making rules, or does the delegate also apply the law to particular individuals?
- (4) Does the private delegate have a pecuniary or other personal interest that may conflict with her or her private function?
- (5) Is the private delegate empowered to define criminal acts or impose criminal sanctions?
- (6) Is the delegation narrow in duration, extent, and subject matter?
- (7) Does the private delegate possess special qualifications or training for the task delegated to it?
- (8) Has the Legislature provided sufficient standards to guide the private delegate in its work?¹¹⁴

A particular delegation need not meet all eight factors,¹¹⁵ but all eight factors must be considered.¹¹⁶ In *Boll Weevil*, in finding the delegation there to be unconstitutional, the Court concluded that the delegation violated a majority of the eight factors.¹¹⁷ In *FM*, in finding the delegation to be unconstitutional, the Court concluded that four factors were against delegation, two favored the delegation, and two were neutral.¹¹⁸

Under these facts ERCOT's adoption of PRR 830 with respect to Existing WGRs does not meet the constitutional test:

- Regarding the first factor, through this Appeal the Commission will review ERCOT's actions but before and – absent suspension – during such review PRR 830 is in effect,

¹¹⁴ *Boll Weevil*, 952 S.W.2d at 472.

¹¹⁵ *Boll Weevil*, 952 S.W.2d at 475.

¹¹⁶ *Proctor v. Andrews*, 972 S.W.2d 729, 737-738, 41 Tex. Sup. Ct. J. 1172 (Tex. 1998).

¹¹⁷ *Boll Weevil*, 952 S.W.2d at 472-475.

¹¹⁸ *FM*, 22 S.W.3d at 880-888.

with the harms to NextEra described earlier.¹¹⁹ Among other things, considering the first factor, the other seven factors and the facts here, granting the motion to suspend in Section VIII is constitutionally required.

- Regarding the second factor, WGRs were at best a small minority at each level at which PRR 830 was considered.¹²⁰ This is important because, due to technical and operational differences compared to traditional generation as found by FERC, WGRs have by far the heaviest burden to comply with PRR 830's Reactive Power requirements. That participants in the ERCOT process recognized this is clear throughout the ERCOT record.¹²¹
- Regarding the third factor, ERCOT not only makes the rules but also applies the law to particular Existing WGRs. Also, while ERCOT does not order sanctions, it has an important role in enforcement, by reporting alleged violations to Commission staff or the TRE and serving as a resource in compliance investigations. Again, ERCOT recently referred NextEra to the Commission staff and the TRE - while NextEra and ERCOT were in ADR over its Protocol Interpretation, and before the deadline to appeal PRR 830.
- Regarding the fourth factor, many who voted for PRR 830 represent stakeholders with interests that conflict with ERCOT's broader public function. For example, the Commission has found: "Displacement of thermal units with wind generation will reduce

¹¹⁹ Effectiveness before and during the government review of the private entity's actions were among the facts cited regarding the first factor in *FM*, 22 S.W.3d at 881.

¹²⁰ See Exhibit B, 830PRR-04 Urgency Ballot 091009; 830PRR-12 ROS Roll Call Vote 101909; 830 PRR-17 PRS Roll Call Vote 102209; 830 PRR-28 TAC Roll Call Vote 110509; 830 PRR-41 Board Action Report 111709.

¹²¹ See Exhibits B and C.

the overall spot price of energy.”¹²² Retrofits to comply with PRR 830 would impose both costs and outages on Existing WGRs.

- Regarding the fifth factor, whether ERCOT is empowered to define criminal acts, *see* PURA §§ 15.030, 39.351(a), 39.151(j) and 39.356(b).
- Regarding the sixth factor, the delegation is not narrow in duration, extent, and subject matter. PRR 830 irreversibly imposes heavy costs and risks on NextEra’s Existing WGRs without any study showing need.
- Regarding the seventh factor, as an organization ERCOT possesses special qualifications or training to study whether PRR 830 is needed for reliability, but instead relied on its legal position and regulatory “philosophy.” None of the statements in the ERCOT record show that applying PRR 830 to Existing WGRs is necessary for reliability. Moreover, ERCOT also had special qualifications and training over years in which its duties included supervision of interconnection of NextEra’s Existing WGRs to the ERCOT grid, registration of those generation assets, and scheduling of transmission service. ERCOT did not express concern about Reactive Power capabilities shown on the formal documents those WGRs submitted in connection with those actions.
- Regarding the eighth factor, the Legislature has not provided sufficient standards to guide ERCOT in its work given the nature of PRR 830. There was no showing that PRR 830 is needed for reliability, and neither PURA nor the Commission has provided directives or standards for ERCOT to apply before imposing such requirements on Existing WGRs. The absence of legislative and Commission standards heightens concerns discussed in

¹²² Docket No. 33672, FF No. 138.

this Appeal, such as discriminatory use of differing standards on issues such as grandfathering existing generation. The only specific standard is in PURA § 39.904(l), which ERCOT did not apply in adopting PRR 830.

H. PRR 830 Violates Constitutional Protections on Takings

TEX. CONST. art. I, § 17 states: “No person’s property shall be taken, damaged or destroyed for or applied to public use without adequate compensation being made . . .”¹²³ The protection applies to property of individuals and businesses,¹²⁴ and “property” includes money.¹²⁵ If the taking is permissible, neither the validity of the public purpose nor the effectiveness of the taking to accomplish that purpose eliminates the just compensation requirement.¹²⁶

To determine whether a regulatory taking has occurred, the reviewing court conducts an essentially *ad hoc*, factual inquiry concerning three factors: the character of the governmental action; its economic impact on the property owner; and its interference with distinct investment-backed expectations.¹²⁷ Regarding such factors, the relevant facts here have been previously described. For example, the effect of PRR 830 on NextEra’s Existing WGRs is substantial and permanent, and the relevant investment-backed expectations for NextEra’s Existing WGRs were determined before ERCOT issued its Protocol Interpretation.

¹²³ PRR 830 also violates the federal provision, U.S. CONST. amend. V, § 6.

¹²⁴ *City of Corpus Christi v. PUC*, 51 S.W.3d 231, 241-242 (Tex. 2001).

¹²⁵ *Canal*, 238 S.W.3d at 568.

¹²⁶ *Lingle v. Chevron U.S.A. Inc.*, 544 U.S. 528, 543, 125 S.Ct. 2074, 2084, 161 L.Ed.2d 876, 891 (italics in original, citation omitted).

¹²⁷ *Sheffield Dev. Co. v. City of Glenn Heights*, 140 S.W.3d 660, 672 (Tex. 2004). The three factors are important guideposts, not *per se* rules. The Texas Supreme Court considers not just the three factors but all

VIII. MOTION FOR SUSPENSION

It is imperative that this motion be promptly considered and granted. For reasons discussed below, and more fully in the preceding sections of this Appeal, implementation of PRR 830 against Existing WGRs must be suspended during pendency of this case.

A. Suspension is Necessary to NextEra's Ability to Obtain Meaningful or Timely Relief

P.U.C. PROC. R. 22.251(d)(2) states that if suspension is sought, "the complaint shall include a statement of the harm likely to result to the complainant if enforcement is not suspended. Harm may include deprivation of an entity's ability to obtain meaningful or timely relief if a suspension is not entered." That standard is met here. While NextEra hopes that its Appeal will be heard expeditiously, the Commission is unlikely to decide the case before NextEra would begin to incur the costs and risks that are the reasons for its Appeal. Those costs and risks are summarized in the next section. PRR 830's compliance deadline for Existing WGRs is December 31, 2010. NextEra currently estimates that a minimum of nine months would be needed from start to finish to retrofit all of its Existing WGRs. The actual time needed could be substantially longer when considering the impact on available outside labor and materials of applying PRR 830 to other Existing WGRs.

B. Good Cause Exists for Suspension

P.U.C. PROC. R. 22.251(i) authorizes Commission suspension of ERCOT conduct – including implementation of a Protocol – while a complaint appealing the conduct is pending at the Commission.¹²⁸ The standard is good cause.¹²⁹ Four factors are considered:

surrounding circumstances in determining whether government restrictions unreasonably interfere with a landowner's right to use and to enjoy property so as to require just compensation. *Sheffield*, 140 S.W.3d at 672-673.

¹²⁸ See P.U.C. PROC. R. 22.251(b) and (i); see also PURA §§ 39.151(d) and 39.151(d-1).

The good cause determination required by this subsection shall be based on an assessment of the harm that is likely to result to the complainant if a suspension is not ordered, the harm that is likely to result to others if a suspension is ordered, the likelihood of the complainant's success on the merits of the complaint, and any other relevant factors as determined by the commission or the presiding officer.¹³⁰

For reasons already discussed, under these factors there is ample good cause to suspend PRR 830 while the Complaint is pending at the Commission.

Regarding the first factor, NextEra will suffer a probable, imminent and irreparable injury in the interim if implementation of PRR 830 against NextEra's Existing WGRs is not suspended pending Commission review on the merits of NextEra's Complaint. Again, after investigation, FERC held that "for wind plants, reactive power capability is a significant added cost, while it is not a significant cost for traditional generators."¹³¹ FERC concluded that it is unreasonable to impose such costs on wind plants without a study showing that the equipment the wind plan would have to add is needed for grid safety or reliability. NextEra currently estimates that if it must retrofit all of its Existing WGRs to comply with PRR 830, that would cost \$12 million if dynamic control is not required and \$23 million if ERCOT decides to require dynamic control. Outages to retrofit the Existing WGRs would cause significant loss of revenues.

Suspension is needed to avoid subjecting NextEra to these costs and serious regulatory risks before it can obtain a ruling on the merits of its Appeal. Potential sanctions for not complying with PRR 830 include administrative penalties as high as \$25,000 per violation per day of violation, and suspension or revocation of authority to operate the Existing WGRs.

¹²⁹ P.U.C. PROC. R. 22.251(i).

¹³⁰ P.U.C. PROC. R. 22.251(i).

¹³¹ Order No. 661-A at 28.

NextEra's Existing WGRs represent an enormous sunk investment that cannot be shifted to a different turbine design or a non-ERCOT location, or be delayed, downsized, or cancelled. Again, the Commission has already quantified at more than \$1 billion the financial commitment NextEra had made in its Existing WGRs in the region in question.

Regarding the second factor, harm to others if suspension is granted with respect to Existing WGRs, suspending PRR 830 simply preserves the status quo that existed until PRR 830 was adopted. Like NextEra's Appeal, its requested suspension is narrow and already delimited in its effect. PRR 830's Reactive Power requirements would still apply to wind generation that is not operational and connected to the ERCOT grid by December 1, 2009, so any concerns about increasing wind penetration are irrelevant.

There is no evidence of need – much less urgent need – to apply PRR 830 to NextEra's Existing WGRs. Certainly there is no evidence of probable, imminent and irreparable harm to others or harm, if any, that would approach the harm to NextEra if suspension is not granted.

On the contrary, the only study in the ERCOT record - NextEra's study and presentation to ROS – demonstrated that the need for additional Reactive Power near wind farms typically occurs when the amount of energy generated by the turbines increases. The Triangle provides this capability by increasing available Reactive Power when the amount of energy produced by the turbines increases. Moreover, Reactive Power does not travel well, and NextEra's Existing WGRs are located hundreds of miles from Texas' significant load centers.

Regarding the third rule factor, NextEra has a probable likelihood of success, for reasons detailed throughout this Appeal. With respect to its application to Existing WGRs, ERCOT's adoption of PRR 830: lacked a rational basis; lacked any study or showing of need; was hastily

adopted without adequate review; disregarded its impact on Existing WGRs based on a flawed legal interpretation; relied on an unsupported regulatory “philosophy” that is at odds with facts about wind and traditional generation as determined by FERC after investigation; deleted Protocol language on which NextEra’s Existing WGRs relied; conflicted with years of ERCOT and TSP conduct, industry norms and wind turbine capabilities; circumvented the ADR process and Commission’s role; and violated PURA, Commission requirements, Protocols, and constitutional protections concerning due process, vague laws, delegation of Legislative power to a private entity, and regulatory takings. Applying Commission precedent, ERCOT’s adoption of PRR 830 with respect to Existing WGRs is considered under the stringent standard of review. Given the rationales ERCOT used in adopting PRR 830 and the lack of study and other flaws in ERCOT’s process, its application of PRR 830 to Existing WGRs deserves no deference. PRR 830’s application to Existing WGRs should be suspended while this case is pending, and ultimately reversed. Not only is the Commission’s rule standard for suspension clearly met here, but suspension as to NextEra’s Existing WGRs while this case is pending at the Commission is required based on constitutional protections regarding due process, delegation and takings.

Regarding the fourth rule factor, other relevant factors support suspending implementation of PRR 830 while this Complaint is pending, as detailed in this Appeal. PRR 830’s application to Existing WGRs sets a precedent that will inhibit future development and important benefits of wind power recognized by the Legislature and the Commission that traditional generation does not supply.

NextEra requests that the Commission expeditiously consider and grant this Motion and suspend implementation of PRR 830 against Existing WGRs while this case is pending. This

includes, with respect to Existing WGRs, suspending implementation of PRR 830 and abating the December 31, 2010, deadline for compliance day-for-day while this Appeal is pending.

IX. PROCEDURAL MOTIONS

To allow inclusion of the attachments to this Appeal, NextEra requests an exception to the 50-page limit (which includes attachments) in P.U.C. PROC. R. 22.27(f). That rule states: "A presiding officer may establish a larger or smaller page limit. . . consider[ing] such factors as which party has the burden of proof and the extent of opposition to a party's position that would need to be addressed in the document." Additional bases for the requested page limit exception include the detailed requirements in P.U.C. PROC. R. 22.251(d), including (d)(1)(H) regarding attaching the record, and the (d)(2) requirement that an appeal address a motion for suspension.

Pursuant to PURA §§ 11.007(a) and 39.003 and Administrative Procedure Act §§ 2001.051 and 2001.087, NextEra requests evidentiary hearings on its motion to suspend (assuming it is not agreed to by all parties per P.U.C. PROC. R. 22.251(d)(2)) and its request for permanent relief. Regarding both, given the nature of the ERCOT proceedings to date, under P.U.C. PROC. R. 22.251(l), the Commission reviews the factual issues *de novo*. Given the issues and the need for expeditious consideration, NextEra requests that the evidentiary hearings be conducted by the Commissioners rather than the State Office of Administrative Hearings.

X. CONCLUSION

P.U.C. PROC. R. 22.251 lists potential remedies:

Where it "finds merit in a complaint and that corrective action is required by ERCOT, the commission shall issue an order granting the relief the commission deems appropriate, including, but not limited to:

- (1) Entering an order suspending the conduct or implementation of the decision complained of;
- (2) Ordering that appropriate Protocol revisions be developed;
- (3) Providing guidance to ERCOT for further action, including guidance on the development and implementation of Protocol revisions; and
- (4) Ordering ERCOT to promptly develop Protocols revisions for commission approval.¹³²

The Commission has held: “The Commission has the ability under P.U.C. PROC. 22.251(o) to modify ERCOT protocols. The different alternatives listed in P.U.C. PROC. R. 22.251(o) do not limit the type of relief that the Commission may grant in reviewing ERCOT conduct.”¹³³ In that case, the Commission suspended enforcement of a PRR until issuance of a final order,¹³⁴ and ultimately ordered that ERCOT stop implementation of the PRR.¹³⁵

In contrast to FERC Order No. 661-A, in its current form PRR 830 would ensure that Existing WGRs must install costly equipment that has not been shown to be needed for grid safety and reliability and has other problems described in this Appeal. On these facts, with respect to Existing WGRs NextEra requests: (1) that the Commission grant its request for an exception to the 50-page limit; (2) that the Commission expeditiously consider and grant its motion for suspension while this case is pending, including suspending implementation of PRR 830 and abating the December 31, 2010, deadline for compliance day-for-day while this Appeal

¹³² P.U.C. PROC. R. 22.251(o).

¹³³ Docket No. 33416, Order, CL No. 5 (Apr. 13, 2007).

¹³⁴ Docket No. 33416, Order Suspending Enforcement of PRR 676 (Feb. 2, 2007).

¹³⁵ Docket No. 33416, Order, Ordering Paragraph No. 2 (Apr. 13, 2007).

is pending; (3) that the Commission reverse PRR 830 with respect to Existing WGRs; and (4) such other relief to which NextEra may show itself entitled.

Respectfully submitted,

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By: Marianne Carroll by ld
Marianne Carroll *with permission*

ATTORNEYS FOR NEXTERA ENERGY,
LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this pleading has been forwarded by fax, U.S. first class mail, hand-delivery, or by courier service to ERCOT and the Office of Public Utility Counsel on December 22, 2009.

Marianne Carroll by ld with
Marianne Carroll *permission*

EXHIBIT A

AFFIDAVIT ATTESTING TO FACTS STATED

STATE OF Florida §

COUNTY OF Palm Beach §

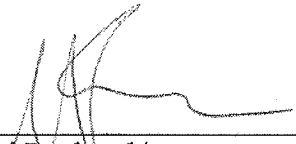
Before me, the undersigned notary public, on this day personally appeared Maciej Pawlowski, to me known to be the person whose name is subscribed to the foregoing instrument, who being duly sworn according to law, deposes and states:

"My name is Maciej "Matt" Pawlowski. I am over the age of eighteen years and am a resident of the State of Florida and am competent to testify to the matters stated in this affidavit. All facts stated herein are true and correct.

This affidavit is submitted on behalf of NextEra Energy Resources, LLC ("NextEra"). I am employed by NextEra as Risk and Compliance Manager. This affidavit is based on personal knowledge of the facts stated herein, which I learned in the course of my employment.

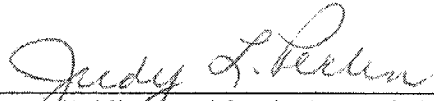
I have reviewed NextEra Energy Resources, LLC's Appeal and Motion for Partial Suspension of Protocol Revision Request No. 830 adopted by the Electric Reliability Council of Texas ("Appeal") with respect to the accuracy of factual statements stated in that document that are not a matter of record. All such factual statements are true and correct."

Further affiant sayeth not.



Maciej Pawlowski

Given under my hand and seal of office this 22 day of December, 2009.



Notary Public in and for the State of Florida

My Commission Expires On:

NOTARY PUBLIC-STATE OF FLORIDA
Judy L. Perlman
Commission # DD903475
Expires: AUG. 15, 2013
BONDED THRU ATLANTIC BONDING CO., INC.

EXHIBIT B

WRITTEN RECORD FROM ERCOT PROCESS THAT LED TO PRR 830'S APPROVAL

830PRR-01 Reactive Power Capability Requirement 090809	51
830PRR-02 Preliminary Impact Analysis 090809	58
830PRR-03 CEO Revision Request Review 090809.....	60
830PRR-04 Urgency Vote Ballot 091009.....	67
830PRR-05 Horizon Wind Energy LLC Comments 091509.....	68
830PRR-06 PRS Action Report 091709	70
830PRR-07 Calpine Comments 092809	77
830PRR-08 Iberdrola Renewables Comments 100709.....	79
830PRR-09 Horizon Wind Energy LLC Comments 100809.....	87
830PRR-10 LCRA Comments 100809	92
830PRR-11 ROS Comments 101909	99
830PRR-12 ROS Roll Call Vote 101909.....	104
830PRR-13 Wind Coalition Comments 102109.....	105
830PRR-14 Vestas Comments 102209	111
830PRR-15 NextEra Energy Resources Comments 102209	113
830PRR-16 PRS Recommendation Report 102209.....	118
830PRR-17 PRS Roll Call Vote 102209.....	126
830PRR-18 Impact Analysis 102609	127
830PRR-19 Calpine Comments 102809	129
830PRR-20 Oncor Comments 102909.....	132
830PRR-21 ERCOT Comments 102909.....	135
830PRR-22 AEP Comments 103009	152
830PRR-23 Invenergy Comments 110209	153
830PRR-24 NextEra Comments 110309	159
830PRR-25 Horizon Wind Energy LLC Comments 110309.....	169
830PRR-26 Vestas Comments 110409.....	174
830PRR-27 TAC Recommendation Report 110509.....	182
830PRR-28 TAC Roll Call Vote 110509.....	192
830PRR-29 NextEra Energy Resources Appeal 110609	193
830PRR-30 NextEra Energy Resources Appeal Supporting Documents 1	194
830PRR-31 AEP Comments 111009	237
830PRR-32 AES Comments 111009	240
830PRR-33 Horizon Statement of Position 111009	244
830PRR-34 ONCOR Comments 111009.....	356
830PRR-35 TAC Advocate Position Statement 111009.....	395
830PRR-36 ERCOT ISO Position Statement 111009	397
830PRR-37 Wind Coalition Comments 111009.....	401
830PRR-38 TAC Advocate Supporting Document 111109	406
830PRR-39 RES America Developments Comments 111709	411
830PRR-40 AES Board Presentation 111709.....	413
830PRR-41 Board Action Report 111709	422
830PRR-42 NextEra Energy Resources Board Presentation 112009	434
Supporting Affidavit for Exhibit B	497

Protocol Revision Request

PRR Number	830	PRR Title	Reactive Power Capability Requirement
Date Posted	September 8, 2009		

Protocol Section(s) Requiring Revision	2.1, Definitions 2.2, Acronyms 6.5.7, Voltage Support Service 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability 6.7.6, Deployment of Voltage Support Service
Requested Resolution	Urgent. On November 13, 2008, ERCOT Legal issued a Protocol Interpretation, which was subsequently withdrawn on procedural grounds, regarding the Reactive Power capability requirements in Sections 6.5.7.1 and Section 6.7.6. This Protocol Interpretation resulted in a complaint filed against ERCOT by certain Wind-powered Generation Entities at the Public Utility Commission of Texas (see PUCT Docket No. 36482, Appeal of Competitive Wind Generators Regarding the Electric Reliability Council of Texas' Interpretation of the Reactive Power Protocols). One of the reasons ERCOT sought to abate and then dismiss that docket is that this issue is better suited to an informal and forward-looking resolution. Therefore, ERCOT files this Protocol Revision Request (PRR) to seek a prospective outcome that maintains reliability while attempting to lessen the costs and burdens of compliance with respect to the Reactive Power capability requirements in the ERCOT Protocols, and that offers a path to compliance for certain Wind-powered Generation Resources (WGRs) that are presently not able to meet 0.95 lead/lag requirement at the Point of Interconnection based solely on the unit's Reactive Power capability.
Revision Description	This PRR clarifies the Reactive Power capability requirement for all Generation Resources, including existing WGRs who are not able to meet the 0.95 lead/lag requirement with the Generation Resource's Unit Reactive Limit (URL). WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009 may meet the Reactive Power requirements through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices.
Reason for Revision	Clarification of Reactive Power capability requirements on a going-forward basis and path to compliance for certain WGRs that are not able to meet the 0.95 lead/lag requirement at the Point of Interconnection based on Generation Resource's URL.

Protocol Revision Request

Overall Market Benefit	Provides additional clarity to the reactive requirements for wind generation.
Overall Market Impact	Unknown.
Consumer Impact	None.
Credit Implications	Unknown.
Relevance to Nodal Market	Yes. The Reactive Power capability requirements exist in Nodal as well.
Nodal Protocol Section(s) Requiring Revision	2.1, Definitions 3.15, Voltage Support 6.5.7.7, Voltage Support Service

Quantitative Impacts and Benefits

Assumptions	1		
	2		
	3		
	4		
Market Cost		Impact Area	Monetary Impact
	1		
	2		
	3		
Market Benefit		Impact Area	Monetary Impact
	1	<i>Clarifies the reactive requirements for wind generation.</i>	
	2		
	3		
Additional Qualitative Information	1		
	2		
	3		
	4		
Other Comments	1		
	2		
	3		
	4		

Protocol Revision Request

Sponsor	
Name	John Dumas
E-mail Address	jdumas@ercot.com
Company	ERCOT
Phone Number	(512) 248-3195
Cell Number	
Market Segment	N/A

Market Rules Staff Contact	
Name	Sandra Tindall
E-Mail Address	stindall@ercot.com
Phone Number	512-248-3867

Protocol Revision Request

Proposed Protocol Language Revision

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).

2.2 Acronyms

POI Point of Interconnection
GSU Generation Step Up Transformer
SGIA Standard Generation Interconnection Agreement

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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Deleted: transmission bus

6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

Deleted: Installed Reactive Capability

(1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT. Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements

Deleted: at rated capability (MW)

Deleted: This quantity of Reactive Power is the Unit Reactive Limit (URL).[¶] (2)

Deleted: required to provide VSS except as noted below in items (3) or (4),

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Deleted: point of interconnection

Deleted: to the TDSP

Protocol Revision Request

shall be available at all MW output levels at or above 10% of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.
- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices, ERCOT may, at its sole

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Deleted: is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and

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Deleted: Upon request to, and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only.

Deleted: Upon submission by a

Deleted: Resource

Deleted: required to provide VSS

Deleted: of a

Deleted: for requirements

Deleted: substitute for these URL

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Deleted: shall

Protocol Revision Request

discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.

- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:
- (a) The number of wind turbines that are not able to communicate and whose status is unknown; and
- (b) The number of wind turbines out of service and not available for operation. WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.
- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

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Deleted: objections to the proposal

Deleted: Alternative requirements may include supplying additional static and/or dynamic Reactive Power capability as necessary to meet the area's Reactive Power requirements.

Deleted: An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

Deleted: For Generation Resources required to provide VSS

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Deleted: unit

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6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.
- (2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For

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Protocol Revision Request

Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

- (3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

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- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

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- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

Deleted: (5) At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.¶

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ERCOT Preliminary Impact Analysis Report

PRR Number	830	PRR Title	Reactive Power Capability Requirement
Impact Analysis Date		September 8, 2009	
Cost/Budgetary Impact		None.	
Estimated Project Time Requirements*		No project required. This Protocol Revision Request (PRR) can take effect upon ERCOT Board approval.	
<small>*Unless otherwise indicated, project time requirements begin upon project initiation.</small>			
ERCOT Staffing Impacts (across all areas)		No additional full time equivalents (FTEs) needed.	
ERCOT Computer System Impacts		Minor changes to ERCOT databases to incorporate additional SCADA points, which will be managed under the O&M budgets of affected departments.	
ERCOT Business Function Impacts		Existing business functions can accommodate this revision request.	
Grid Operations & Practices Impacts		No impact to ERCOT grid operations or practices.	

Alternatives for a More Efficient Implementation *(include explanation of impacts)*

None.

Evaluation of Interim Solutions *(e.g., manual workarounds)*

None.

Feasibility of Implementation

Impact on Resource Availability: None

Impact on Other Projects: None

Comments

None.

ERCOT Preliminary Impact Analysis Report

CEO Revision Request Review

I. REVISION REQUEST DETAILS	
Date	9/8/09
Revision Request Number	PRR830
Revision Request Name	Reactive Power Capability Requirement
ERCOT Position – PROVIDED BY CEO	
<input type="checkbox"/> Needed for Go-Live <input type="checkbox"/> Not Needed for Go-Live <input checked="" type="checkbox"/> No opinion on the need for Go-Live	
<p>Protocol Revision Request (PRR) 830, Reactive Power Capability Requirement, provides clarification on the Reactive Power capability requirement at the Point of Interconnection and specifically addresses existing Wind-powered Generation Resources (WGRs) by allowing WGRs to meet the Reactive Power capability requirement through a combination of the WGR's Unit Reactive Limit (URL) and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices.</p> <p>After initial review, PRR830 does not impact Nodal systems, budget or schedule; therefore, the ERCOT CEO believes this PRR should proceed through the stakeholder review process.</p> <p>Because there are no Nodal impacts, the ERCOT CEO has no opinion on whether or not PRR830 is necessary prior to the Texas Nodal Market Implementation Date. The ERCOT CEO has the right to reevaluate the PRR if there are any changes during the stakeholder process.</p>	

II. SUGGESTED ERCOT POSITION – PROVIDED BY AREA OWNERS

DECISION CRITERIA - NEEDED FOR GO-LIVE FOR:

- Nodal system to work properly
 - Functionality
 - Quality (system performance, security, usability, efficiency, data accuracy, etc.)
- Reliability (grid performance, system stability, etc.)
- Compliance (Protocols, PUCT rules, NERC, etc.)
- Fair Market Practices
- Synchronization
 - Zonal to Nodal
 - Updating Nodal protocols to reflect changes to Zonal protocols so we aren't reverting back to prior rules when Nodal goes live (Example: NPRR149)
 - Updating Nodal protocols to account for essential Zonal functionality that is missing from Nodal (Example: NPRR156)
 - Nodal to Nodal
 - Updating Nodal protocols to reflect logic that exists in the Nodal systems as currently planned or developed
- Cost-Benefit indicates beneficial to implement prior to Go-Live

Business Perspective

Grid Operations

<input type="checkbox"/> Does <u>not</u> apply to my area <input checked="" type="checkbox"/> No opinion on the need for Go-Live	<input type="checkbox"/> Perform complete impact analysis prior to recommending ERCOT position <div style="margin-left: 40px;"> <input type="checkbox"/> High level (1-4) <input type="checkbox"/> Full Impact Analysis </div>
<input type="checkbox"/> "Needed for Go-Live" Indicate criteria not met unless this revision request is implemented <ul style="list-style-type: none"> <input type="checkbox"/> Nodal system to work properly <input type="checkbox"/> Reliability <input type="checkbox"/> Compliance <input type="checkbox"/> Fair Market Practices <input type="checkbox"/> Synchronization <input type="checkbox"/> Cost-Benefit Explain: _____	<input type="checkbox"/> "Not Needed for Go-Live" Explain: _____
Indicate potential impact <ul style="list-style-type: none"> <input type="checkbox"/> Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other) <input type="checkbox"/> No impact to ERCOT Explain: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.	

Wholesale Markets

<input type="checkbox"/> Does <u>not</u> apply to my area	<input type="checkbox"/> Perform complete impact analysis prior to recommending ERCOT position
<input checked="" type="checkbox"/> No opinion on the need for Go-Live	<input type="checkbox"/> High level (1-4) <input type="checkbox"/> Full Impact Analysis
<input type="checkbox"/> "Needed for Go-Live" Indicate criteria not met unless this revision request is implemented <input type="checkbox"/> Nodal system to work properly <input type="checkbox"/> Reliability <input type="checkbox"/> Compliance <input type="checkbox"/> Fair Market Practices <input type="checkbox"/> Synchronization <input type="checkbox"/> Cost-Benefit Explain: _____	<input type="checkbox"/> "Not Needed for Go-Live" Explain: _____
Indicate potential impact <input type="checkbox"/> Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other) <input type="checkbox"/> No impact to ERCOT Explain: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.	

System Planning

<input type="checkbox"/> Does <u>not</u> apply to my area	<input type="checkbox"/> Perform complete impact analysis prior to recommending ERCOT position
<input checked="" type="checkbox"/> No opinion on the need for Go-Live	<input type="checkbox"/> High level (1-4) <input type="checkbox"/> Full Impact Analysis
<input type="checkbox"/> "Needed for Go-Live" Indicate criteria not met unless this revision request is implemented <input type="checkbox"/> Nodal system to work properly <input type="checkbox"/> Reliability <input type="checkbox"/> Compliance <input type="checkbox"/> Fair Market Practices <input type="checkbox"/> Synchronization <input type="checkbox"/> Cost-Benefit Explain: _____	<input type="checkbox"/> "Not Needed for Go-Live" Explain: _____

Indicate potential impact

- ☐ Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other)
☐ No impact to ERCOT

Explain: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.

Compliance

<input type="checkbox"/> Does <u>not</u> apply to my area <input checked="" type="checkbox"/> No opinion on the need for Go-Live	<input type="checkbox"/> Perform complete impact analysis prior to recommending ERCOT position <input type="checkbox"/> High level (1-4) <input type="checkbox"/> Full Impact Analysis
<input type="checkbox"/> "Needed for Go-Live" Indicate criteria not met unless this revision request is implemented <input type="checkbox"/> Nodal system to work properly <input type="checkbox"/> Reliability <input type="checkbox"/> Compliance <input type="checkbox"/> Fair Market Practices <input type="checkbox"/> Synchronization <input type="checkbox"/> Cost-Benefit Explain: _____	<input type="checkbox"/> "Not Needed for Go-Live" Explain: _____
Indicate potential impact <input type="checkbox"/> Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other) <input type="checkbox"/> No impact to ERCOT Explain: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.	

Nodal Perspective

<input type="checkbox"/> Does <u>not</u> apply to my area <input checked="" type="checkbox"/> No opinion on the need for Go-Live	<input type="checkbox"/> Perform complete impact analysis prior to recommending ERCOT position <input type="checkbox"/> High level (1-4) <input type="checkbox"/> Full Impact Analysis
<input type="checkbox"/> "Needed for Go-Live" Indicate criteria not met unless this revision request is implemented <input type="checkbox"/> Nodal system to work properly <input type="checkbox"/> Reliability <input type="checkbox"/> Compliance <input type="checkbox"/> Fair Market Practices <input type="checkbox"/> Synchronization <input type="checkbox"/> Cost-Benefit	<input type="checkbox"/> "Not Needed for Go-Live"

Explain: _____	Explain: _____
<p>Indicate potential impact</p> <p><input type="checkbox"/> Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other)</p> <p><input type="checkbox"/> No impact to ERCOT</p> <p>Explain: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.</p>	

IT Perspective

<input type="checkbox"/> Does <u>not</u> apply to my area <input checked="" type="checkbox"/> No opinion on the need for Go-Live	<input type="checkbox"/> Perform complete impact analysis prior to recommending ERCOT position <input type="checkbox"/> High level (1-4) <input type="checkbox"/> Full Impact Analysis
<input type="checkbox"/> "Needed for Go-Live" <p>Indicate criteria not met unless this revision request is implemented</p> <p><input type="checkbox"/> Nodal system to work properly</p> <p><input type="checkbox"/> Reliability</p> <p><input type="checkbox"/> Compliance</p> <p><input type="checkbox"/> Fair Market Practices</p> <p><input type="checkbox"/> Synchronization</p> <p><input type="checkbox"/> Cost-Benefit</p> <p>Explain: _____</p>	<input type="checkbox"/> "Not Needed for Go-Live" <p>Explain: _____</p>
<p>Indicate potential impact</p> <p><input type="checkbox"/> Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other)</p> <p><input type="checkbox"/> No impact to ERCOT</p> <p>Explain: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.</p>	

III. OTHER VIEWS – PROVIDED BY AREA OWNERS		
Alternate View / Rationale	Person holding alternate view	Alternate view provided by

IV. SUGGESTED ERCOT POSITION – PROVIDED BY COO/CTO/CIO
<p>COO</p>

Suggested ERCOT Position: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.		<input type="checkbox"/> Perform complete impact analysis prior to recommending ERCOT position <input type="checkbox"/> High level (1-4) <input type="checkbox"/> Full Impact Analysis
<input type="checkbox"/> "Needed for Go-Live" Indicate criteria not met unless this revision request is implemented <input type="checkbox"/> Nodal system to work properly <input type="checkbox"/> Reliability <input type="checkbox"/> Compliance <input type="checkbox"/> Fair Market Practices <input type="checkbox"/> Synchronization <input type="checkbox"/> Cost-Benefit Explain: _____	<input type="checkbox"/> "Not Needed for Go-Live" Explain: _____	
Indicate potential impact <input type="checkbox"/> Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other) <input type="checkbox"/> No impact to ERCOT Explain: _____		

CTO

Suggested ERCOT Position: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.		<input type="checkbox"/> Perform complete impact analysis prior to recommending ERCOT position <input type="checkbox"/> High level (1-4) <input type="checkbox"/> Full Impact Analysis
<input type="checkbox"/> "Needed for Go-Live" Indicate criteria not met unless this revision request is implemented <input type="checkbox"/> Nodal system to work properly <input type="checkbox"/> Reliability <input type="checkbox"/> Compliance <input type="checkbox"/> Fair Market Practices <input type="checkbox"/> Synchronization <input type="checkbox"/> Cost-Benefit Explain: _____	<input type="checkbox"/> "Not Needed for Go-Live" Explain: _____	
Indicate potential impact <input type="checkbox"/> Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other) <input type="checkbox"/> No impact to ERCOT Explain: _____		

CIO

Suggested ERCOT Position: Concurred with ERCOT position agreed to during 08/26/09 CEO Review discussion.

☐ Perform complete impact analysis prior to recommending ERCOT position

☐ High level (1-4)

☐ Full Impact Analysis

☐ "Needed for Go-Live"

Indicate criteria not met unless this revision request is implemented

☐ Nodal system to work properly

☐ Reliability

☐ Compliance

☐ Fair Market Practices

☐ Synchronization

☐ Cost-Benefit

Explain: _____

☐ "Not Needed for Go-Live"

Explain: _____

Indicate potential impact

☐ Impact (System, Business process/procedure, Schedule, Budget, Project Resources, Staffing, Other)

☐ No impact to ERCOT

Explain: _____

ROLL CALL VOTES

ERCOT Protocol Revision Subcommittee - E-Mail Vote		1			2			3			4			5			6			7		
		Yes	No	A	Yes	No	A	Yes	No	A	Yes	No	A	Yes	No	A	Yes	No	A	Yes	No	A
Torment	OPUC	X																				
Wardle	Occidental																					
TOTAL	Consumer																					
Morris	LCRA	X																				
Helpert	Brazos	X																				
TOTAL	Coop																					
Jones	Calpine	X																				
Pieniazek	NRG Texas																					
TOTAL	Generator																					
Walker	CNP	X																				
Durrwachter	Luminant																					
TOTAL	IOU																					
Detelich	CPS																					
Bailey	Garland P&L	X																				
TOTAL	Municipal																					
Boehnemann	Exelon Generation	X																				
Cochran	Sempra																					
TOTAL	PM																					
Madden	StarTex Power	X																				
Carr	Stream Energy	X																				
TOTAL	REP																					
VOTE TOTALS	14	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

A - Abstain

1	To grant PRR830 Urgent status - PASSED
2	
3	
4	
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5	
6	
7	

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
------------	-----	-----------	---------------------------------------

Date	September 15, 2009
------	--------------------

Submitter's Information	
Name	Matt Daniel
E-mail Address	Matthew.Daniel@horizonwind.com
Company	Horizon Wind Energy LLC
Phone Number	713-265-0350
Cell Number	
Market Segment	Independent Generator

Comments

Horizon does not agree with the changes proposed in Protocol Revision Request (PRR) 830, Reactive Power Capability Requirement. The PRR as drafted would require significant retrofitting by wind generators that have been providing service to the ERCOT market for years without justification. It would impose additional capital expenditures for existing generation many years after these assets have been financed. The substantial retrofit obligations to be placed on wind developers are tantamount to enforcement of and retroactive application of the ERCOT interpretation of Reactive Power capability requirements that has been withdrawn. Such requirements placed on a single segment of the generation market harms the investment-backed expectations of wind developers like Horizon who have invested hundreds of millions of dollars in the ERCOT market. PRR830 in its current form should be rejected.

The proposed language attempts to remove all Protocol language that conflicts with the legal interpretation ERCOT issued in its notice, M-D111308-01 Legal, issued November 13, 2008, and replace it with language supporting ERCOT's interpretation. This raises questions about the meaning of the deleted language. PRR830 also requires Wind powered Generation Resources (WGRs) to retrofit their equipment to comply with the new requirements in which the expense would be, for individual wind developers, in the tens of millions of dollars. Significantly, ERCOT has performed no studies that demonstrate that these large expenditures need to be made for any reason and has not shown reliability events that would require costly retrofits to existing generation.

The language proposed in PRR830 goes beyond removing Protocol language that conflicts with ERCOT's interpretation; it is contrary to ERCOT's introductory remarks, in that it is retrospective, not prospective. It would require Wind Generation Resources

PRR Comments

that commenced operation on or after February 16, 2004 and have a signed Interconnection Agreement on or before November 1, 2009 to take necessary actions to comply with ERCOT's interpretation, under a mitigation plan that meets ERCOT approval. There is no basis for this requirement. As discussed by the ERCOT Board in taking up Operating Guide Revision Request, (OGRR) 208, Voltage Ride-Through (VRT) Requirement, ERCOT should study whether there is a need for requirements that burden existing generation by retroactive application of new standards. It is also unclear whether reactive power requirements of the level intended by PRR830 will be at all useful to the market as the system is clearly functioning without these requirements, and the investment in retrofits may in fact be wasted capital investment. This is particularly troubling given that most projects are financed through a variety of means ultimately relying on the value of the asset and based on the capital investment associated with construction. These new and substantial capital outlays cannot be "added" into the financing years later.

There may be, in the future, situations when Market Participants need to provide additional services other than those originally contemplated -- including additional Reactive Power above required capability. Protocols now provide that conventional generation will do so -- for compensation. However, the key is that such additional expenditures must be compensated in a market such that there is certainty and that investment backed expectations are met. This is not the case with PRR830. Although it singles out a specific technology for retrofits, this requirement is not supported by studies or independent reviews.

WGRs in general and Horizon, in particular, have been willing to modify their equipment and operating procedures when needed for system reliability. Examples include:

- Changing control systems to limit ramp rates in response to ERCOT Dispatch Instructions.
- Revising operating procedures to use ERCOT's Wind-powered Generation Resource Production Potential (WGRPP) forecast for their Day Ahead schedule instead of WGR's own forecasts.
- PRR811, Real Time Production Potential, which is likely to be approved, would require WGRs to provide their best estimate of production output at all times, in addition to its Resource Plan.

These changes do not reach the level of significance for unrecoverable cost that ERCOT is now asking one segment of the market to bear through PRR830. ERCOT has not shown the need for a change in the reactive requirement for WGRs and any changes to the Reactive Power requirements should truly be prospective in nature, not creating substantially increased costs for existing generation.

Revised Proposed Protocol Language

None.

PRS Action Report

PRR Number	830	PRR Title	Reactive Power Capability Requirement
Timeline	Urgent	Action	Tabled
Date of Decision	September 17, 2009		
Proposed Effective Date	To be determined.		
Priority and Rank Assigned	To be determined.		
Protocol Section(s) Requiring Revision	2.1, Definitions 2.2, Acronyms 6.5.7, Voltage Support Service 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability 6.7.6, Deployment of Voltage Support Service		
Revision Description	<p>This Protocol Revision Request (PRR) clarifies the Reactive Power capability requirement for all Generation Resources, including existing Wind-powered Generation Resources (WGRs) who are not able to meet the 0.95 lead/lag requirement with the Generation Resource's Unit Reactive Limit (URL).</p> <p>WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009 may meet the Reactive Power requirements through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices.</p>		
Reason for Revision	Clarification of Reactive Power capability requirements on a going-forward basis and path to compliance for certain WGRs that are not able to meet the 0.95 lead/lag requirement at the Point of Interconnection (POI) based on Generation Resource's URL.		
Overall Market Benefit	Provides additional clarity to the reactive requirements for wind generation.		
Overall Market Impact	Unknown.		
Consumer Impact	None.		
Credit Impacts	To be determined.		
Relevance to Nodal Market	Yes. The Reactive Power capability requirements exist in Nodal as well.		

PRS Action Report

Nodal Protocol Section(s) Requiring Revision	2.1, Definitions 3.15, Voltage Support 6.5.7.7, Voltage Support Service
Procedural History	<ul style="list-style-type: none"> ➤ On 9/08/09, PRR830, a preliminary Impact Analysis, and CEO Revision Request Review were posted. ➤ On 9/10/09, PRR830 was granted Urgent status via a PRS e-mail vote. ➤ On 9/15/09, Horizon Wind Energy LLC comments were posted. ➤ On 9/17/09, PRS considered PRR830.
PRS Decision	On 9/17/09, PRS unanimously voted to table PRR830 for one month and to encourage ROS to provide comments on PRR830. All Market Segments were present for the vote.
Summary of PRS Discussion	On 9/17/09, there was discussion regarding the appeal currently at the Public Utility Commission of Texas (PUCT) which stemmed from an ERCOT interpretation of the current Protocols regarding Reactive Power. It was debated whether or not the proposed content of PRR830 was being addressed in the contested case.

Quantitative Impacts and Benefits

Assumptions	1		
	2		
	3		
	4		
Market Cost		Impact Area	Monetary Impact
	1		
	2		
	3		
Market Benefit		Impact Area	Monetary Impact
	1	<i>Clarifies the reactive requirements for wind generation.</i>	
	2		
	3		
Additional Qualitative Information	1		
	2		
	3		
	4		
Other Comments	1		
	2		
	3		
	4		

Sponsor

PRS Action Report

Name	John Dumas
E-mail Address	jdumas@ercot.com
Company	ERCOT
Phone Number	(512) 248-3195
Cell Number	
Market Segment	N/A

Market Rules Staff Contact	
Name	Sandra Tindall
E-Mail Address	stindall@ercot.com
Phone Number	512-248-3867

Comments Received	
Comment Author	Comment Summary
Horizon Wind Energy LLC 091509	Recommended that PRR830 be rejected as submitted.

Proposed Protocol Language Revision

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).

2.2 Acronyms

POI	Point of Interconnection
GSU	Generation Step Up Transformer
SGIA	Standard Generation Interconnection Agreement

PRS Action Report

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

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to maintain a Voltage Profile established by ERCOT. (2) Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10% of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

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(2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.

(3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that

PRS Action Report

were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.

- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.

- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.

- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.

- A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).

- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.

- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.

- (10) WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:

- (a) The number of wind turbines that are not able to communicate and whose status is unknown; and

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PRS Action Report

(b) The number of wind turbines out of service and not available for operation, WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.

- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.

- (2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

- (3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

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(7) An induction generator may elect to make a contribution in aide of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

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For Generation Resources required to provide VSS

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PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	September 28, 2009
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Submitter's Information	
Name	Randy Jones
E-mail Address	rajones@calpine.com
Company	Calpine
Phone Number	713.830.8846
Cell Number	832.385.3322
Market Segment	Independent Generators

Comments

Calpine supports the passage of PRR830, Reactive Power Capability

Requirement. Since the ERCOT Board's passage of PRR493, Induction Generator Exemption, in March of 2004, the pathway to compliance with the Protocols requirements for Voltage Support Service (VSS) has been clear and the "burden" of supporting reliability through VSS on the part of induction Wind-powered Generation Resources (WGRs) has been no more onerous than that faced by other generating Resources in the system.

At the June 2003 meeting of the WMS, when that subcommittee took up the proposed Reactive Standards to replace the Interim Reactive and Voltage Standards, a motion to approve the Standards was amended to include the provision for WGRs who could not meet the installed capacity requirements (Application section) to make a contribution to be credited to Transmission Cost of Service (TCOS) of the respective Transmission and/or Distribution Service Provider (TDSP).

[5/21/03 WMS Meeting Minutes]

"Xxxxx also proposed additional language in the third bullet in the "Application" Section under the "Generator and QSE Requirements" Section ("A renewable generator may elect to make a contribution to be credited to TCOS, at a standard approved rate per MW of generator capability, in lieu of meeting the Installed Capability Requirements contained herein."). A motion was made by Xxxxx and seconded by Xxxxx to approve the additional language above to be inserted into the "Application" Section under the "Generator and QSE Requirements". The motion was approved with 2 abstentions."

PRR Comments

PRR493 provided clarification on the mechanics of how that contribution would be made. Contrary to ERCOT's comment in PRR830, the pathway to compliance has been in place for some time, and the requirement for generating Resources to provide voltage support as a standard requirement of interconnection predates the current market design.

Comments filed by others in this matter assert that ERCOT should conduct a study showing the need for WGRs to spend dollars to provide the required VSS capability and also claiming that there has been no showing that reliability events would justify costly retrofits. This stance would require that the system would always be in a state of "catching up" to system events and system growth. It also fails to recognize that fairness dictates that all Resources support reliability, not just those conventional technology Resources who customarily abide by the Protocols and Operating Guides out of a sense of obligation. Calpine believes that if standards are established that clearly provide what each Resource's Obligation is upon interconnection, then the system's increasing need for dynamic and static reactive sources can be efficiently managed through the TDSPs' expansion of reactive devices. Those standards exist in the form of the Protocols and the Standard Generation Interconnection Agreement (SGIA).

PRR830 provides a clear route for establishing system reactive adequacy in the future and it also illuminates the existing path to compliance that has existed for quite some time.

Revised Proposed Protocol Language

None.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 7, 2009
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Submitter's Information	
Name	Tom Shields
E-mail Address	Tom.shields@iberdrolausa.com
Company	Iberdrola Renewables, Inc.
Phone Number	281-374-3064
Cell Number	
Market Segment	Independent Power Marketer

Comments

Please find comments submitted by Iberdrola Renewables in the "track changes" format. Please note, however, that Iberdrola Renewables believes the existing protocol language, as historically interpreted by ERCOT and developers, is sufficiently clear and effective and not in need of change. Iberdrola Renewables submits these comments only as an alternative to the ERCOT proposed changes under PRR830, Reactive Power Capability Requirement. By offering these comments, Iberdrola Renewables does not waive any position taken in Docket No. 36482, Appeal of Competitive Wind Generators Regarding the Electric Reliability Council of Texas' (ERCOT) Interpretation of the Reactive Power Protocols. Furthermore, Iberdrola Renewables notes that despite being described as seeking a "prospective outcome" and clarifying Reactive Power requirements "on a going-forward basis," PRR830 is retroactive in nature and represents a major, after-the-fact reinterpretation of ERCOT's Reactive Power capability requirements.

Revised Proposed Protocol Language

PRR Comments

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind.

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2.2 Acronyms

POI	Point of Interconnection
GSU	Generation Step Up Transformer
SGIA	Standard Generation Interconnection Agreement

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

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- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT. Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's net power output supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI as shown in Figure 1 below.

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PRR Comments

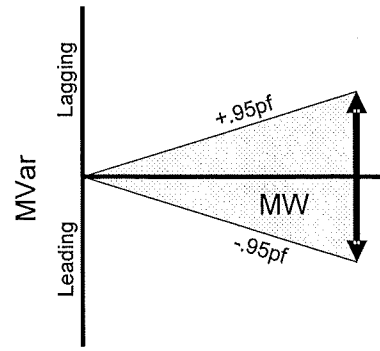


Figure 1: Reactive Power Requirement

The Reactive Power requirements shall apply at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, switchable static VAR capable devices, and/or dynamic VAR capable devices. ERCOT may require that all or a portion of the Reactive Power requirements be met by dynamic voltage support if the interconnection studies for the Generation Resource show this to be required for system reliability. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall apply at all MW output levels at or above 10% of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System if required for system reliability. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) and (3) below.

- (2) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain the qualified renewable Generation Resource's Reactive Power capability that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (3) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain the Generation Resource's Reactive Power capability that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) For purposes of meeting the Reactive Power requirements in paragraph (1) above, multiple generation units including wind turbines shall, at a Generation Entity's option,

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PRR Comments

be treated as a single Generation Resource or WGR if the units are connected to the same POI or transmission bus.

- (5) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole and reasonable discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.
- (6) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1) above.
- (7) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (8) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (9) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.
- (2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

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PRR Comments

- (3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

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- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (4) of Section 6.5.7.1, Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

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- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

4) below.

- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.

- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.

Reactive Power requirement as defined by

Reactive Power requirement as defined by the qualified renewable Generation Resource's

is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and

Page 3: [6] Deleted	Iberdrola Renewables - Tom Shields	9/30/2009 9:41 AM
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Reactive Power requirement as defined by

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Reactive Power requirement as defined by the Generation Resource's

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is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and

Page 3: [9] Deleted	ERCOT	9/4/2009 11:26 AM
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Upon request to, and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only.

Page 4: [10] Deleted	ERCOT	9/4/2009 11:27 AM
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An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

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A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1)

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For Generation Resources required to provide VSS

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, unless specifically approved by ERCOT

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Iberdrola Renewables - Tom Shields

9/30/2009 10:41 AM

(10) WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:

- (a) The number of wind turbines that are not able to communicate and whose status is unknown; and
- (b) The number of wind turbines out of service and not available for operation. WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.

Page 4: [15] Inserted

ERCOT

8/19/2009 6:26 PM

11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 8, 2009
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Submitter's Information	
Name	Matt Daniel
E-mail Address	Matthew.Daniel@horizonwind.com
Company	Horizon Wind Energy LLC
Phone Number	713-265-0350
Cell Number	
Market Segment	Independent Generator

Comments

Horizon Wind Energy LLC appreciates the opportunity to offer comments on PRR830, Reactive Power Capability Requirement. Horizon believes that Market Participants have the responsibility to provide capabilities required by the market rules, and has ensured that our Wind-powered Generation Resources (WGRs) fulfill that responsibility.

The introductory comments for PRR830 say it is a clarification of Reactive Power requirements and is intended to be prospective, even a cursory review shows that it goes far beyond clarification. In addition to redefining the terms for Reactive Power service and adding new definitions for existing terms, it imposes new requirements on existing generation that can only be accomplished through significant capital investment in retrofits. This re-write of Reactive Power capability requirements occurs at the same time that the Public Utility Commission of Texas (PUCT) is hearing an appeal of an ERCOT Protocol Interpretation regarding the requirements for Reactive Power capability.

PRR830 broadly re-defines Reactive Power capability requirements for Generation Resources interconnected with the ERCOT Transmission Grid. For example, it changes the concept of Unit Reactive Limit (URL) and adds the requirement that all Reactive Power capability be dynamic. By doing so, it imposes new requirements on WGRs and requires retrofits to the majority of operating WGRs. These new requirements are contrary to existing Protocols and practice, and are proposed without any demonstration of need.

At the time the current Protocols were adopted, the technology for WGRs to perform as ERCOT interprets them did not exist. Only one vendor had even announced that their turbines could do so, as was pointed out in the discussions around their adoption. Clearly imposing a requirement now to reach back will penalize existing WGRs that invested in the market based on the market

PRR Comments

rules at the time. They will have to make substantial investments to implement these new Reactive Power requirements, without any study showing that doing so will improve system reliability.

If the true intent is to level the playing field with regard to Reactive Power capability, this PRR does not accomplish that objective. Instead it singles out one group, WGRs, to which this retroactive standard is applied. The current Reactive Power protocols exempt conventional generation pre-1999 from the Reactive Power requirements, and this PRR only seeks to place the retroactive “rectangle” requirements on WGRs, and not other types of generation to which the retroactive provisions could also be applied if the purpose was to make the playing field level—albeit at significant cost to those conventional generators as well.

Reconsideration of Reactive Power capability required by the ERCOT System, and of the most reliable and cost-effective way to provide it, will be a lengthy project, and should be a separate effort from this PRR as part of a study process—however Horizon does not support the retroactive application of Reactive Power requirements or other standards to existing generation once the capital investment has been made and the generator has no way to recover tens of millions of dollars in new, unanticipated capital outlays.

The background relating to Reactive Power is significant. WGRs have given ERCOT their Resource Asset Registration Forms (RARF & GARF) for years demonstrating compliance with the Reactive Power standards in the shape of the “cone.” The RARF example clearly demonstrates what the minimum requirement is, and that is the “cone” as can be seen in the pictorial that accompanies it.

WGRs developed their projects on the understanding that ERCOT required, at most, Reactive Power be provided as shown by the “cone” plot, consistent with the rest of the country. However, PRR830 was precipitated by a new interpretation issued by ERCOT as part of its ERCOT Protocol Interpretation issued November 13, 2008 (Interpretation), which was also subsequently withdrawn as a result of defects in the adoption of the Interpretation. This matter is the subject of a contested case before the PUCT. The PUCT will decide the interpretation of the Protocols as applied to existing generation and has indicated its willingness to do so by twice refusing to grant ERCOT’s Motions to Dismiss. Instead of embarking on a lengthy debate about re-defining Reactive Power capability requirements as applied to existing WGRs in the consideration of PRR830, Horizon recommends limiting this discussion to clearly defining what new WGRs need to provide. This will remove financial concerns for operating and prospective wind projects, that otherwise may have to make costly retrofits or install unnecessary equipment.

Reactive Power capability requirements for ERCOT are clear from Protocols and other binding documents. Those requirements are the maximum Reactive Power performance required in FERC Order 661A: WGRs are to maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the point of interconnection. All WGRs must maintain at least this capability, using static and/or dynamic reactive equipment, as they decide is most cost-effective. WGRs should only be required to provide additional Reactive Power capability if needed for system reliability, as determined by the Transmission Service Provider (TSP) conducting the

PRR Comments

interconnection study. Review of the Protocols and of Other Binding Documents show consistent support for this requirement. Examples from those documents are provided below.

Existing WGRs interconnected with the ERCOT Transmission Grid with the understanding of Reactive Power requirements as described above. Their capabilities were clearly reported in their Interconnection Agreements and Registration Forms. The additional retroactive requirements PRR830 would impose have not been shown to be needed by any study. For all these reasons, in addition to the costly retrofits PRR830 would impose, Horizon recommends rejection of PRR830.

The current Protocols are clear that URL refers to Reactive Power produced when a Resource is operating at its rated capability, and that the required reactive capability varies with the Resource's real power production. At full output, a Resource must be capable of providing reactive power per its URL. There is no confusion there. The Protocols also say: "In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the *ratio* of the lower active power output to the generating unit's continuous rated active power output..." (emphasis added). There should be no confusion that the Protocols intend for Reactive Power capability to vary with output.

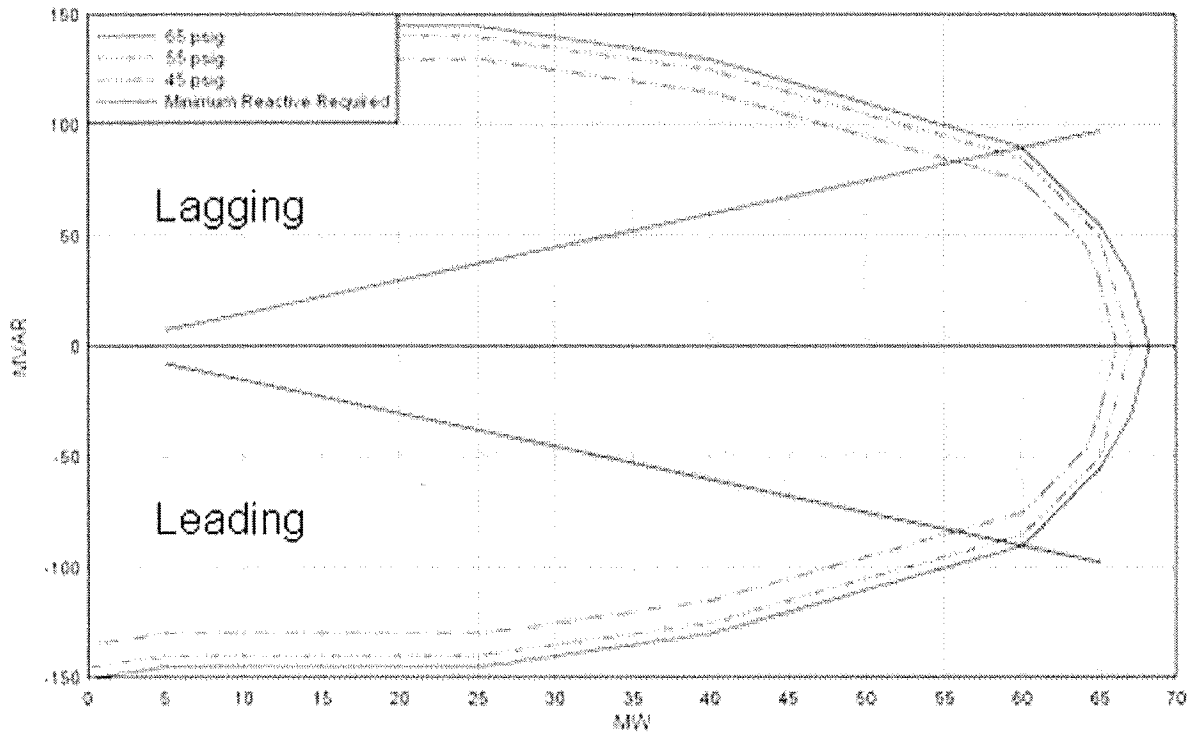
This clear meaning is supported by ERCOT's actions and in Other Binding Documents. WGRs have clearly and repeatedly communicated their Reactive Power capability through the interconnection process, the asset registration process, the synchronization approval process, ERCOT surveys, and in response to request letters from ERCOT.

ERCOT's Resource Asset Registration Guide, effective March 10, 2009, reflects the Protocol requirement that the "Minimum Reactive Required" vary with a Resource's output. The chart reproduced below appears in version 4.03 of the Resource Asset Registration Guide, published two months after ERCOT issued its Reactive Power interpretation. WGRs registering their assets clearly indicated that their Reactive Power capability varies with power production.

PRR Comments

Resource Asset Registration Guide v4.03, Page 4 of 5

DCurve
H2 Cooled



From the letters ERCOT sent on June 5, 2009, it appears that many, if not all, WGRs registered their assets indicating that their Reactive Power capability varies with power production. ERCOT sanctioned their interconnection while understanding that their Reactive Power varied with real power production. This understanding is reflected in a draft revision to ERCOT's Generation Interconnection or Change Request Procedure, offered for comments in February 2007, which includes the language quoted below. It would accommodate actual WGR Reactive Power capability and provides that Reactive Power can be provided using either static or dynamic equipment.

4.7 Special Requirements for Wind Generation

4.7.1 Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the point of interconnection as defined in the SGIA. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by ERCOT and the TSP. The GE or PGC shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient

PRR Comments

dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system.¹

There is still no requirement to provide Reactive Power using dynamic equipment in ERCOT's New Generator Commissioning Checklist. The version effective since April 07, 2009 includes a requirement for each Generation Resource to telemeter the status of its "Station Static Reactive Device(s)" status. Clearly ERCOT accepts that Generation Resources could reliably meet their Reactive Power capability requirements with static devices.

Revised Proposed Protocol Language

None.

¹

http://www.ercot.com/content/meetings/ros/keydocs/2007/0215/06._ERCOTGenerationInterconnectOrChangeRequestProcedures0214.doc

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 8, 2009
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Submitter's Information	
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Phone Number	512-473-3200
Cell Number	
Market Segment	Cooperative

Comments

LCRA submits the following comments for clarification purposes in PRR830, Reactive Power Capability Requirement.

In paragraph (1) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, what was paragraph (2), LCRA notes that the language "and at the transmission system Voltage Profile established by ERCOT and both" should be deleted. When running a lagging reactive test in the transmission corridors that are congested, the lagging reactive test often fails to reach an adequate test output due to system voltage constraints if the test is initiated at the ERCOT-established Voltage Profile. LCRA suggests deleting that language to allow Resources to start at a lower voltage level assuming the transmission service provider can lower the voltage to facilitate a meaningful lagging reactive test. In 6.5.7.1(3), LCRA adds the inclusion of all other Generation Resources prior to September 1, 1999 as an exemption.

LCRA also proposes additional modifications in 6.5.7.1(3) related to establishing Reactive Power requirements. If taken literally, the language presumes that the tested value at the maximum net power to the grid can be produced across the entire megawatt (MW) range of a Generation Resource. The reality is that different Resource types have different characteristics and therefore may not be able to completely follow a straight line curve because of electrical or mechanical limitations. Some Resources may follow an erratic curve due to electronic derivations or have other machine specific limitations. LCRA proposes that Resources establish a minimum of a six-point curve to provide a valid unit capability across the generator MW range.

PRR Comments

Finally, the ERCOT requirement to disconnect a Wind-powered Generation Resource (WGR) that is operating below 10% of its nameplate capacity and is unable to support voltage at the Point of Interconnection (POI) is too unforgiving. Because there are a number of WGRs often in a region, ERCOT should establish which particular WGR is the appropriate WGR to disconnect by performing a voltage study in Real Time. That study should also help determine if an alternate device might do a better job of meeting the Reactive Power requirements. Finally, if the WGR is required to disconnect as a result of the study, there shall be no repercussions from ERCOT or the Texas Regional Entity (TRE) for the inability to support the POI voltage.

In 6.7.6, Deployment of Voltage Support Service, ERCOT uses the Voltage Profile established by a Protocol-prescribed study. If a Transmission Service Provider (TSP) changes voltage because of changes in system conditions, and they do not alert ERCOT of the change, ERCOT's Real Time studies will not reflect the new Voltage Profiles. LCRA proposes having the TSP provide an end-time to the voltage changes.

Revised Proposed Protocol Language

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).

Unit Reactive Limit (URL)

The maximum reactive capability of a unit at a unit's HSL as determined in biennial tests as required by the ERCOT Operating Guides.

2.2 Acronyms

POI	Point of Interconnection
GSU	Generation Step Up Transformer
SGIA	Standard Generation Interconnection Agreement

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty

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PRR Comments

(20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS,

- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT. Generation Resources shall comply with the following Reactive Power requirements:
- (a) The Generation Resource shall maintain an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid, measured at the POI.
 - (b) The establishment of Reactive Power requirements in a six point test curve shall be available for all MW output levels. The Unit Reactive Limit (URL) across all levels can be determined by a six-point test curve across the MW capacity of the units.
 - (c) The .95 power factor level may be met through a combination of the Generation Resource's URL, which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices; and
 - (d) For Wind-powered Generation Resources (WGRs), the URL shall be determined for MW output levels utilizing the six-point test curve beginning at 10% of the WGR's nameplate capacity through the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI as determined by a Real Time voltage study, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below. If the units are disconnected, they will not be found in violation of the Protocols.
- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-

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PRR Comments

powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.

- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's or all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999 that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.
- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.

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Deleted: Upon request to, and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only.
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PRR Comments

(10) WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:

(a) The number of wind turbines that are not able to communicate and whose status is unknown; and

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(b) The number of wind turbines out of service and not available for operation. WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.

(11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

6.7.6 Deployment of Voltage Support Service

(1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits and provide the QSE and/or the generator the length of time for the change provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.

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(2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

(3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

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(4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

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PRR Comments

- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

Deleted: (5) At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.¶

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An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).

For Generation Resources required to provide VSS

, unless specifically approved by ERCOT

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 19, 2009
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Submitter's Information	
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Cell Number	
Market Segment	Investor Owned Utility (IOU)

Comments

At its October 15, 2009 meeting, ROS voted to endorse Protocol Revision Request (PRR) 830 as submitted. The motion carried via roll call vote.

Revised Proposed Protocol Language

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).

2.2 Acronyms

POI	Point of Interconnection
GSU	Generation Step Up Transformer
SGIA	Standard Generation Interconnection Agreement

PRR Comments

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

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- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT.

Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10% of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

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- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.

- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004,

PRR Comments

required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.

- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.

- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.

- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.

- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).

- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.

- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.

- (10) WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:

- (a) The number of wind turbines that are not able to communicate and whose status is unknown; and

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Deleted: An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection... [1]

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PRR Comments

(b) The number of wind turbines out of service and not available for operation, WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.

(11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

6.7.6 Deployment of Voltage Support Service

(1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL, specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.

(2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

(3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

(4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

(5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

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An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

For Generation Resources required to provide VSS

, unless specifically approved by ERCOT

RJones/Green motion to
recommend approval of
PRR830 as submitted.

Date: 20091015

Prepared by: B. Albracht

Tally Votes

Clear

TALLY TOTAL			
Voting Structure	Motion Carries		Total Abstentions
ROS/RMS/WMS			
Segment Vote:	5.500	2.000	2
Percentage Vote:	73.3%	26.7%	

Sector / Entity	Representative	Present	Yes	No	Abstain
Coop					
Lower Colorado River Authority	Bill Hatfield (Jerry Willms)	y	0.333		
Brazos Electric Power Cooperative, Inc.	Randy Ryno	y	0.333		
STEC	John Moore	y	0.333		
	Segment Vote:	3	1.000	0.000	0
Municipal					
Brownsville Public Utilities Board	James McCann				
Austin Energy	James Armke	y	0.333		
Garland Power & Light	Bob Green	y	0.333		
CPS Energy	Blake Williams	y	0.333		
	Segment Vote:	3	1.000	0.000	0
Investor Owned Utilities					
Texas-New Mexico Power Company	Rex McDaniel	y	0.250		
CenterPoint Energy	Paul Rocha	y	0.250		
AEP Corporation	Dennis Kunkel	y	0.250		
Oncor	Ken Donohoo	y	0.250		
	Segment Vote:	4	1.000	0.000	0
Independent Generator					
Calpine Corporation	Randy Jones	y	0.250		
E.ON	John Franklin (Mark Soutter)	y		0.250	
PSEG TX	Margeurite Wagner	y	0.250		
SUEZ	Harry Holloway	y	0.250		
	Segment Vote:	4	0.750	0.250	0
Consumers					
City of Dallas	Divide Subsegments? y Consumer Vote Total	1.5			
Air Liquide	Comm Jesse Dillard				
	Resi David DeTullio	y	1.500		
	Indu				
	Segment Vote:	1	1.500	0.000	0
Independent REP					
Direct Energy	Mark Garrett	y		1.000	
Reliant Energy	Rick Keetch	y			a
Texas Power	Tony Marsh	y			a
	Segment Vote:	3	0.000	1.000	2
Independent Power Marketers					
Exelon Generation Company, LLC	Walt Kuhn (Dirk Vanderlann)	y	0.250		
Iberdrola	Tresa Allen	y		0.250	
BP Energy	Fernando Gutierrez	y		0.250	
Tenaska Power Services Co. Co.	Scott Helyer	y		0.250	
	Segment Vote:	4	0.250	0.750	0
All Sectors Voting Totals					
	Segment Vote:	22	5.500	2.000	Total 2
	TALLY TOTAL		73.3%	26.7%	

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 21, 2009
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Submitter's Information	
Name	Walter J. Reid
E-mail Address	w.j.reid@ieee.org
Company	Wind Coalition
Phone Number	512-335-0664
Cell Number	512-335-0664
Market Segment	N/A

Comments

ERCOT's proposed changes include a redefinition of a Wind-powered Generation Resource (WGR) and subsequent changes that are intended to improve the modeling of wind-powered generation reactive capabilities. The Wind Coalition strongly supports the ERCOT initiative to more accurately model wind-powered generators. The method that ERCOT has chosen causes many unintended consequences. These comments provide an alternative which avoids the unintended consequences.

The current protocols define a WGR as the whole wind-powered facility up to the point of interconnection. Applying this definition to all the references to Generation Resources, Resources, units, and WGRs make sense. There is a physical meaning to the WGR, meters exist that measure relevant parameters associated with the WGR, and processes and procedures are in place to schedule and report relative to the WGR.

ERCOT's proposed redefinition of a WGR creates a fictitious unit comprised of an aggregation of Wind-powered Turbine Generators (WTGs) of the same type. This aggregation of WTGs, defined on the low side of the step-up-to-transmission transformer, has no single physical presence. There can be no meter point for the aggregation. Among the various protocol requirements that would now apply to this fictitious unit is a requirement to measure and telemeter KW, KVAR, and voltage. No single point exists where these can be measured. Any synthesis of existing or new measurements to create these quantities would have to be defined. This is just one example of the hundreds of references to "unit" in the protocols that now apply to these fictitious units.

PRR Comments

This revision is intended to provide exactly the same functionality as the one proposed by ERCOT without redefining "WGR". The concept is to leave the definition of WGR as it is today and create an aggregation of WTGs of the same type for modeling purposes. Exactly the same information will be provided for this aggregation as in ERCOT's version and ERCOT can achieve exactly the same modeling objective.

Overall Market Benefit	Improve system voltage management.
Overall Market Impact	Reduce the likelihood of equipment damage or outage.
Consumer Impact	Not clear.

Revised Proposed Protocol Language

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind.

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2.2 Acronyms

POI	<u>Point of Interconnection</u>
GSU	<u>Generation Step Up Transformer</u>
SGIA	<u>Standard Generation Interconnection Agreement</u>
WTG	<u>Wind-powered Turbine Generator</u>

6.5.7 *Voltage Support Service*

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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PRR Comments

6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT. Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10% of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.
- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.
- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made

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PRR Comments

prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.

- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind-powered turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.
- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) A WGR's QSE, selected for this purpose, must provide Real Time SCADA points that communicate to ERCOT the number of Wind-powered Turbine Generators (WTGs) that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid as well as other WTG status information. WTGs of the same model and size and located behind the same generation step-up-to-transmission transformer must be aggregated together to form a WTG aggregation. The following Real Time SCADA points must be communicated to ERCOT for each WTG aggregation:
 - (a) The number of WTGs that are not able to communicate and whose status is unknown;
 - (b) The number of WTGs out of service and not available for operation; and
 - (c) The number of WTGs that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid.

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PRR Comments

WGRs must comply with the requirements listed above by no later than six months after the effective date of this paragraph.

- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.
- (12) ERCOT and the TSPs shall, at a minimum, represent WGRs in the ERCOT and TSP Real Time control systems and their off-line studies to include: step-up-to-transmission transformers, substation reactive devices, and the equivalent of the WTG aggregation connected to each step-up-to-transmission transformer.

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6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.
- (2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.
- (3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.
- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).
- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

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Alternative requirements may include supplying additional static and/or dynamic Reactive Power capability as necessary to meet the area's Reactive Power requirements.

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An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

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For Generation Resources required to provide VSS

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WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:

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WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:

- (a) The number of wind turbines

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. WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 22, 2009
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Submitter's Information	
Name	Henry R. Tilghman
E-mail Address	hetil@vestas.com
Company	Vestas-American Wind Technology, Inc.
Phone Number	(503) 327-7499
Cell Number	(503) 382-7846
Market Segment	N/A

Comments

Vestas Americas submits the following comments on PRR830.

If adopted as proposed, PRR830 may unnecessarily increase the costs of Wind-powered Generation Resources (WGRs) in Texas with no improvements in reliability. PRR830 appears to require a full dynamic solution to meet the reactive power requirements. Vestas would like to make it clear that hybrid systems that have the effective performance of a fully dynamic system should be allowed.

Only a small number of wind turbine manufacturers currently provide a full dynamic solution to reactive power requirements within the turbine. Other manufacturers employ a hybrid solution incorporating a combination of dynamic and switched equipment to meet the necessary reactive power requirements. These hybrid systems rely upon the inherent capability of a statcom type device to operate at multiples of their nameplate rating for several seconds. After a fully dynamic initial response, fast switched static devices come into service to return the statcom to its long term operating range. Vestas has employed this hybrid solution in over twenty (20) projects in North America as well as projects in Europe and Australia. This hybrid solution meets all reliability requirements and is the full functional equivalent of a dynamic solution using only SVC or statcoms. These hybrid systems provide excellent routine voltage control and extremely fast response to sharp changes in voltage.

Vestas estimates that the cost of installing a full dynamic solution to meet the reactive power requirements will increase its costs four fold over using the hybrid solution. These additional project costs would not be accompanied by any increase in reliability.

PRR Comments

Overall Market Benefit	Increased Reliability
Overall Market Impact	Capital cost savings
Consumer Impact	Reduced production costs

Revised Proposed Protocol Language

None at this time.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 22, 2009
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Submitter's Information	
Name	Todd Kimbrough
E-mail Address	todd.kimbrough@fpl.com
Company	NextEra Energy Resources
Phone Number	512.466.3190
Cell Number	512.466.3190
Market Segment	Independent Generator

Comments

NextEra Energy Resources respectfully submits these comments regarding PRR 830 and recommends the PRS reject the PRR and instead recommend approval of PRR 835, which addresses the same subject matter in a superior manner.

In the alternative, NextEra recommends PRS table PRR 830 and, as described below, refer certain issues to the appropriate stakeholder groups for resolution.

PRR 830 mandates wasteful spending and harms consumers.

The “one-size-fits-all” approach inherent in the PRR is not an efficient approach to ensuring sufficient reactive power capability exists to meet system needs. The PRR 830 approach has many deficiencies, including:

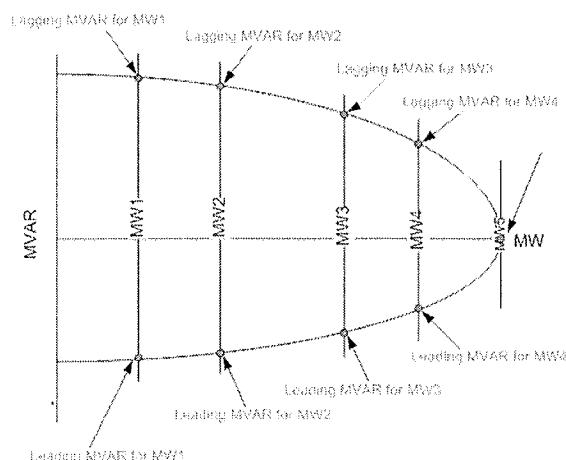
- PRR 830 adds costs to generation projects in some instances where the benefits are minimal or non-existent. These additional costs are ultimately borne by consumers through market prices.
- PRR 830 can actually create costly reliability problems during periods when generators are operating in low load conditions. These problems will require additional expensive measures by TSPs, causing consumers to unnecessarily suffer higher transmission costs – effectively paying a second time to mitigate the problems caused equipment they paid for in the first place due to the PRR 830 requirement. Moreover, this approach fails to consider how such problems will be greatly exacerbated in West Texas by the coming CREZ buildout.

PRR Comments

- PRR 830 not only fails to consider actual system needs but also ignores deliverability issues. Reactive power is a geographically sensitive product. Adding reactive power capability near West Texas wind farms does nothing to address the reactive power needs of far away load centers like Dallas or Houston.

PRR 830 ignores existing unused reactive power capability on the system.

Although arguments have been presented that a universal requirement to provide the “rectangle” is desirable to ensure that ERCOT has an abundance of reactive power capability at its disposal, PRR 830 actually leaves a tremendous amount of existing reactive capability untapped by all the generation units currently on the system which provide more than the rectangle, as illustrated in the “D curve” example below.



If the PRR instead required all generators to simply make available whatever level of reactive power capability is inherently provided by their units, ERCOT would get an immediate increase in available reactive capability across the system without a penny of additional cost passed to consumers.

PRR 830 is antithetical to a long-held philosophy of the ERCOT market rules and directly contradicts precedent set by the ERCOT Board of Directors.

Although arguments have been presented that ERCOT reactive capability requirements have been crystal clear to all market participants since the dawn of time, NextEra observes that the number of litigants in PUCT Docket No. 36482 and the very fact ERCOT felt moved to “clarify” the requirements indicates otherwise. Since the appropriate interpretation of this section of the Protocols is under active dispute, it is inappropriate for ERCOT and/or any stakeholders to circumvent the processes now underway to resolve legacy issues. What the stakeholders can and should do is provide a clear and unambiguous standard effective from the effective date of PRR 830

PRR Comments

going forward to draw a line in the sand which ensures future capacity installations meet the requirements necessary for system security in an efficient manner.

Moreover, PRR 830 makes exactly the same mistake which caused the ERCOT Board of Directors to overrule the recommendation of TAC, ROS, and ERCOT Staff regarding OGRR 208. In that instance, Staff and stakeholders recommended universal application of a voltage ride-through standard which would have forced a number of generators to perform extensive retrofitting of existing units. The recommendation was based on a sense that more capability would be better for the system but there was no study or evidence to support the contention that the benefit would meet or exceed the costs. The Board noted the complete lack of rational basis for the recommendation. Moreover, the Board recognized the danger of sending a signal to investors and developers that no pro forma was safe from arbitrary action ex post facto action and that all investment decisions in ERCOT should be made with the understanding that future financial and capital risk could be boundless.

The Board, therefore, made a reasonable policy decision that retroactive application of technical standards can be applied only when a body of evidence indicates such application is required to maintain system reliability. The Board amended OGRR 208 such that the new VRT standard applied only to units installed after the effective date of the rule change and directed ERCOT to perform a study to determine which specific existing units, if any, should be required to perform retrofits. NextEra recommends stakeholders amend PRR 830 in a similar manner before presenting a recommendation to the Board for approval because evidence has yet to be presented that the tens of millions of dollars required for retrofits to comply with PRR 830 will yield commensurate system reliability benefits.

PRR 830 fails to resolve ambiguity.

NextEra appreciates the effort put forth by ERCOT to clarify Section 6.5.7.1 but believes further work is need to resolve the ambiguity of existing Protocols language. In particular, the phrase, "established by ERCOT," in the first sentence of 6.5.7.1(1) should be more granularly defined or should refer to procedures set forth in the Operating Guide so that project developers and generation owners understand how and when ERCOT shall establish the Voltage Profile to be maintained. Is the profile to be established during the interconnection process? Can the profile requirement be changed one or more times at one or more points in the future? If it is changed, how much time does the generation owner have to effectuate the change? What are the criteria or standards by which ERCOT will establish the profile?

PRR 830 creates unintended consequences.

Whether the triangle, the rectangle, the D curve, or some combination of the three become the new standard for reactive power capability in ERCOT on a prospective

PRR Comments

and/or retroactive basis, NextEra agrees with Wind Coalition comments that ERCOT's proposed revision to the definition of Wind-powered Generation Resource (WGR) in Section 2 creates more problems than it solves. Although NextEra understands the convenience such a definition would achieve for ERCOT modeling purposes related to the reactive power capability issue, the ripple effect throughout the Protocols of defining WGRs as consisting of only a single turbine type would cause numerous problems for interconnection, metering, settlement, reporting, and compliance.

Furthermore, such a definition change would effectively stifle innovation and investment in technologies which are coming to the fore and which could provide effective solutions to some of the greatest challenges of variable generation technologies – namely the co-siting of solar generation facilities at wind farms or the integration of energy storage solutions at or behind the point of interconnection. ERCOT's proposed change would also effectively prohibit repowering a wind facility with new (and more technically capable) wind turbines unless the entire site were repowered at once or separate interconnections were established.

ERCOT's reactive power modeling issues can be addressed by other means, such as provision through SCADA of real time updates to Pmax, Qmax, and Qmin. NextEra provides redline language below to address this issue. Interestingly, NextEra notes that the same issue presents itself every time a CCGT unit reconfigures its gas and steam turbine combinations but ERCOT does not seem concerned with capturing those variances in reactive capability. NextEra urges ERCOT and stakeholders to spend more time on PRR 830 to comprehensively address the reactive power capability issues and provide unobtrusive, effective, and efficient solutions across all technology types.

PRR 830 should be remanded to ROS with instructions

While NextEra does not disagree with the stakeholders' decision to grant ERCOT's request for Urgent status, it is abundantly clear that PRR 830 is insufficiently vetted to move forward at this time. NextEra recommends the PRR be remanded to ROS for further deliberation with special emphasis on the following tasks:

1. Provide a study or body of evidence which indicates the sufficiency or insufficiency of the existing reactive power capability available to ERCOT and, if possible, provide some indication of likely reactive power capability needs for a reasonable range of scenarios in the future. If such a study or evidence is not available or cannot be completed in a reasonable timeframe, provide an estimated timeline to develop and complete such a study, a reasonable estimate of the cost of such a study, and a brief statement of the ROS as to why such a study would or would not be a good use of ERCOT and stakeholder resources.
2. Identify the best practice for ERCOT to model the reactive power capability of generators which use multiple turbine technologies or configurations behind the point of interconnection.

PRR Comments

3. Determine how much existing generation unit reactive power capability is currently unavailable to ERCOT. Determine why it is unavailable. Assess how that unavailable capability compares to the capability which would be made available by retrofitting units currently providing the triangle rather than the rectangle.
4. As currently drafted, PRR 830 distinguishes between WGRs and all other forms of generation. Assess how the reactive power capability requirements of PRR 830 affect solar generation technologies, other non-wind forms of renewable generation, or other emerging technologies such as energy storage devices.
5. Describe the process by which ERCOT establishes a voltage profile in accordance with Section 6.5.7.1(1). Reference the documents or procedures which currently guide this practice. Provide a recommendation to clarify this process in PRR 830.

NextEra further suggests PRS may wish to consider asking the QMWG to respond to Question No. 2 and the RTWG to respond to Question No. 4 to ensure the appropriate subject matter experts are engaged in this important discussion.

Revised Proposed Protocol Language

See PRR 835 as filed by NextEra for alternative proposed Protocols language.

PRR Recommendation Report

PRR Number	830	PRR Title	Reactive Power Capability Requirement
Timeline	Urgent	Recommended Action	Approval
Date of Decision	October 22, 2009		
Proposed Effective Date	December 1, 2009		
Priority and Rank Assigned	Not applicable.		
Protocol Section(s) Requiring Revision	2.1, Definitions 2.2, Acronyms 6.5.7, Voltage Support Service 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability 6.7.6, Deployment of Voltage Support Service		
Revision Description	<p>This Protocol Revision Request (PRR) clarifies the Reactive Power capability requirement for all Generation Resources, including existing Wind-powered Generation Resources (WGRs) who are not able to meet the 0.95 lead/lag requirement with the Generation Resource's Unit Reactive Limit (URL).</p> <p>WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009 may meet the Reactive Power requirements through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices.</p>		
Reason for Revision	Clarification of Reactive Power capability requirements on a going-forward basis and path to compliance for certain WGRs that are not able to meet the 0.95 lead/lag requirement at the Point of Interconnection (POI) based on the Generation Resource's URL.		
Overall Market Benefit	Provides additional clarity to the reactive requirements for wind generation.		
Overall Market Impact	Unknown.		
Consumer Impact	None.		
Credit Impacts	To be determined.		
Relevance to Nodal Market	Yes. The Reactive Power capability requirements exist in Nodal as well.		

PRS Recommendation Report

Nodal Protocol Sections Requiring Revision	2.1, Definitions 3.15, Voltage Support 6.5.7.7, Voltage Support Service
Procedural History	<ul style="list-style-type: none"> ➤ On 9/08/09, PRR830, a preliminary Impact Analysis, and CEO Revision Request Review were posted. ➤ On 9/10/09, PRR830 was granted Urgent status via a PRS e-mail vote. ➤ On 9/15/09, Horizon Wind Energy LLC comments were posted. ➤ On 9/17/09, PRS considered PRR830. ➤ On 9/28/09, Calpine comments were posted. ➤ On 10/7/09, Iberdrola Renewables comments were posted. ➤ On 10/8/09, a second set of Horizon Wind Energy LLC comments were posted. ➤ On 10/8/09, LCRA comments were posted. ➤ On 10/19/09, ROS comments were posted. ➤ On 10/21/09, Wind Coalition comments were posted. ➤ On 10/22/09, Vestas comments were posted. ➤ On 10/22/09, PRS again considered PRR830. ➤ On 10/22/09, NextEra Energy Resources comments were posted.
PRS Decision	<p>On 9/17/09, PRS unanimously voted to table PRR830 for one month and to encourage ROS to provide comments on PRR830. All Market Segments were present for the vote.</p> <p>On 10/22/09, PRS voted to recommend approval of PRR830 as endorsed by ROS. The motion passed via roll call vote. All Market Segments were present for the vote.</p>
Summary of PRS Discussion	<p>On 9/17/09, there was discussion regarding the appeal currently at the Public Utility Commission of Texas (PUCT) which stemmed from an ERCOT interpretation of the current Protocols regarding Reactive Power. It was debated whether or not the proposed content of PRR830 was being addressed in the contested case.</p> <p>On 10/22/09, ERCOT Staff explained that PRR830 is not intended to change the philosophy of the Protocols. ERCOT Staff also provided clarification of the proposed change to the WGR definition, and noted that dynamic devices will be required going forward, but that existing WGRs can meet the requirement with static devices. There was also discussion regarding the use of the "cone" versus the "rectangle" for Reactive Power capability and that having differing requirements makes planning difficult and may pose fairness and grid stability issues. Some Market Participants expressed concerns that requirements of PRR830 would impose costs to retrofit existing units and that studies should be performed to demonstrate need.</p>

PRS Recommendation Report

Quantitative Impacts and Benefits		
Assumptions	1	
	2	
	3	
	4	
Market Cost		Impact Area
	1	Monetary Impact
	2	
	3	
Market Benefit		Impact Area
	1	Monetary Impact
	2	
	3	
Additional Qualitative Information	1	
	2	
	3	
	4	
Other Comments	1	
	2	
	3	
	4	

Sponsor	
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E-mail Address	jdumas@ercot.com
Company	ERCOT
Phone Number	(512) 248-3195
Cell Number	
Market Segment	N/A

Market Rules Staff Contact	
Name	Sandra Tindall
E-Mail Address	stindall@ercot.com
Phone Number	512-248-3867

PRS Recommendation Report

Comments Received	
Comment Author	Comment Summary
Horizon Wind Energy LLC 091509	Recommended that PRR830 be rejected as submitted.
Calpine 092809	Supported approval of PRR830.
Iberdrola Renewables 100709	Suggested existing Protocol language is clear. Proposed additional revisions only as an alternative to the ERCOT proposed changes.
Horizon Wind Energy LLC 100809	Opined that PRR830 is contrary to existing Protocols, and is proposed without demonstration of need. Commented that PRR830 re-defines Reactive Power capability requirements for Generation Resources interconnected with the ERCOT Transmission Grid, imposing new requirements on WGRs and requiring retrofits to the majority of operating WGRs.
LCRA 100809	Proposed clarifying language which would allow Resources to start at lower voltage levels. Also proposed changes related to establishing Reactive Power requirements.
ROS 101909	Endorsed PRR830 as submitted.
Wind Coalition 102109	Provided alternative language to the definition of a WGR and the subsequent changes that are intended to improve the modeling of wind-powered generation reactive capabilities.
Vestas 102209	Stated that if PRR830 is adopted as proposed, it may unnecessarily increase the costs of WGRs in Texas with no improvements in reliability. Suggested that hybrid systems that have the effective performance of a fully dynamic system should be allowed.
NextEra Energy Resources102209	Recommended that PRS reject PRR830 and instead recommended that PRR835 be approved.

PRS Recommendation Report

Proposed Protocol Language Revision

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).

2.2 Acronyms

POI Point of Interconnection
GSU Generation Step Up Transformer
SGIA Standard Generation Interconnection Agreement

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

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(1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT. Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements

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PRS Recommendation Report

shall be available at all MW output levels at or above 10% of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.
- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices, ERCOT may, at its sole

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PRS Recommendation Report

discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.

- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:
- (a) The number of wind turbines that are not able to communicate and whose status is unknown; and
- (b) The number of wind turbines out of service and not available for operation. WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.
- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

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6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.
- (2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For

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PRS Recommendation Report

Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

- (3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

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- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

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- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

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**Issue: To approve
PRR830 as endorsed
by ROS.**

Date: 10/22/09

Prepared by:

Tally Votes

TALLY TOTAL

Voting Structure

Motion Passes

COPS/PRS

Total
Abstentions

Clear

Record Vote

Segment Vote:

5.889

1.111

5

Sector / Entity

Representative

Present

Yes

No

Abstain

Coop

Lower Colorado River Authority
Brazos Electric Power Cooperative, Inc.

Sandy Morris
Billy Helpert

Y 0.500
Y 0.500

Segment Vote:

2

1.000

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Municipal

CPS Energy
Garland Power & Light
Austin Energy

David Detelich
Dan Bailey
Adrianne Brandt

Y 0.333
Y 0.333
Y 0.333

Segment Vote:

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Investor Owned Utilities

Luminant
CenterPoint Energy
AEP Energy Partners

Henry Durrwachter
DeAnn Walker
Jennifer Troutman

Y
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Y

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Segment Vote:

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Independent Generator

Calpine
NRG Texas
NextEra Energy Resources
RES Americas
Sweetwater Wind 2
AES Corporation
Invenergy
Horizon Wind Energy
BP Alternative Energy
E.ON C&R
PSEG Texas

Randy Jones
Adrian Pieniazek
Mark Bruce
Matthew Burt
Lane Robinson
Walter Reid
Mark Soutter
Mike Grimes
Carla Harrington
Kevin Gresham
Marguerite Wagner

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Segment Vote:

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Consumers

Divide Subsegments?

Occidental Chemical Corporation
Office of Public Utility Counsel

Indu y Scott Wardle
Resi Gary Torrent

Y 0.500
Y 0.500

Segment Vote:

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Independent REP

StarTex
Stream Energy

Steve Madden
Pam Carr

Y 0.500
Y 0.500

Segment Vote:

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Independent Power Marketers

Sempra
Exelon
Morgan Stanley
Iberdrola Renewables

Seth Cochran
Kristy Ashley
Clayton Greer
Theresa Allen

Y
Y 0.333
Y 0.333
Y

0.333

a

Segment Vote:

4

0.667

0.333

1

All Sectors Voting Totals

Segment Vote:

27

5.889

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**Total
5**

ERCOT Impact Analysis Report

PRR Number	830	PRR Title	Reactive Power Capability Requirement
Impact Analysis Date		October 26, 2009	
Cost/Budgetary Impact		None.	
Estimated Project Time Requirements*		No project required. This Protocol Revision Request (PRR) can take effect upon ERCOT Board approval.	
<small>*Unless otherwise indicated, project time requirements begin upon project initiation.</small>			
ERCOT Staffing Impacts (across all areas)		No additional full time equivalents (FTEs) needed.	
ERCOT Computer System Impacts		Minor changes to ERCOT databases to incorporate additional SCADA points, which will be managed under the O&M budgets of affected departments.	
ERCOT Business Function Impacts		Existing business functions can accommodate this revision request.	
Grid Operations & Practices Impacts		No impact to ERCOT grid operations or practices.	

Alternatives for a More Efficient Implementation *(include explanation of impacts)*

None.

Evaluation of Interim Solutions *(e.g., manual workarounds)*

None.

Feasibility of Implementation

Impact on Resource Availability: None

Impact on Other Projects: None

Comments

None.

ERCOT Impact Analysis Report

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	10/28/2009
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Submitter's Information	
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Phone Number	713.830.8846
Cell Number	832.385.3322
Market Segment	Independent Generators

Comments

NextEra's comments of October 22, 2009 propose that PRR830, Reactive Power Capability Requirement, be remanded to ROS for further study. Such a move would be inadvisable and would improperly redirect the stakeholders' focus away from the real issue of Reactive Power and voltage support – should stakeholders relieve Wind-powered Generation Resources (WGRs) of half of their obligation to support voltage and the reliability of the network. If the answer to that is "yes", then should the obligation simply be shifted to other technologies, or to the Loads in Transmission Cost of Service (TCOS), or both?

NextEra, obviously without consulting the Operating Guides, asserts that there are vast amounts of untapped Reactive Power capability on other units that cannot be accessed by the ISO and wants ROS to run off and find out where it is and how it's been made unavailable. They also go on to propose that PRR830 should mandate the availability of this reactive to the system. Operating Guides Section 2.10.4.2, Unit Dispatch Beyond the Unit Reactive Limit, (provided below), makes it clear that resources must respond to voltage Dispatch Instructions; including exceeding their Unit Reactive Limit (URL) (please note that URL is used in the singular, clearly indicating that it is the same value across the entire range of real power output).

2.10.4.2 Unit Dispatch Beyond the Unit Reactive Limit

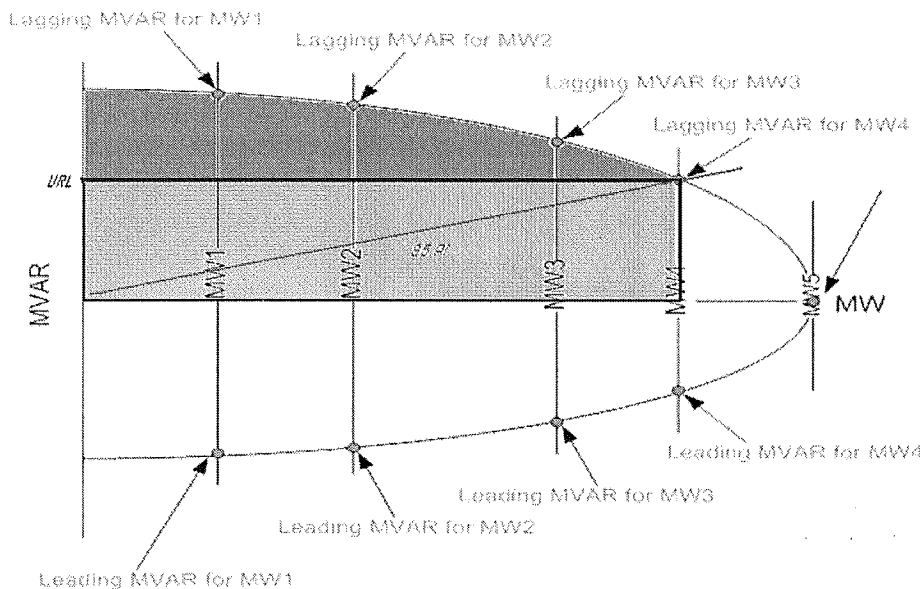
Each generator shall respond to ERCOT instructed voltage control, including exceeding its URL, as specified in Protocol Section 6.8.4, Capacity Payments for Voltage Support Provided to ERCOT. For multi-generator busses, ERCOT shall not instruct any single

PRR Comments

generator to operate beyond its URL until all generators on line and interconnected at the same transmission bus have been instructed to their respective URLs.

Note in the diagram below the green range of reactive capability above the URL line that the ISO can dispatch if conditions warrant. We chose MW4 as the Net Demonstrated Capability to use in determining the resource's URL, since MW5 would yield a URL of 0 MVars and operation at the knee of the curve is never advisable under normal conditions for machine stability reasons. Please also note that the language sets as a goal the equalizing of reactive Dispatch of units connected to a common bus in an effort to ensure that all units are providing their fair share of the obligation to supply voltage support, an unpaid/community service.

The statement, "If the PRR instead required all generators to simply make available whatever level of reactive power capability is inherently provided by their units...." is an interesting one to be sure. Although reactive production, from a fuel standpoint, is relatively inexpensive, the long term wear and tear and initial capital costs are the components typically cited in Federal Energy Regulatory Commission (FERC) approved reactive tariffs in other jurisdictions where reactive is a paid service. NextEra's proposed solution would have them placing a free call option on other resource owners' capital and long term exciter and generator maintenance costs as a way of shifting wind's reactive obligation to the rest of the system. Even though this approach is entirely unacceptable, it is noteworthy that in it NextEra effectively admits that reactive obligations are not being met and searches for another party to carry that responsibility.



Calpine strongly supports ERCOT's efforts to maintain system reliability and the fairness found in PRR830. We ask that TAC members look to the overwhelming endorsement of PRR830 by ROS (**73.3% FOR and 26.7% AGAINST; of 5 NO votes, 4 came from wind-owning entities**), the subcommittee tasked with reliability matters,

PRR Comments

and significantly lopsided segment vote of PRS (**5.75 FOR, 1.25 AGAINST**), the subcommittee that listened to both reliability and commercial points, in passing the PRR on October 22, 2009.

Revised Proposed Protocol Language

None proposed.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 29, 2009
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Submitter's Information	
Name	Ken Donohoo
E-mail Address	kdonoho1@oncor.com
Company	Oncor Electric Delivery Company LLC
Phone Number	214-743-6823
Cell Number	
Market Segment	Investor Owned Utility (IOU)

Comments

For the bulk power system to operate reliably, it must be designed and operated based on the following principles:

- Total generation (MW & MVAR) at any moment must be kept equal to total electricity consumption and losses on the system
- Electricity is allowed to flow through the transmission system in accordance with physical laws and cannot be directed to flow through specific lines
- System must be designed with reserve capacity in generation (MW & MVAR) and transmission to allow for uninterrupted service when contingencies occur

Voltage, a pressure-like quantity, is a measure of the electromotive force necessary to maintain a flow of electricity on a transmission line. Voltage fluctuations can occur due to variations in electricity demand, lack of reactive reserve and to failures on transmission equipment. Constraints on the maximum voltage levels are set by the design of the transmission line and station equipment. If the maximum is exceeded, short circuits (faults), radio interference, and noise may occur. Also, transformers and other equipment at stations and/or customer facilities may be damaged or destroyed. Minimum voltage constraints also exist based on the power requirements of the customers and lack of reactive reserve. Low voltages cause inadequate operation of equipment and may damage motors.

Voltage on a transmission line tends to "drop" from the sending end to the receiving end and varies based upon the flow. The voltage drop along the AC line is almost directly proportional to Reactive Power flows and line reactance (impedance). The line reactance increases with the length of the line. Capacitors and inductive reactors are

PRR Comments

installed, as needed, on lines and in stations to, in part; control the amount of voltage drop or rise. This is important because voltage levels and current levels determine the power that can be delivered to the customers.

A variety of Reactive Power (MVAR) producing equipment exists. They can generally be broken down into two categories; "Dynamic Resources" and "Static Resources". The total production of Reactive Power must equal Customer demand plus losses under normal, fault and contingency conditions.

Small MVAR production shortages will result in degradation of grid voltage, while larger MVAR production shortages lead to severe low voltage or collapse. Over production MVAR results in high voltage with possible long term damage to grid facilities, generation equipment and customer facilities. Reactive Power must be constantly produced/absorbed locally and cannot be transported over long distances. Reactive energy (MVAR) cannot be transmitted as far as real energy (MW). This is primarily due to the bulk electric transmission line impedances which have a naturally large X to R ratio usually in the range of 5 to 25.

High voltage transmission lines are a local source of shunt reactive energy (line charging). This local reactive energy source is similar to a fixed static capacitor connected to each end of the line. However, reactive MVAR losses on heavily loaded transmission lines often exceed the local static reactive energy produced by line charging. Large X to R ratios produces significant difference in MW losses compared to MVAR losses. Due to this X to R ratio MVAR losses are typically 5 to 25 times higher than MW losses and are constantly varying.

Generators, Static VAR Compensators (SVCs), static compensators (STATCOMs), other Flexible AC Transmission Systems (FACTS) and synchronous condensers provide dynamic Reactive Power with various time responses to quickly changing system conditions.

Under low voltage conditions, static capacitors used in stations (and line charging) do not produce maximum Reactive Power as reliably as dynamic self excited power equipment because capacitor reactive power output depends on substation voltage. Capacitor Reactive Power output changes in proportion to the square of voltage magnitude. For example if substation voltage declines from 100% to 90% of nominal voltage, static Reactive Power output declines from 100% of capability to 81%. Low voltage also increases MVAR needed by motor loads further degrading the voltage.

Dynamic reactive resources are used to adapt to rapidly changing conditions on the transmission system, such as faults, sudden loss of generators or Transmission Facilities. In contrast switched static devices are typically used to adapt to slowly changing system conditions such as daily and seasonal Load cycles and changes to scheduled transactions.

PRR Comments

Static capacitor resources have lower capital cost than dynamic devices, and from a systems point of view, static capacitors are used to provide normal or intact-system voltage support. Locating static capacitors and dynamic reactive devices near to reactive load/losses, increases their effectiveness. Dynamic reactive resources are used to adapt to rapidly changing conditions on the transmission system, such as sudden loss of generators, faults or transmission facilities.

An appropriate combination of both static and dynamic resources is needed to ensure reliable operation of the transmission system under normal and changing conditions.

ROS, the subcommittee tasked with reliability matters, took a significant amount of time presenting the issues and ROS endorsed the PRR.

Oncor Electric Delivery Company LLC supports ERCOT's efforts to maintain system reliability with PRR830.

Revised Proposed Protocol Language

None proposed

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 29, 2009
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Submitter's Information	
Name	John Dumas
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Company	ERCOT
Phone Number	(512) 248-3195
Cell Number	
Market Segment	N/A

Comments

ERCOT is providing these comments to support the need for the following Wind-powered Generation Resource (WGR) definition change. These comments also propose additional language changes which include revising the effective date to post-Protocol Revision Request (PRR) approval for when WGRs must have commenced operation or signed a Standard Generation Interconnection Agreement (SGIA) for purposes of meeting their Reactive Power requirements to December 1, 2009 in both the Revision Description and in paragraph (2) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, and providing administrative edits and clarification to proposed language revisions.

Revision Description	<p>This Protocol Revision Request (PRR) clarifies the Reactive Power capability requirement for all Generation Resources, including existing Wind-powered Generation Resources (WGRs) who are not able to meet the 0.95 lead/lag requirement with the Generation Resource's Unit Reactive Limit (URL).</p> <p>WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before <u>December 1, 2009</u> may meet the Reactive Power requirements through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices.</p>
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Deleted: November

PRR Comments

Proposed WGR definition in PRR830, Reactive Power Capability Requirement:

Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generator Step Up (GSU) transformer.

Deleted: Generation

Deleted: T

Deleted: (GSU)

Inserted: T

WGRs currently aggregate turbines together in order to form a WGR. The WGR has the same telemetry requirements and Resource Plan scheduling requirements as conventional generation. These requirements do not change with PRR830. The proposed definition change may require some wind owners to form multiple WGRs instead of allowing only one depending on their equipment. It is common that a power plant with multiple units must represent each unit individually in their Resource Plan and provide individual unit telemetry. This telemetry is commonly provided from Remote Terminal Units (RTUs) at the site and may come from transducers or control system readings that are measured independent of the ERCOT-Polled Settlement (EPS) meter(s) at the location.

The definition change is needed in order to ensure that ERCOT has an accurate representation of each WGR's reactive capability. For example, a WGR under the current language may consist of 50 turbines from multiple vendors. If these turbines have very different Unit Reactive Limit (URL) capabilities, then it would be very difficult to develop a URL that represents this WGR accurately. If a number of these turbines were down for maintenance, it would be impossible to have an accurate representation of the WGR reactive capability.

AWS Truwind also provides a WGR forecast to the QSE based upon the number of turbines in the WGR and their power curves. If these turbines have different characteristics and some are down for maintenance, the assumption of the WGR forecasted output may be affected. ERCOT is working with AWS Truwind and QSEs toward requiring WGRs to enter Outage information in a tool provided by AWS Truwind. This tool only requires a de-rated capacity number for the WGR. It does not take Outage information of individual turbines.

ERCOT has performed a search of the Protocols to identify WGR references. This information is included below with ERCOT comments in blue. It is clear from the references that WGR and the definition change does not affect any of the requirements placed on WGRs. The change may require Qualified Scheduling Entities (QSEs) to update their Resource Plan, Resource Asset Registration Form (RARF) and telemetry to include additional WGRs instead of one. This is a similar approach to many power plants that have multiple units.

References to WGR in the Protocols:

Section 2: Definitions and Acronyms

PRR Comments

Forced Derate

For a Generation Resource, a failure that requires immediate removal (either through controlled or un-controlled actions) of a portion of the capacity of the Resource from service through automated or manual means. The portion of the Resource removed from service must exceed two-percent (2%) of its prior High Sustainable Limit (HSL) for Generation Resources larger than 500 MW and ten-percent (10%) of its prior HSL for Generation Resources smaller than 500 MW. For Qualified Scheduling Entities (QSEs) representing Wind-powered Generation Resources (WGRs), the loss of a portion of the capacity shall be due to the unavailability of a portion of the equipment and shall not include capacity changes due to changes in the weather. For QSEs representing WGRs, the percentage calculation will be determined using the generating unit's maximum net power.

Short-Term Wind Power Forecast (STWPF)

An ERCOT produced, hourly, fifty percent (50%) probability of exceedance forecast of the generation in MWh per hour from each WGR that could be generated from all available units of that Resource.

Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind.

Wind-powered Generation Resource Production Potential (WGRPP)

The generation in MWh per hour from a WGR that could be generated from all available units of that Resource allocated from the eighty-percent (80%) probability of exceedance of the Total ERCOT Wind Power Forecast.

Section 4: Scheduling

4.4.15 QSE Resource Plans

ERCOT shall produce renewable production potential forecasts for Wind-powered Generation Resources (WGRs) to be used as the planned operating level in the Resource Plan during Replacement Reserve Service (RPRS) procurements. The WGR Production Potential (WGRPP) is an hourly eighty-percent (80%) probability of exceedance forecast of energy production for each WGR. ERCOT shall use a probabilistic Total ERCOT Wind Power Forecast (TEWPF) and select the forecast that the actual total ERCOT WGR production is expected to exceed eighty-percent (80%) of the time (eighty-percent (80%) probability of exceedance forecast). To produce the WGRPP, ERCOT will allocate the TEWPF eighty-percent (80%) probability of exceedance forecast to each WGR such that the sum of the individual WGRPP forecasts equal the TEWPF forecast. ERCOT shall produce these forecasts using information provided by WGRs to their QSEs including meteorological information or models, WGR power production curves and Supervisory Control and Data Acquisition (SCADA). ERCOT shall provide forecasts for each WGR to the QSEs representing WGRs and shall deliver the forecasts before RPRS procurements to allow the QSEs to update the WGR Resource Plans. QSEs shall use the ERCOT-provided forecasts for

PRR Comments

WGRs as the planned operating level for the 1600 Resource Plan and prior to running an RPRS market in the Adjustment Period. The QSE may submit a lower operating level than the WGRPP forecast in the WGR Resource Plan if the WGR has communicated that it will be unavailable or operating at a reduced capability during an Operating Period which the forecast did not anticipate. QSEs representing only WGRs shall update their Resource Plans and schedules to reflect the expected wind-powered generation production after the close of the RPRS market. The energy schedules submitted by QSEs representing only WGRs should correspond with the Resource Plan scheduled energy output in order for Real Time balancing and the operator entered offset to perform properly. During Settlement Intervals in which QSEs representing only WGRs are using a Resource Plan modified due to insertion of the eighty-percent (80%) probability of exceedance forecast, ERCOT shall use the most recent available Resource Plan value prior to the ERCOT instruction to insert the eighty-percent (80%) probability of exceedance forecast.

- ⇒ If an aggregated wind farm consists of multiple types of wind turbines, then it will be difficult to apply the correct WGR power production curves for the wind forecast without knowing the unavailability of each type of turbines.

4.5.1 *Receipt of Adjustment Period Schedule Changes*

During the Adjustment Period (AP), Qualified Scheduling Entities (QSEs) that are not Wind-powered Generation Resource (WGR)-only QSEs may submit or change their energy schedules, and Ancillary Service (AS) schedules. WGR-only QSEs shall update their schedules every hour to correspond with their updated Resource Plans. Also during the Adjustment Period, QSEs may submit, change, or remove, Balancing Energy bids, or Replacement Reserve Service (RPRS) bids. Although a QSE is permitted to change an Ancillary Service schedule, it is not allowed to change the quantity of Ancillary Services awarded through the ERCOT procurement process. The QSE also may not change the amount of Self-Arranged AS from Day Ahead; however, the Resources supplying the Self-Arranged AS may be altered. If ERCOT calls on additional AS in the AP, the allocated portion of their additional AS may be Self-Arranged.

4.5.10 *Updated Resource Plans*

QSEs shall update their Resource Plans to ERCOT to reflect Resource status changes. QSEs representing only WGRs shall update their Resource Plans each hour using their best forecast of WGR output as specified in Section 4.5.12, Scheduling Requirements for a WGR-only QSE.

4.5.12 *Scheduling Requirements for a WGR-only QSE*

PRR Comments

A WGR-only QSE shall update each WGR's Resource Plans and schedules each hour using their best forecast or the Short-Term Wind Power Forecast (STWPF) provided by ERCOT except as required by Section 4.4.15, QSE Resource Plans. The updated Resource Plan shall not change or update the very first hour of the Operating Period immediately following the time of the update. ERCOT may compare the actual average hourly WGR generation with the forecasted output for the Operating Hour of the Operating Period immediately following the time when the Resource Plan was updated. For this calculation, ERCOT shall use the last STWPF forecast that was available before the close of the Adjustment Period for the calculation of each hourly forecast error. A forecast error percentage shall be calculated using the WGR's maximum rated output as the base for each hour that the WGR does not have a unit specific curtailment. If the WGR-only QSE has received a Balancing Energy Service Down instruction, then all WGRs in the portfolio will be excluded from the error percentage calculation for that hour. If, for two (2) consecutive months, the WGR's monthly root mean square error of the forecasts for the hour specified above is greater than the monthly root mean square error for the STWPF for that same hour, the QSE will be required to use the STWPF adjusted for turbine outages when updating the Resource Plan, unless at some later date ERCOT approves the use of an alternative ERCOT-produced forecast. A WGR-only QSE may resume using its own forecast to update Resource Plans and schedules if for two (2) consecutive months the WGR's monthly root mean square error of the forecasts for the hour is less than the monthly root mean square error for the STWPF for that same hour.

4.10.4 Resource Low Sustainable Limit as a Percent of High Sustainable Limit Measure

The "Resource LSL as a percent of HSL Measure" compares the range between the Low Sustainable Limit (LSL) and High Sustainable Limit (HSL) submitted in the Resource Plan using the last Resource Plan submitted by the QSE before the start of or during the Operating Hour but after the end of the Adjustment Period. Only 15-minute intervals when the Resource Plan HSL of a Resource is greater than zero (0) MW and the Resource Plan status for the same Resource is On-line are included in the calculation of this measure. ERCOT-approved Aggregated Units are treated as single units for the purposes of calculating the score for this measure. LaaRs, Generation Resources undergoing required testing, and Generation Resources with a Resource Category Generic Fuel Cost of "Renewable" (excluding Wind-powered Generation Resources (WGRs)) or "Hydro" pursuant to item (1) of Section 6.8.2.1, Resource Category Generic Costs, are excluded from this measure.

To determine whether an Occurrence is recorded, the Resource Plan HSL is multiplied by the percentage corresponding to the Resource category as specified in item (1) of Section 6.8.2.1, for a particular Resource. The Resource Plan LSL should not exceed the percentage of the Resource Plan HSL in the table below for a given Generation Resource; such an exceedance shall be recorded as an Occurrence. The Resource

PRR Comments

category for each Resource is based on the Resource category designated by the Resource Entity for the Resource.

Resource Category Generic Fuel Cost	LSL Percent of HSL
Qualifying Facilities	As approved by ERCOT
Nuclear	70
Hydro	N/A
Coal and Lignite	60
Combined Cycle greater than 90 MW	85
Combined Cycle less than or equal to 90 MW	85
Gas Steam Supercritical Boiler	40
Gas Steam Reheat Boiler	40
Gas Steam Non-reheat or boiler without air-preheater	40
Simple Cycle greater than 90 MW	90
Simple Cycle less than or equal to 90 MW	90
Diesel (and all other diesel or gas-fired Resources)	90
Renewable (excluding WGR and Hydro renewable Resources)	N/A
WGR	As described in Section 4.10.4.1, LSL Requirement for WGRs
Block Load Transfer	N/A

If the Resource Plan LSL is greater than the resulting value, then an Occurrence is recorded for that Resource for that interval. Only one (1) Occurrence can be recorded per Resource per interval. To determine the QSE Measure Score for the Resource LSL as a percent of HSL measure, Occurrences are summed for all Resources for every interval in a given month, and divided by the total number of entries submitted in the Resource Plan by a QSE for all Resources where the HSL is greater than zero (0) MW and the Resource Plan Status is On-line for every interval in that month.

Generation Resources may request (with appropriate supporting documentation) an alternate percentage, subject to approval by ERCOT.

QSEs may request, with appropriate supporting documentation, an exclusion from this measure for any Generation Resource the QSE represents, subject to approval by ERCOT, where the LSL was increased or the HSL was decreased due to limiting technology or physical and/or mechanical issues with the Generation Resource for which the exclusion is being requested.

4.10.4.1 LSL Requirement for WGRs

PRR Comments

For WGRs, the LSL for the "Resource LSL as a percent of HSL Measure" shall be ten-percent (10%) of the name plate rating, as registered with ERCOT. WGRs with in-service dates before January 1, 2003 are excluded from this measure.

4.10.5 Day Ahead Zonal Schedule Measure

The "Day Ahead Zonal Schedule Measure" compares each QSE's zonal energy schedule to the QSE's aggregated planned operating level for that Congestion Zone at the time a Day Ahead Schedule validation, as described in Section 4.7, Validation and Correction of Schedule Data, is run and approved. The QSE's zonal energy schedule and the aggregated planned operating level for that Congestion Zone for all twenty-four (24) hours of the next day are recorded at the time of the Day Ahead Schedule validation. The QSE's zonal energy schedules for each fifteen (15)-minute interval in an hour are averaged over the entire hour to create the QSE's average zonal energy schedule. The planned operating level for all Resources in a Congestion Zone are aggregated by QSE for each hour to create the QSE's aggregated planned operating level. If multiple Day Ahead Schedule validations are run on a particular day, only the first approved Day Ahead Schedule validation is used. Only hours when the zonal energy schedule is greater than zero (0) MW are considered in this measure.

An Occurrence is recorded for a Congestion Zone for a given hour if the QSE's zonal energy schedule and the aggregated planned operating level for that Congestion Zone differ by the greater of two percent (2%) of the zonal energy schedule or one (1) MW. Only one (1) Occurrence can be recorded per Congestion Zone per hour per QSE. To determine the QSE Measure Score for the Day Ahead Zonal Schedule Measure, Occurrences are summed for all Congestion Zones for every hour in a given month, and divided by the number of Congestion Zones multiplied by the total number of hours in that month where the QSE's zonal energy schedule in a Congestion Zone for a particular hour is greater than zero (0) MW.

This metric does not apply to WGR QSEs who submit ERCOT provided Resource Plans in compliance with Section 4.4.15, QSE Resource Plans.

[PRR800: Replace Section 4.10.5 above with the following upon system implementation.]

4.10.5 Day Ahead Schedule Measure

The "Day Ahead Schedule Measure" compares each QSE's energy schedule to the QSE's aggregated HSLs at the time a Day Ahead schedule validation, as described in Section 4.7, Validation and Correction of Schedule Data, is run and approved. The Resource Plan HSL is aggregated to include all On-line units, hydro units that have been tested hydro Responsive Reserve capability when synchronous condenser fast response mode, and active LaaRs for each QSE. The QSE's energy schedule and the aggregated HSLs for all twenty-four (24) hours of the next day are recorded at the time

PRR Comments

of the Day Ahead schedule validation. The highest value interval out of the four (4) fifteen (15)-minute Settlement Intervals in an Operating Hour is selected to represent the QSE's energy schedule. The HSLs for all Resources are aggregated by QSE for each Operating Hour to create the QSE's aggregated HSLs. If multiple Day Ahead schedule validations are run on a particular Operating Day, only the first approved Day Ahead schedule validation is used. Only Operating Hours when the energy schedule is greater than zero (0) MW are considered in this measure.

An Occurrence is recorded for a given Operating Hour if the QSE's energy schedule plus scheduled Ancillary Services are greater than the aggregated HSLs. The scheduled Ancillary Services include Regulation Service Up (RGSU) and response reserve schedules. Only one (1) Occurrence can be recorded per Operating Hour per QSE. To determine the QSE Measure Score for the Day Ahead Zonal Schedule Measure, Occurrences are summed for every Operating Hour in a given month, and divided by the total number of Operating Hours in that month where the QSE's energy schedule for a particular Operating Hour is greater than zero (0) MW.

4.10.6 Adjustment Period Zonal Schedule Measure

The "Adjustment Period Zonal Schedule Measure" compares each QSE's zonal energy schedule to the aggregated planned operating level for that Congestion Zone before the start of the Operating Hour. Each QSE's zonal energy schedule used to calculate this measure is taken at the end of the Adjustment Period. The last Resource Plan submitted before the start of the Operating Hour, but after the end of the Adjustment Period is used. The QSE's zonal energy schedules for each fifteen (15) minute interval in an hour are averaged over the entire hour to create the QSE's average zonal energy schedule. The planned operating level for all Resources in a Congestion Zone are aggregated by QSE for each hour to create the QSE's aggregated planned operating level. Only hours when the zonal energy schedule is greater than zero (0) MW are considered in this measure.

An Occurrence is recorded for a Congestion Zone for a given hour if the QSE's zonal energy schedule and the aggregated planned operating level for that Congestion Zone differ by the greater of two-percent (2%) of the zonal energy schedule or one (1) MW. Only one (1) Occurrence can be recorded per Congestion Zone per hour per QSE. To determine the QSE Measure Score for the Adjustment Period Zonal Schedule Measure, Occurrences are summed for all Congestion Zones for every hour in a given month, and divided by the number of Congestion Zones multiplied by the total number of hours in that month when the QSE's zonal energy schedule in a Congestion Zone for a particular hour is greater than zero (0) MW.

Any hour where a QSE that is not a WGR-only QSE updated its Resource Plan before the start of or during the Operating Hour, but after the end of the Adjustment Period and failed to pass this measure for that interval, will be excluded in the calculation of this measure. Any hour where a WGR-only QSE updated its Resource Plan for a Resource

PRR Comments

status change only and not changes in output due to changes in wind speed before the start of or during the Operating Hour, but after the end of the Adjustment Period, and failed to pass this measure for that interval will be excluded in the calculation of this measure.

Section 5: Dispatch

5.5.1 *Changes in Resource Status*

The Qualified Scheduling Entity (QSE) will notify ERCOT of an unplanned change in Resource status as soon as practicable following the change. The QSE representing the Resource will report any changes in Resource status to ERCOT in the Resource Plan by the beginning of the next hour following the change in status.

- (1) When the operating mode of a Generation Resource required to provide Voltage Support Service (VSS) Automatic Voltage Regulator (AVR) or Power System Stabilizer (PSS) is changed while the unit is operating, the QSE shall promptly inform ERCOT. The QSE shall also supply AVR or PSS status logs to ERCOT upon request.
- (2) Any short-term inability of a Generation Resource required to provide VSS to meet its reactive capability requirements shall be immediately reported to ERCOT and the Transmission Service Provider (TSP).
- (3) A change in output of a Wind-powered Generation Resource (WGR) due to varying wind speed is not a Resource status change.

Section 6: Ancillary Services

6.5.1.1 **Requirement for Operating Period Data for System Reliability and Ancillary Service Provision**

Operating Period data will be used by ERCOT to monitor the reliability of the ERCOT System in Real Time, monitor compliance with Ancillary Service Obligations, perform historical analysis, and predict the short-term reliability of the ERCOT System using network analysis software. Each Transmission and/or Distribution Service Provider (TDSP), at its own expense, may obtain such Operating Period data from ERCOT or from Qualified Scheduling Entities (QSEs).

- (1) A QSE representing a Generation Entity that has Generation Resources connected to a TDSP shall provide the following Real Time data to ERCOT for each individual generating unit at a Generation Resource plant location and ERCOT will make the data available to the Generation Resource's host TDSP (at TDSP expense):
 - (a) Gross and net real power, or

PRR Comments

Gross real power at the generator terminal and unit auxiliary Load real power, or

Net real power at the ERCOT Polled Settlement (EPS) Meter and unit auxiliary Load real power.

- (b) Gross reactive power at the generator terminal
- (c) Status of switching devices in the plant switchyard not monitored by the TDSP affecting flows on the ERCOT System;
- (d) Frequency Bias of Portfolio Generation Resources under QSE operation;
- (e) Any data mutually agreed by ERCOT and the QSE to adequately manage system reliability and monitor Ancillary Service Obligations;
- (f) Generator breaker status;
- (g) High Operating Limit (HOL); and
- (h) Low Operating Limit (LOL).

[PRR590: Add items (i) and (j) upon system implementation:]

- (i) Automatic Generation Control (AGC) status; and
- (j) Ramp rate.

[PRR307: Revise Section 6.5.1.1(1) and 6.5.1.1(1)(f) as follows when system change implemented.]

- (1) A QSE representing a Generation Entity or a Competitive Retailer that has Resources connected to a TDSP shall provide the following Real Time data to ERCOT for each individual generating unit or Load acting as a Resource (LaaR) capable of controllably reducing or increasing consumption under Dispatch control (similar to AGC) and that immediately respond proportionally to frequency changes (similar to generator governor action) at a Resource plant location and ERCOT will make the data available to the Resource's host TDSP (at TDSP expense):
 - (f) Resource breaker status;

[PRR590: Add paragraph (2) and renumber subsequent paragraphs upon system implementation:]

PRR Comments

- (2) A QSE representing Uncontrollable Renewable Resources is exempt from the requirements of items (1) (i) and (j) above.
- (2) Any QSE providing Responsive Reserve and/or Regulation must provide for communications equipment to receive ERCOT telemetered control deployments of service power.
- (3) Any QSE providing Regulation Service must provide appropriate Real Time feedback signals to report the control actions allocated to the QSEs Resources.
- (4) Any QSE that represents a provider of Responsive Reserve, Non-Spinning Reserve, or Replacement Reserve using interruptible LaaR shall provide separate telemetry of the real power consumption of each interruptible Load providing the above Ancillary Services, the LaaR response to Dispatch Instructions for each LaaR, and the status of the breaker controlling that interruptible Load. If interruptible Load is used as a Responsive Reserve Resource, the status of the high-set under frequency relay will also be telemetered.
- (5) Any QSE that represents a qualified provider of Balancing Up Load (BUL) need not provide telemetry, but rather shall provide an estimate in Real Time representing the real power interrupted in response to the deployment of Balancing Up Load.
- (6) Real Time data for reliability purposes must be accurate to within three-percent (3%). This telemetry may be provided from relaying accuracy instrumentation transformers.
- (7) A Wind-powered Generation Resource (WGR) Entity shall provide the following site-specific meteorological information to ERCOT through its QSE selected for this purpose. The WGR shall be responsible for any associated compliance metrics. ERCOT shall establish procedures specifying the accuracy requirements of WGR meteorological information telemetry:
- (a) Wind speed;
 - (b) Wind direction;
 - (c) Temperature; and
 - (d) Barometric pressure.

[PRR590: Insert paragraph (7) and renumber accordingly, upon system implementation]

- (7) A QSE representing a combined cycle plant may aggregate the AGC and ramp rate Supervisory Control and Data Acquisition (SCADA) points for the individual units at a

PRR Comments

plant location into two distinct SCADA points (AGC and ramp rate) if the plant is configured to operate as such, i.e. gas turbine(s) and steam turbine(s) are controlled in aggregate from an AGC perspective.

- ⇒ If an aggregated wind farm consist of multiple types of wind turbines, the met data in the same wind farm can still be applied to multiple turbines just like what is being done now for a wind farm with single type of turbine only. However, the power production curve still needs to be applied to the corresponding turbine type, which cannot be achieved without explicitly modeled wind farm based on the same type, same model. This also applied to reactive power capability curve calculation.

6.5.13 WGR Ramp Rate Limitations

- (1) Each Wind-powered Generating Resource (WGR) that is part of an Interconnection Agreement signed on or after January 1, 2009 shall limit its ramp rate to ten-percent (10%) per minute of its nameplate rating (MWs) as registered with ERCOT when responding to or released from an ERCOT deployment.
- (2) The requirement of paragraph (1) above does not apply during a Force Majeure Event or during intervals in which a decremental deployment instruction coincides with a demonstrated decrease in the available wind resource.
- (3) Each WGR that is part of an Interconnection Agreement signed on or before December 31, 2008 and that controls power output by means other than turbine stoppage shall limit its ramp rate to ten percent (10%) per minute of its nameplate rating (MWs) as registered with ERCOT when responding to or released from an ERCOT deployment.
- (4) The requirement of paragraph (3) above does not apply during a Force Majeure Event, during intervals in which a decremental deployment instruction coincides with a demonstrated decrease in the available wind resource, or during unit start up and shut down mode.
- (5) WGRs that meet the technical specifications of paragraph (3) above and which do not comply with its ramp rate requirement shall submit a compliance plan to ERCOT on or before June 1, 2009 which details the technical limitations leading to non-compliance, a work plan to achieve compliance by a reasonable date, and a ramp rate mitigation plan describing the WGR's best efforts to adhere to the WGR ramp rate limitation during the applicable compliance transition period.
- (6) WGRs that do not meet the technical specifications of paragraph (3) above must submit an operations plan to ERCOT on or before June 1, 2009 describing the WGR's best efforts to adhere to the WGR ramp rate limitation.

PRR Comments

- (7) WGRs subject to the ramp rate limitations of paragraphs (1) and (3) above are exempt from the requirements of the applicable section upon receipt of a valid Dispatch Instruction from ERCOT to exceed the applicable ramp rate limitation when necessary to protect system reliability.
- (8) WGRs that operate under a Special Protection Scheme (SPS) are exempt from the ramp rate limitations of paragraphs (1) and (3) above when decreasing unit output to avoid SPS activation.
- (9) WGRs that meet the requirements of paragraphs (1) and (3) above are compliant with ramp rate limitation requirements when the number of 10-minute averages of eligible intervals meeting ten percent (10%) of nameplate capacity per minute ramp rate limit is equal to or greater than ninety percent (90%) of eligible intervals per month. Intervals where paragraphs (2), (4), (7) or (8) above apply shall be excluded as eligible intervals for this performance metric. ERCOT shall initiate a review process with the WGR where the WGR's score is less than ninety percent (90%). Scores that remain below ninety percent (90%) for three consecutive months shall be considered to have failed the ramp rate limitation performance measure.

Revised Proposed Protocol Language

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connect to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generator Step Up (GSU) transformer.

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2.2 Acronyms

POI Point of Interconnection

GSU Generator Step Up

Agreement

SGIA Standard Generation Interconnection

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6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty

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PRR Comments

(20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS,

Deleted: Installed Reactive Capability

- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT.

Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10 percent (10%) of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

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- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before December 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.

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- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable

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PRR Comments

Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.

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Deleted: Upon request to, and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only.

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Deleted: Alternative requirements may include supplying additional static and/or dynamic Reactive Power capability as necessary to meet the area's Reactive Power requirements.

Deleted: An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that [1]

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- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.
- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) WGRs must provide a Real Time Supervisory Control and Data Acquisition (SCADA) point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two (2) other Real Time SCADA points that communicate to ERCOT the following:
 - (a) The number of wind turbines that are not able to communicate and whose status is unknown; and
 - (b) The number of wind turbines out of service and not available for operation.

PRR Comments

WGRs must comply with the requirements of paragraph (10) by no later than June 1, 2010.

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- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission and/or Distribution Service Providers (TDSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.
- (2) ERCOT and TDSPs shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, GSU transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.
- (3) The TDSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.
- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).
- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

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Deleted: (5) At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.¶
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An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	10/30/2009
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Submitter's Information	
Name	Dennis Kunkel
E-mail Address	dkkunkel@aep.com
Company	American Electric Power
Phone Number	361 289 4003
Cell Number	361 813 4140
Market Segment	Investor Owned Utility (IOU)

Comments

AEP supports the passage of PRR830, Reactive Power Capability Requirement. Similar to MW reserve concerns with large wind generation shifts, large wind generation shifts across multiple farms within a short period of time can exhaust dynamic reactive reserves for the Transmission Operators (TOs) even though a large amount of dynamic reactive has been added in recent years.

Just as MW reserves are there to protect for more than just an N-1 event, reactive reserves are needed for these large generation swings across multiple wind units and farms. The dynamic language is specifically important since numerous events over the last few years can show large voltage swings when dynamic reserves were exhausted with the larger wind generation swings (that happen from time to time).

Revised Proposed Protocol Language

None proposed.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 2, 2009
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Submitter's Information	
Name	Mark Soutter
E-mail Address	msoutter@invenergyllc.com
Company	Invenergy LLC
Phone Number	512-447-2005
Cell Number	512-466-4554
Market Segment	Independent Generator

Comments

The Reactive Power Protocol language does not currently address the fact that Wind-powered Generation Resources (WGRs) are collections of individual turbines, each with its own Reactive Power capabilities. Invenergy proposes the addition of paragraph (12) to 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability. The proposed language of 6.5.7.1(12) clarifies the requirements and approximates the treatment afforded to other types of Generation Resources that have multiple turbines behind the same Point of Interconnection (POI) such as combined cycle units. Turbines that are currently Off-line for whatever reason are not required to provide reactive support and wind turbines should be no exception.

Revised Proposed Protocol Language

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).

PRR Comments

2.2 Acronyms

POI	Point of Interconnection
GSU	Generation Step Up Transformer
SGIA	Standard Generation Interconnection Agreement

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

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(1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT.

Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10% of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

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(2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-

PRR Comments

powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.

- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.
- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.

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PRR Comments

(10) WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:

(a) The number of wind turbines that are not able to communicate and whose status is unknown; and

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(b) The number of wind turbines out of service and not available for operation. WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.

(11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

(12) The Reactive Power requirements for a WGR under this Section shall be reduced proportionally to the nameplate capacity of the WGR's wind-powered turbines that are out of service and not available for operation. Any wind-powered turbine not able to produce more than ten percent (10%) of its nameplate capacity shall be considered to be out of service and not available for operation for the purposes of the Reactive Power requirements under this Section.

6.7.6 *Deployment of Voltage Support Service*

(1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.

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(2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

(3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

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PRR Comments

- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

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- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

Deleted: (5) At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.¶

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An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 3, 2009
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Submitter's Information	
Name	Todd Kimbrough
E-mail Address	todd.kimbrough@fpl.com
Company	NextEra Energy Resources
Phone Number	512.466.3190
Cell Number	512.466.3190
Market Segment	Independent Generator

Comments

NextEra Energy Resources submits the following comments regarding PRR 830, Reactive Power Capability Requirement, for consideration by the TAC. The redline language proposed below is based upon the PRS Recommendation Report of October 22, 2009 and incorporates concepts and specific amendments proposed in comments submitted by LCRA (10/08/09), The Wind Coalition (10/21/09), ERCOT (10/29/09), and Invenergy (11/02).

NextEra's new compromise proposal below does not insert the PRR 835 approach, which was not endorsed by the ROS and which was rejected by the PRS on Oct. 22. Although NextEra still believes ERCOT's proposed Reactive Power capability standard as set forth in PRR 830 is potentially inefficient and wasteful, NextEra nonetheless respects the opinion of the ROS and the PRS regarding the minimum standards for the ERCOT System going forward. NextEra's proposal, therefore, utilizes the "rectangle" requirement for all technologies as proposed by ERCOT.

Summary of NextEra's proposal

1. Prospectively, the compromise proposal applies the exact Reactive Power capability requirement proposed by ERCOT, endorsed by the ROS, and recommended by the PRS.
2. It provides a means to accomplish ERCOT's Reactive Power capability modeling needs without the unintended consequences of ERCOT's proposed change to the definition of Wind-powered Generation Resource (WGR) in Sec. 2, which

PRR Comments

would apply throughout the Protocols for many purposes other than that intended by ERCOT.

3. It sets aside the legacy issues applicable to existing units for resolution following a PUCT decision in the related contested case (Docket No. 36482) and/or through Alternative Dispute Resolution (ADR) processes pursuant to Commission order or pursuant to existing Protocols regarding ADR.

Explanation of each of NextEra's proposed amendments

1. Section 2.1: NextEra strikes ERCOT's proposed re-definition of Wind-powered Generation Resource (WGR) and inserts alternate language which comports with the way WGRs are interconnected to the ERCOT Transmission Grid. As discussed in more detail below, NextEra believes ERCOT's stated desire to more easily model the Reactive Power capability of Resources with multiple units can be achieved with amendments applicable only to Section 6.5.7.1(10) rather than inviting the unintended consequences of re-defining WGRs for all purposes throughout the Protocols.
2. Section 2.2: NextEra includes ERCOT's 10/29 correction to the acronym "GSU" and adopts The Wind Coalition's 10/21 proposed addition of the "WTG" acronym, which is used in the proposed amendment to Section 6.5.7.1(10) to address the Resource Reactive Power capability modeling concerns.
3. Section 6.5.7.1(1): NextEra incorporates ERCOT's 10/29 correction to "10 percent." NextEra also adds clarifying language that the requirement that WGRs disconnect from the grid when unable to support voltage at the POI is a "temporary" disconnection at ERCOT's instruction to address a Real Time condition and that the WGR is allowed to re-connect at ERCOT's instruction. NextEra further incorporates the concept advocated by the 10/08 LCRA comments that execution of ERCOT's instruction to disconnect from the ERCOT System to address a Real Time voltage event precludes a finding that the WGR violated Section 6.5.7.
4. Section 6.5.7.1(2): NextEra incorporates ERCOT's 10/29 correction striking "November" and inserting "December" to reflect the revised expected effective date of PRR 830. NextEra also strikes "February 17, 2004" and inserts "July 1, 2010" for the reasons identified below.
 - a) Paragraph (2) specifically requires WGRs to meet the "rectangle" standard for Reactive Power capability. As drafted by ERCOT, this paragraph creates several problems. Despite ERCOT's claims to be only a clarification of existing language and a prospective application of the clarified standard, ERCOT's proposed paragraph (2) clearly requires retrofitting existing units with new equipment. The interpretation of the existing Protocol language and whether it historically required a

PRR Comments

"rectangle" is before the Public Utility Commission of Texas and is the subject of ADR processes that are ongoing. Therefore, these forums should be allowed to continue to address the issue rather than muddying the process with a Protocol revision that may be reversed by existing proceedings. NextEra's proposal does not eliminate the possibility that retrofitting existing units could be required in the future. However, it does reserve this issue for the appropriate jurisdictional entity, the PUCT. The prudent course of action is to address prospective standards and implement the terms of the PUCT final order on the legacy issues, whatever the PUCT determines, once a final order is issued.

- b) Paragraph (2) as drafted by ERCOT also fails to meet the ERCOT Board's policy direction set with the adoption of Operating Guide Revision Request 208, Voltage Ride Through Requirement. In that decision, the Board made a sound policy decision that retroactive application of technical standards can be applied only when a body of evidence indicates such application is required to maintain system reliability. While ERCOT and the ROS have presented sufficient argumentation to support the refinement of the Reactive Power capability standard on a prospective basis, the lack of evidence demonstrating historical deficiencies and the lack of any study at all which would support spending tens of millions of dollars for unit retrofits is seriously troubling and invites scrutiny by policymakers.
 - c) NextEra's amendment to paragraph (2) keeps ERCOT's proposed effective date (as revised by its 10/29 comments) for signed Interconnection Agreements but proposes July 1, 2010 as the effective date for new units. The date is drawn from the historical record in which the ERCOT Board last approved substantive changes to this section of the Protocols. With the approval of PRR 473, Reactive Standards, the Board provided 15 months for new units to comply with the revised standard in order to not force immediate retrofit for units which had already been designed and for which equipment had already been procured. NextEra proposes less than half that amount of time – 7 months from the effective date of PRR 830.
 - d) Finally, NextEra strikes the ERCOT-proposed sentence establishing a Dec. 2010 deadline for retrofit for the same reasons outlined above. NextEra is unaware of a single PRR in the history of ERCOT which imposed tens of millions of dollars of equipment costs on any Market Participant or group of Market Participants without demonstration that the benefit would clearly outweigh the cost. PRR 830 should not be the first PRR to broach this slippery slope.
5. Section 6.5.7.1(3): NextEra strikes "February 17, 2004" and replaces it with "December 1, 2009" which is the anticipated effective date of PRR 830. This

PRR Comments

change is recommended for the reasons described above. Because paragraph (3) clearly references the revised standards set forth in paragraph (1), existing units should be held only to the existing Protocols requirement and their URLs submitted to ERCOT in accordance with the Operating Guides absent some compelling evidence to abandon previous policy on the retrofit issue. This change sets aside the legacy issues likely to delay implementation of PRR 830 and allows the PUCT to address the issues duly before it.

6. Section 6.5.7.1(4): NextEra proposes changing the two dates in accordance with the reasons set forth above.
7. Section 6.5.7.1(10) and (12): NextEra endorses the 10/21 comments of The Wind Coalition which provides ERCOT with the Real Time Reactive Power capability modeling information requested from WGRs but without the unintended consequences of changing the definition of WGR throughout the Protocols in Sec. 2. NextEra adopts The Wind Coalition's proposed language with minor modifications for clarity and to avoid redundancy. NextEra's revisions to paragraphs (10) and (12) are also consistent with ERCOT's 10/29 technical corrections.
8. Section 6.5.7.1(11): Delete the word "automatically".
9. Section 6.5.7.1(13): NextEra adopts Invenergy's 11/02 proposal in a new paragraph (13) to approximate the treatment of the Reactive Power obligation for other Resources which have multiple turbines located behind the POI.
10. Section 6.7.6(1)-(3): NextEra incorporates the technical corrections proposed in 10/29 ERCOT comments.
11. Section 6.7.6(5): NextEra rejects ERCOT's strikethrough of the existing paragraph(5), returning the blackline language of existing Protocols and offers an amendment to clarify this language only applies to existing units, as it does not comport with the new requirement established in ERCOT's proposed Section 6.5.7.1(1). The reinstated Sections are highlighted in yellow.
12. Section 6.7.6(6): NextEra renumbers due to reinsertion of deleted paragraph (5).

Response to ERCOT Comments of October 29 and request for new CEO Review and Impact Analysis

NextEra appreciates ERCOT's attempt to address the concerns of wind generators regarding the proposed change to the definition of WGR in its 10/29 comments. However, NextEra notes that while ERCOT addressed the uses of "WGR" in the Protocols, ERCOT did not address the more complex issue that WGRs are simply referred to as "Resources" and "generation units" throughout the Protocols and Guides when there is not a specific need to separately address WGRs and they are treated like

PRR Comments

all other Resources. It is precisely in this area where NextEra believes the unintended consequences of ERCOT's proposal will reveal themselves. The rapid timeline on which PRR 830 has advanced through the process has not afforded NextEra the opportunity to evaluate the hundreds of such references throughout ERCOT's controlling documents and so requests stakeholders re-evaluate the wisdom the WGR definition change and adopt NextEra's proposed methodology below to deliver the same results in a Section-specific way.

Additionally, NextEra points to ERCOT's 10/29 comments which state on page 2, "The proposed definition change may require some wind owners to form multiple WGRs instead of allowing only one depending on their equipment." NextEra agrees with this comment but questions whether the CEO Review and Impact Analysis consider the resource impacts of handling new RARF submissions in both zonal and nodal, whether new sub-QSEs would also need to be created, tested, and certified, or any other impacts on ERCOT Staff to process the changes associated with implementation of this change.

Finally, NextEra notes that the unnecessary WGR definition change would effectively preclude many activities which would benefit the ERCOT System and Texas consumers. NextEra often uses wind turbines in Texas as test models for various hardware and software enhancements to provide better unit control, power uprating, ramp rate control, etc. If each new technological application requires forming a new WGR and submitting RARF data, etc., then such activity becomes overly burdensome and may not be undertaken. A more beneficial approach would be to ensure that the section of the Protocols addressing Reactive Power requirements clearly places the burden on the generator to telemeter the Reactive Power capability to ERCOT, as proposed by NextEra, rather than forcing some definition on units which does not reflect the realities of their configuration in the field.

Conclusion

NextEra's proposal below delivers the full range of Reactive Power capability for all generation units sought by ERCOT and endorsed by ROS in a manner consistent with the application of ERCOT Protocols from the beginning of this market in 2001. NextEra strongly encourages TAC to weigh the policy and market implications of deviating from the market rules philosophy which has served Texas consumers well by continually encouraging major investment in new, more efficient, cleaner generation Resources across a variety of technology types for the past several years. NextEra does not believe the proposed language below in any way precludes addressing the legacy issues now under dispute at the PUCT. However, NextEra predicts serious harm to individual Market Participants, an entire segment of the electric power industry, overall faith in the stability of the ERCOT market rules, and efforts to fulfill state policy on renewable resources should PRR 830 be adopted in its current form.

PRR Comments

Revised Proposed Protocol Language

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind, which may consist of an aggregation of wind turbines connected to the ERCOT Transmission Grid through one Point of Interconnection (POI).

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Inserted: Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).

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2.2 Acronyms

POI	Point of Interconnection
GSU	Generator Step Up Transformer
SGIA	Standard Generation Interconnection Agreement
WTG	Wind-powered Turbine Generator

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

(1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT. Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's

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PRR Comments

dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10 percent (10%) of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to temporarily disconnect from the ERCOT System. WGRs which comply with instructions to temporarily disconnect from the ERCOT System in accordance with this Section will not be found in violation of Section 6.5.7 Voltage Support Service. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

- (2) WGRs that commenced operation on or after July 1, 2010, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before December 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices.
- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before December 1, 2009, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before July 1, 2010, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to December 1, 2009, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.

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PRR Comments

- (7) A Generation Resource and Transmission and/or Distribution Service Provider (TDSP) may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1) above.
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) Wind-powered Turbine Generators (WTGs) of the same model and size located behind the same Generator Step Up Transformer (GSU) must be aggregated to form a WTG aggregation. Effective June 1, 2010, the following Real Time Supervisory Control and Data Acquisition (SCADA) points must be communicated to ERCOT for each WTG aggregation by the WGR's QSE, selected for this purpose:
- (a) The number of WTGs that are not able to communicate and whose status is unknown; and
- (b) The number of WTGs out of service and not available for operation; and
- (c) The number of WTGs that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid.
- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by switchable static VAR capable devices.
- (12) ERCOT and the TSPs shall, at a minimum, represent WGRs in the ERCOT and TSP Real Time control systems and their off-line studies to include: GSUs, substation reactive devices, and the equivalent of the WTG aggregation connected to each GSU.
- (13) The reactive power requirements for a WGR under this Section shall be reduced proportionally to the nameplate capacity of the WGR's WTGs that are out of service and not available for operation. Any WTG not able to produce more than 10% of its nameplate capacity shall be considered to be out of service and not available for operation for the purpose of the Reactive Power requirements under this Section.

6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission and/or Distribution Service Providers (TDSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL)

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PRR Comments

capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.

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- (2) ERCOT and TDSPs shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, GSU tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

- (3) The TDSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

- (5) At all times a Generation Resource unit which commenced operation before July 31, 2010, has a signed SGIA before December 1, 2009, and which is required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.

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- (6) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

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Upon request to, and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only.

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Alternative requirements may include supplying additional static and/or dynamic Reactive Power capability as necessary to meet the area's Reactive Power requirements.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 03, 2009
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Submitter's Information	
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Company	Horizon Wind Energy LLC
Phone Number	713-265-0350
Cell Number	
Market Segment	Independent Generator

Comments

Horizon Wind Energy appreciates this opportunity to comment on PRR 830, Reactive Power Capability Requirement. Horizon supports reliability and efforts to increase reliability on the ERCOT System, but PRR 830 will not provide additional reliability benefits. No study has been done to determine that any existing generation needs to retrofit to accommodate a reliability situation on the grid and neither ERCOT, nor any other party providing comments, has demonstrated that any reliability problem exists with the Wind-powered Generation Resources (WGRs) now connected to the grid. Despite this, existing WGRs are being asked to install retrofits on operating generation at significant expense. For Horizon alone, the costs are estimated to be tens of millions of dollars.

WGRs have sited thousands of megawatts of capacity in the ERCOT market. That capacity has Reactive Power capability consistent with the existing ERCOT Protocols and other guidance. That capability has been reported in asset registration forms. When interconnection studies showed the need, WGRs have installed additional reactive equipment.

Some commenters argue that WGRs shift costs because they only provide half of the "rectangle." This is simply not true. First, the requirement in the Protocols is to comply with a Reactive Power standard of the triangle. Many generators, in fact all built before 1999 (conventional generators), avoid the rectangle requirement because they are exempted. The argument that WGRs are shifting costs is made by the same generators who are largely exempt from these requirements for the bulk of their generation fleet. Yet WGRs are the only Market Participants asked to undergo retrofits. In actuality, instead of shifting costs to other Market Participants, WGRs have paid more to support system reliability by going above the Protocol requirements when the TDSP stated that additional reactive capability was necessary.

PRR Comments

Wind power has lowered the price of power in ERCOT, to the benefit of most Market Participants, particularly Load Serving Entities (LSEs) and ultimately to the consumers. PRR 830 would increase system costs without any real justification. WGRs would be required to increase investment in projects that have been operating for years, which costs would need to be recovered through higher prices. Further, it is possible that WGRs that provide power to the system will need to be taken off-line for these retrofits to be done. Removing wind generation or making wind generation more expensive will serve to benefit only the generators that would not otherwise be dispatched if the wind generation were running—gas-fired generators. A policy of requiring retrofits also increases costs by increasing investor uncertainty about additional costs that may be imposed on existing assets and even more so on new projects.

If the target is to get to the “rectangle” ERCOT-wide, all exemptions should be removed from the rectangle requirement. However, in the instant situation, there is no demonstrated need for the rectangle. PRR 830 also attempts to insert into the Protocols the requirement that Reactive Power capability be provided using more expensive dynamic equipment, instead of static devices that many WGRs now use. No study supports such action by ERCOT or such investment of potentially hundreds of millions of dollars by one segment of the generation market.

ERCOT has known the capability of WGRs in the ERCOT market for years. WGRs have supplied Generation Asset Registration Forms (“GARFs”), and Resource Asset Registration Forms (“RARFs”) that clearly demonstrate the capability in the shape of a triangle and not the rectangle. Until recently, the Resource Asset Registration Guide even demonstrated by pictorial that the minimum requirement is the triangle, not the rectangle.

Despite claims to the contrary, ERCOT’s current interpretation of the Reactive Power requirements in the Protocols remains in dispute. It is the subject of an appeal active at the Public Utility Commission of Texas (PUCT). PUCT Docket 36482, Appeal of Competitive Wind Generators Regarding the Electric Reliability Council of Texas’ Interpretation of the Reactive Power Protocols, demonstrates that a serious controversy remains about required Reactive Power capability. The docket was initiated when a group of WGR owners (the Competitive Wind Generators) appealed ERCOT’s November 2008 Legal Interpretation that the Protocols require all Generation Resources that are not otherwise exempt to provide the same amount of Reactive Power that they are capable of at their rated output at any level of output. This puts Generation Resources that had been approved for interconnection without that capability (except those exempted or grandfathered by the Protocols already) at risk of penalties for not complying with Protocol standards. For some Resources, the exposure would be three years of penalties, potentially levied on every wind turbine in WGR.

Throughout the appeal, ERCOT steadfastly maintained that the requirement had always been clear, and that WGRs should retrofit even without some demonstration of need. However, every Standard Generation Interconnection Agreement (SGIA), by contract in the form approved by the PUCT, requires that “unless exempt, the TSP shall timely request ISO and all regulatory approvals necessary to carry out its responsibilities.” Moreover, before each of these WGRs, that had submitted GARFs or RARFs, depending on the timing, was energized, ERCOT specifically approved interconnection checklists, which include demonstration of Reactive Power capabilities prior to energization. As a System Operator, ERCOT knew exactly what the

PRR Comments

requirements were and exactly what the WGRs were connecting to the grid. To now state years later that the standard applicable to these WGRs, that have invested billions in the ERCOT market based on the rules in place at the time, is somehow different and that these WGRs are causing system reliability issues can mean only one of two things. Either 1) ERCOT did not pay attention to its own requirements in the Protocols and what it was connecting to the grid; or 2) ERCOT knew the standards were right and the WGRs were compliant, hence the compliance letters that WGRs met the standards.

What has changed between now and then? As discussed at the PRS meeting in response to the question by the Independent Market Monitor, the modeling for Competitive Renewable Energy Zone (CREZ) transmission evidently assumed that all WGRs were meeting a different standard than that in the Protocols—the full dynamic rectangle standard that ERCOT now claims all WGRs must meet. There is still no evidence that this standard is required to accommodate CREZ generation. However, ERCOT's response has not been to change the model, but to change the requirements so that ERCOT itself can state that it has complied with North American Electric Reliability Corporation (NERC_ requirements relating to planning.

ERCOT's description of PRR 830 says, in part: "This PRR clarifies the Reactive Power capability requirement for all Generation Resources, including existing WGRs". If ERCOT's interpretation of Reactive Power capability requirements in the Protocols is indeed accurate, there should be no need to clarify the Protocols that ERCOT says are already clear. Leaving that aside, the reality on the ground proves that the Protocols have not been interpreted in practice by WGRs, ERCOT or Transmission and/or Distribution Service Providers (TDSPs) in the way ERCOT reads them now and is attempting to change them through PRR 830. Thousands of megawatts of wind resource capacity have interconnected with the ERCOT Transmission Grid without the capability that is supposedly clearly required by Protocols.

Paragraphs (3) and (4) of Protocol Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, are explicit about which Generation Resources are exempt from completely meeting the Reactive Power capability requirement. Since the end date of that exemption, over 40 WGRs with approximately 7,000 MW of capacity have interconnected with the ERCOT Transmission Grid. The vast majority of these WGRs do not meet ERCOT's interpretation of the required Reactive Power capability. This fact can be verified by reviewing the asset registration forms that ERCOT accepted from these WGRs, and from the results of an informal survey ERCOT undertook in the last half of 2008 of WGR capabilities and procedures. It is hard to comprehend how so many projects could be interconnected in derogation of ERCOT's interpretation of the Reactive Power requirements, particularly if such interconnections would create reliability problems—which has not been shown in actuality, only discussed hypothetically in the comments of ERCOT and Calpine.

As attendees of the October 22nd PRS meeting were reminded, Reactive Power is a local service; it does not travel well. Requiring all WGRs to install more equipment simply because the requirements are re-interpreted would only increase costs—long after the investment in the Texas market has been financed. There is no demonstrated nexus between the imposition of these extra costs and the improvement in system safety or reliability.

PRR Comments

A broader concern is that PRR 830 continues efforts to require retrofits without justification. The retrofit provisions in PRR 830 obviously hurt WGRs that have located in the ERCOT market—particularly given that the ERCOT interpretation of dynamic rectangle was not feasible by any wind turbine on the market at the time the Protocol language was drafted. Attempts to substantively change standards on a going-forward basis, as has always been the case in ERCOT, should be based on actual studies demonstrating need and/or benefits for the market. However, requiring retrofits from WGRs that met the ERCOT standards in effect at the time, and singling out one new generation technology on which the standards have been changed, while continuing to exempt older technologies, raises fairness issues and frustrates the investment-backed expectation of those generators that answered the call to invest in the ERCOT market.

The impact of WGRs on the ERCOT Transmission Grid has been to lower power prices. This result is not unique to ERCOT. Other regions with significant wind capacity are saving money, too. The impacts may be greater in ERCOT, however, given the installed generation fleet. Those impacts have been widely reported. Results of analysis by Bernstein Research showing that increased wind capacity in ERCOT has reduced power prices have appeared in a variety of publications, including a Wall Street Journal Blog¹ and Coal Power magazine². The following excerpt summarizes the expected impact of lower power costs in general terms. For 2008 wind generation is calculated to have reduced the annual average price per MWh by \$2.00.

*"In ERCOT, the growth in wind generation is expected to push gas off the margin during certain off-peak hours and, during the hours when gas plants are operating, to reduce the marginal cost of supply by curtailing the hours run by higher cost combustion turbines."*³

It goes without saying that consumers benefit from lower prices. It's equally clear that this benefit comes by displacing high cost generation. As more wind capacity is installed, consumers will benefit while competing generators will see lower revenue. PRR 830 would shift this equation by imposing additional costs on both future and existing WGRs. The true impact analysis of PRR 830 is that it will raise prices in the ERCOT market, diminishing the benefits of wind generation the Texas Legislature and the PUCT have worked to achieve.

PRR 830 should be rejected.

¹ "Will Wind Power Blow Texas Generators Away?" posted on Wall Street Journal's Environmental Capital Blog, August 10, 2009.

<http://blogs.wsj.com/environmentalcapital/2009/08/10/blown-away-wind-power-makes-electricity-cheaper-in-texas/>

² "Texas Wind Boom Cutting into Fossil Generator Profits" in Coal Power magazine, October 8, 2009

http://www.coalpowermag.com/ops_and_maintenance/223.html

³ P. 4, Bernstein Commodities & Power: The Impact of Wind on Power Prices and Coal and Gas Consumption, September 4, 2009

PRR Comments

Revised Proposed Protocol Language

None.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	11/04/2009
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Submitter's Information	
Name	Steven W. Saylor, P.E.
E-mail Address	sayl@vestas.com
Company	Vestas-American Wind Technology, Inc
Phone Number	(503) 327-2111
Cell Number	(503) 830-4085
Market Segment	n/a

Comments

Vestas Americas submits the following comments on PRR 830, Reactive Power Capability Requirement.

If adopted as proposed, PRR 830 may unnecessarily increase the costs of certain Wind-powered Generation Resources (WGRs) while providing ERCOT with no improvements in reliability and causing an unfair market to ERCOT Customers by limiting their selection of manufacturers.

PRR 830 would require WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) after December 1, 2009, be only able to meet the Reactive Power requirements through a combination of the WGR's Unit Reactive Limit (URL) and/or dynamic VAR capable devices. Vestas would like to make it understood that a properly designed integrated Reactive Power solution utilizing a combination of the WGRs and URL and/or automatically switchable static VAR capable devices [shunt reactive elements, i.e. capacitors and/or reactors] in combination with dynamic VAR capable devices [i.e. Static Compensators, commonly referred to as Statcoms] have the same effective dynamic performance as a combination of the WGR's URL and/or dynamic VAR capable devices. Thus such integrated solutions should be allowed as an acceptable alternative to meet ERCOT's Reactive Power interconnection requirement.

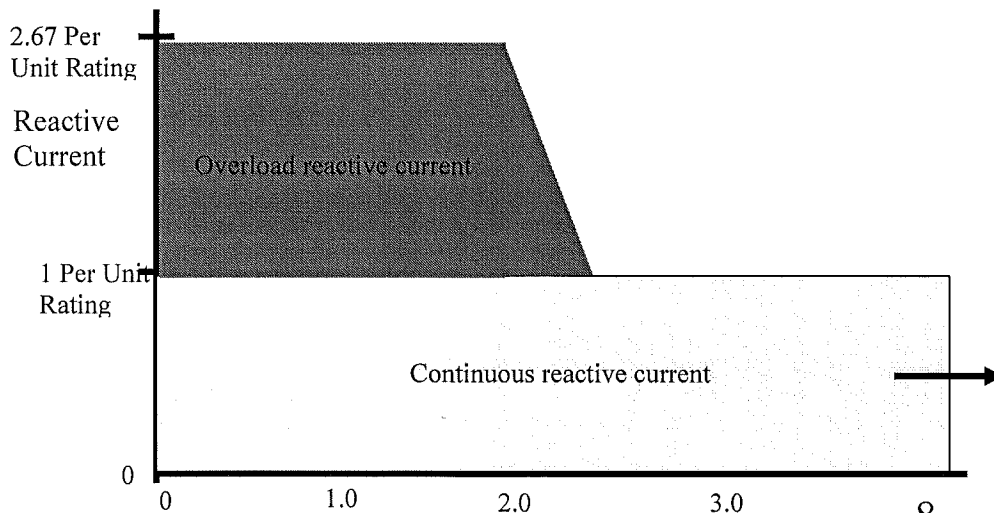
Only a very small number of wind turbine manufacturers currently provide a full dynamic solution to Reactive Power requirements within the turbine alone.

Moreover, other regional authorities have allowed manufacturers the option to employ a "hybrid" solution incorporating a combination of a Statcom and automatically switched

PRR Comments

capacitors and/or reactors to meet the Reactive Power requirements of numerous Transmission Operators, both nationally and internationally.

These hybrid systems rely upon the inherent overload capability of a Statcom device (approximately 2 to 3 times Continuous Rating, depending on device supplier) to operate at multiples of their continuous duty rating for 2-4 seconds. An example of the overload response is shown below.



VAR output is smooth and linear with voltage. After an initial dynamic response from the Statcom (within one electrical cycle), fast-switched static reactive elements are then switched in by the Statcom's master controller allowing the Statcom to return to operation within its Continuous Rating range; complete Reactive Power response can be accomplished within one second or less. Vestas has employed the hybrid solution on numerous projects in North America as well as projects in Europe and Australia. This hybrid solution meets all reliability requirements of these Transmission Operators and is the full functional equivalent of a dynamic solution that employs only full-sized SVCs or Statcoms. Hybrid systems provide excellent steady-state voltage control, as well as extremely fast response to rapid changes in voltage.

Vestas has been provided an indicative-pricing budgetary quotation indicating that the cost of installing a dynamic solution with only dynamic capable devices to meet the same Reactive Power requirements will increase installed costs approximately four times over using the hybrid solution. These additional project costs would not be accompanied by any increase in reliability and will provide an unfair market advantage to certain turbine manufacturers.

Additional comments provided from American Superconductor:

"AMSC has 35 "hybrid" reactive compensation systems comprising of D-VAR STATCOM and shunt capacitor and reactor banks at wind farm throughout the world, configured to provide a

PRR Comments

fully dynamic reactive compensation for wind farms. The STATCOM and shunt devices have been sized to allow these wind farms to meet the local wind interconnection requirements which have specified dynamic performance requirements. These installations are in Canada (AESO, IESO, Prince Edward Island, Sask Power, New Brunswick), South Australia, New Zealand, United Kingdom and the United States. Over half of these installations are in North America alone.

The hybrid system controls switch shunt banks installed as part of the system, leveraging the STATCOM's dynamic capability, to effectively provide an expanded dynamic compensation range. The D-VAR STATCOMs also have short term overload capability to address short term voltage sags and swells in the system allowing added reliability of the facility. The hybrid STATCOM approach has proven to be a technically sound and cost effective approach to allowing large amounts of wind generation to be interconnected to systems worldwide."

Further additional comments provided by S&C Electric:

S&C and other Statcom suppliers have "hybrid" systems operating in the following areas.

ISO / RTO

Hybrid Systems Accepted as Dynamic VARS

United States

WECC	Yes
BPA	Yes (inverters 50% of VARs)
CAISO	Yes
New Mexico	Yes
PacifiCorp	Yes
SPP	Yes
Kansas	Yes
MISO	Yes
Wisconsin	Yes
ERCOT	Yes
AEP	Yes

PRR Comments

NYISO	Yes
ISO-NE	Yes

International

Canada	Yes
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Quebec (HQ)	Yes
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Ontario (IESO)	Yes
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Alberta (AESO)	Yes
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Prince Edward Island (NB)	Yes
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United Kingdom	Yes (Full inductive down to 50% MW)
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England (NGET)	Yes (Ditto)
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Wales (NGET)	Yes (Ditto)
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Scotland (NGET / SP / SSE)	Yes (Ditto)
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Ireland	Yes
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Eirgrid (ESB)	Yes
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Revised Proposed Protocol Language

PRR Comments

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).

2.2 Acronyms

POI Point of Interconnection
GSU Generation Step Up Transformer
SGIA Standard Generation Interconnection Agreement

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

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(1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT. Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. Dynamic VAR capable devices include Hybrid devices composed of dynamic devices temporarily operated above their nameplate rating in combination with switched static devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10% of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and

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Deleted: This quantity of Reactive Power is the Unit Reactive Limit (URL).¶ (2)

Deleted: required to provide VSS except as noted below in items (3) or (4),

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PRR Comments

is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before November 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.
- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole

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Deleted: Upon request to, and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only.

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PRR Comments

discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision. ,

- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real Time SCADA points that communicate to ERCOT the following:
- (a) The number of wind turbines that are not able to communicate and whose status is unknown; and
- (b) The number of wind turbines out of service and not available for operation. WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.
- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

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Deleted: An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

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6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.
- (2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For

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PRR Comments

Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

- (3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

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- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

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- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

Deleted: (5) At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.¶

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TAC Recommendation Report

PRR Number	830	PRR Title	Reactive Power Capability Requirement
Timeline	Urgent	Recommended Action	Approval
Date of Decision	November 5, 2009		
Proposed Effective Date	December 1, 2009		
Priority and Rank Assigned	Not applicable.		
Protocol Section(s) Requiring Revision	2.1, Definitions 2.2, Acronyms 6.5.7, Voltage Support Service 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability 6.7.6, Deployment of Voltage Support Service		
Revision Description	<p>This Protocol Revision Request (PRR) clarifies the Reactive Power capability requirement for all Generation Resources, including existing Wind-powered Generation Resources (WGRs) who are not able to meet the 0.95 lead/lag requirement with the Generation Resource's Unit Reactive Limit (URL).</p> <p>WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before December 1, 2009 may meet the Reactive Power requirements through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices.</p>		
Reason for Revision	Clarification of Reactive Power capability requirements on a going-forward basis and path to compliance for certain WGRs that are not able to meet the 0.95 lead/lag requirement at the Point of Interconnection (POI) based on the Generation Resource's URL.		
Overall Market Benefit	Provides additional clarity to the reactive requirements for wind generation.		
Overall Market Impact	Unknown.		
Consumer Impact	None.		
Credit Impacts	ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed PRR830 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.		
Relevance to Nodal Market	Yes. The Reactive Power capability requirements exist in Nodal as well.		

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TAC Recommendation Report

Nodal Protocol Sections Requiring Revision	2.1, Definitions 2.2, Acronyms and Abbreviations 3.15, Voltage Support 6.5.7.7, Voltage Support Service
Procedural History	<ul style="list-style-type: none"> ➤ On 9/08/09, PRR830, a preliminary Impact Analysis, and CEO Revision Request Review were posted. ➤ On 9/10/09, PRR830 was granted Urgent status via a PRS e-mail vote. ➤ On 9/15/09, Horizon Wind Energy LLC comments were posted. ➤ On 9/17/09, PRS considered PRR830. ➤ On 9/28/09, Calpine comments were posted. ➤ On 10/7/09, Iberdrola Renewables comments were posted. ➤ On 10/8/09, a second set of Horizon Wind Energy LLC comments were posted. ➤ On 10/8/09, LCRA comments were posted. ➤ On 10/19/09, ROS comments were posted. ➤ On 10/21/09, Wind Coalition comments were posted. ➤ On 10/22/09, Vestas comments were posted. ➤ On 10/22/09, PRS again considered PRR830. ➤ On 10/22/09, NextEra Energy Resources comments were posted. ➤ On 10/26/09, the Impact Analysis was posted. ➤ On 10/28/09, a second set of Calpine comments were posted. ➤ On 10/29/09, Oncor comments were posted. ➤ On 10/29/09, ERCOT comments were posted. ➤ On 10/30/09, AEP comments were posted. ➤ On 11/2/09, Invenergy comments were posted. ➤ On 11/3/09, a second set NextEra Energy Resources comments were posted. ➤ On 11/3/09, a third set of Horizon Wind Energy LLC comments were posted. ➤ On 11/4/09, a second set of Vestas comments were posted. ➤ On 11/5/09, TAC considered PRR830.
PRS Decision	<p>On 9/17/09, PRS unanimously voted to table PRR830 for one month and to encourage ROS to provide comments on PRR830. All Market Segments were present for the vote.</p> <p>On 10/22/09, PRS voted to recommend approval of PRR830 as endorsed by ROS. The motion passed via roll call vote. All Market Segments were present for the vote.</p>
Summary of PRS Discussion	<p>On 9/17/09, there was discussion regarding the appeal currently at the Public Utility Commission of Texas (PUCT) which stemmed from an ERCOT interpretation of the current Protocols regarding Reactive Power. It was debated whether or not the proposed content of PRR830 was being addressed in the contested case.</p>

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TAC Recommendation Report

	<p>On 10/22/09, ERCOT Staff explained that PRR830 is not intended to change the philosophy of the Protocols. ERCOT Staff also provided clarification of the proposed change to the WGR definition, and noted that dynamic devices will be required going forward, but that existing WGRs can meet the requirement with static devices. There was also discussion regarding the use of the "cone" versus the "rectangle" for Reactive Power capability and that having differing requirements makes planning difficult and may pose fairness and grid stability issues. Some Market Participants expressed concerns that requirements of PRR830 would impose costs to retrofit existing units and that studies should be performed to demonstrate need.</p>
TAC Decision	<p>On 11/5/09, TAC voted to recommend approval of PRR830 as recommended by PRS in the 10/22/09 PRS Recommendation Report and as amended by the 10/29/09 ERCOT comments. All Market Segments were present for the vote.</p>
Summary of TAC Discussion	<p>On 11/5/09, TAC reviewed PRR830 comments. A Market Participant proposed including language that allowed a hybrid solution to meet Reactive Power capability requirements. ERCOT Staff explained that paragraph (6) of Section 6.5.7.1 allows Market Participants to submit alternative proposals to ERCOT for meeting the requirement, which could include a hybrid solution.</p> <p>Some Market Participants opined that changing the definition of WGR would have repercussions not only where "WGR" is used in the Protocols or market guides, but could also create complications in instances where the terms "generator," "Resource," or "unit" are used. ERCOT Staff contended that the definition change is needed in order to ensure that ERCOT has an accurate representation of each WGR's Reactive Power capability.</p> <p>Questions were raised regarding ERCOT's acceptance of the "triangle" that was provided in the Resource Asset Registration Forms (RARFs). ERCOT Staff explained that the RARFs should provide an accurate representation of what a unit is physically capable of doing and should not be taken as a substitute for the requirements in the Protocols, which require the "rectangle".</p> <p>Some Market Participants expressed concern regarding retrofits to existing units. It was stated that in the past, most rules that would impose cost on existing units were implemented on a prospective basis unless there was a demonstrated need, and it was argued that at this point, there has been no evidence provided indicating that there is a need to retrofit. Others countered that if generators are not operating in the "rectangle" as the current system was designed that it is a reliability issue versus a cost issue since the risk of a voltage</p>

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TAC Recommendation Report

	collapse increases as you increase capacity not operating within the "rectangle."
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Quantitative Impacts and Benefits		
Assumptions	1	
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	4	
Market Cost		Impact Area Monetary Impact
	1	
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	3	
Market Benefit		Impact Area Monetary Impact
	1	<i>Clarifies the reactive requirements for wind generation.</i>
	2	
	3	
Additional Qualitative Information	1	
	2	
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	4	
Other Comments	1	
	2	
	3	
	4	

Sponsor	
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Market Segment	N/A

Market Rules Staff Contact	
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TAC Recommendation Report

Comments Received	
Comment Author	Comment Summary
Horizon Wind Energy LLC 091509	Recommended that PRR830 be rejected as submitted.
Calpine 092809	Supported approval of PRR830.
Iberdrola Renewables 100709	Suggested existing Protocol language is clear. Proposed additional revisions only as an alternative to the ERCOT proposed changes.
Horizon Wind Energy LLC 100809	Opined that PRR830 is contrary to existing Protocols, and is proposed without demonstration of need. Commented that PRR830 re-defines Reactive Power capability requirements for Generation Resources interconnected with the ERCOT Transmission Grid, imposing new requirements on WGRs and requiring retrofits to the majority of operating WGRs.
LCRA 100809	Proposed clarifying language which would allow Resources to start at lower voltage levels. Also proposed changes related to establishing Reactive Power requirements.
ROS 101909	Endorsed PRR830 as submitted.
Wind Coalition 102109	Provided alternative language to the definition of a WGR and the subsequent changes that are intended to improve the modeling of wind-powered generation reactive capabilities.
Vestas 102209	Stated that if PRR830 is adopted as proposed, it may unnecessarily increase the costs of WGRs in Texas with no improvements in reliability. Suggested that hybrid systems that have the effective performance of a fully dynamic system should be allowed.
NextEra Energy Resources 102209	Recommended that PRS reject PRR830 and instead recommended that PRR835 be approved.
Calpine 102809	Responded to NextEra's 10/22/09 comments and supported ERCOT's efforts to maintain system reliability and the fairness found in PRR830.
Oncor 102909	Supported ERCOT's efforts to maintain system reliability with PRR830.
ERCOT 102909	Provided comments to support the need for the WGR definition change. Also proposed additional language changes which revised the effective date in both the Revision Description and in paragraph (2) of Section 6.5.7.1 to December 1, 2009 and provided administrative edits and clarification to proposed language revisions.
AEP 103009	Supported the passage of PRR830.
Invenergy 110209	Proposed the addition of paragraph (12) to Section 6.5.7.1 to clarify the requirements and approximated the treatment afforded to other types of Generation Resources that have multiple turbines behind the same POI such as combined cycle units
NextEra Energy Resources 110309	Incorporated concepts and specific amendments proposed in comments submitted by LCRA (10/08/09), The Wind Coalition (10/21/09), ERCOT (10/29/09), and Invenergy (11/02/09). Also

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TAC Recommendation Report

	proposed additional language changes that utilized the "rectangle" requirement for all technologies as proposed by ERCOT.
Horizon Wind Energy 110309	Recommended that PRR830 be rejected.
Vestas 110409	Provided additional language changes so that dynamic VAR capable devices would include hybrid devices and would be considered as an acceptable alternative to meet ERCOT's Reactive Power interconnection requirement.

Revised Proposed Protocol Language

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connect to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generator Step Up (GSU) transformer.

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2.2 Acronyms

POI Point of Interconnection

GSU Generator Step Up

Agreement

SGIA Standard Generation Interconnection

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6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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Deleted: This quantity of Reactive Power is the Unit Reactive Limit (URL).¶ (2)

Deleted: required to provide VSS except as noted below in items (3) or (4),

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

(1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT.

Generation Resources shall comply with the following Reactive Power requirements: an over-

TAC Recommendation Report

excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10 percent (10%) of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

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- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before December 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.

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- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.

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TAC Recommendation Report

- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.
- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) WGRs must provide a Real Time Supervisory Control and Data Acquisition (SCADA) point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two (2) other Real Time SCADA points that communicate to ERCOT the following:
- (a) The number of wind turbines that are not able to communicate and whose status is unknown; and
- (b) The number of wind turbines out of service and not available for operation.
- WGRs must comply with the requirements of paragraph (10) by no later than June 1, 2010.
- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

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TAC Recommendation Report

6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission and/or Distribution Service Providers (TDSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the URL, specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.
- (2) ERCOT and TDSPs shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, GSU transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.
- (3) The TDSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.
- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).
- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

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An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

2009 TAC MOTION: H

To recommend approval of PRR830 as recommended by PRS with ERCOT comments.

Tally Votes

TALLY TOTAL		
Voting Structure	Motion Passes	Total Abstentions
TAC	67% of non-abst TAC Votes = 17	
TAC Vote:	23	1
		6

Date: November 5, 2009

Clear

Prepared by: B. Albracht

Sector / Entity	Representative	Present	Yes	No	Abstain
Cooperatives					
Lower Colorado River Authority	Brad Belk (Sandy Morris)	y	1		
Brazos Electric Power Cooperative, Inc.	Hugh Lenox	y	1		
Nueces Electric Cooperative	John L. Sims (Clif Lange)	y	1		
South Texas Electric Cooperative, Inc.	Henry Wood (Clif Lange)	y	1		
Segment Vote:		4	4	0	0
Municipals					
CPS Energy	Les Barrow	y	1		
Austin Energy	Mark Dreyfus	y	1		
Brownsville Public Utilities Board	Fernando Saenz (James McCann)	y	1		
GEUS	David McCalla (Gary Singleton)	y	1		
Segment Vote:		4	4	0	0
Investor Owned Utilities					
Luminant Energy	Brad Jones	y			a
CenterPoint Energy	John Houston	y	1		
First Choice Power, Inc.	Steven Moss	y	1		
AEP Corporation	Richard Ross (Kip Fox)	y	1		
Segment Vote:		4	3	0	1
Indepent Generators					
FPL Energy	Mark Bruce	y		1	
Calpine Corporation	Randy Jones	y	1		
NRG Texas	Adrian Pleniazek	y			a
PSEG TX	Marguerite Wagner	y	1		
Segment Vote:		4	2	1	1
Consumers					
Residential Consumer	Shannon McClendon	y			a
Office of Public Utility Counsel	Danny Bivens	y	1		
City of Lewisville	Phillip Boyd	y	1		
City of Eastland	Chris Brewster	y	1		
Austin White Lime Company	Oscar Robinson (Mark Smith)	y			a
Air Liquide	Bill Smith	y	1		
Segment Vote:		6	4	0	2
Independent Retail Electric Providers					
Strategic Energy, LLC	Read Comstock	y	1		
TriEagle Energy	Martin Downey	y	1		
Cirro Group	William Lewis (Marcie Zlotnik)	y	1		
Star Electricity dba StarTex Power	Marcie Zlotnik	y	1		
Segment Vote:		4	4	0	0
Independent Power Marketers					
Exelon Generation Company, LLC	Kristy Ashley	y	1		
Sempra Energy Trading	Seth Cochran	y	1		
BP Energy	Eric Schubert (Judy Briscoe)	y			a
DB Energy Trading	Brandon Whittle	y			a
Segment Vote:		4	2	0	2
All Sectors Voting Totals					
Segment Vote:		30	23	1	Total 6

PRR Appeal of Decision

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 6, 2009
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Decision Being Appealed	Technical Advisory Committee Recommendation Report
Date of Decision	November 5, 2009

Submitter's Information	
Name	Todd Kimbrough
E-mail Address	todd.kimbrough@fpl.com
Company	NextEra Energy Resources
Phone Number	512-466-3190
Cell Number	512-466-3190
Market Segment	Independent Generator

Comments

NextEra Energy Resources ("NextEra") respectfully appeals the November 5, 2009 decision of the Technical Advisory Committee ("TAC") to recommend approval of PRR 830 Reactive Power Capability Requirement to the ERCOT Board of Directors ("Board").

NextEra believes the TAC erred in its decision with respect to a number of technical concerns which were raised during deliberations on the PRR but which are not resolved in the TAC-recommended language. NextEra also believes the TAC-recommended language of PRR 830 contradicts previously adopted Board policy regarding the imposition of new technical capabilities on existing Resources in ERCOT.

PRR 830 has been granted Urgent Status and is, therefore, scheduled for decision by the Board at its November 17, 2009 regular meeting. In accordance with Section 8.4 of the Board Policies and Procedures, NextEra's appeal is timely filed and NextEra requests the Board hear this appeal on November 17, 2009. NextEra commits to filing documentation in support of this appeal sufficiently in advance of the November Board meeting to allow timely review of the material by Directors prior to hearing the appeal at the meeting.

NextEra Energy Appeal of PRR 830 Regarding Reactive Power

NextEra Energy Resources (NextEra) respectfully requests the ERCOT Board of Directors remand PRR 830 to TAC with instructions to address material defects in the PRR as discussed below or, in the alternative, approve the PRR as set forth in Attachment A.

Proper levels of reactive power in the ERCOT system are essential for the reliable delivery of electricity service to customers throughout the state. No one disputes this fact. However, there is significant dispute regarding: (a) the appropriate reactive power capability needs in various locations on the ERCOT transmission system; (b) whether multi-million dollar retrofits of some wind farms are either technically necessary or economically efficient; and (c) whether the ERCOT Protocol revision process can be used to interfere with pending Alternative Dispute Resolution (ADR) and Public Utility Commission of Texas (Commission or PUCT) contested case processes which address the same issue as the proposed Protocol revision.

No matter one's position on the core issues above, PRR 830 as recommended by TAC lacks clarity in key respects and risks unintended consequences from the inclusion of insufficiently vetted new concepts. The PRR would clearly benefit from further refinement.

NextEra strongly recommends the Board decline to approve PRR 830 in its current form because it conflicts with prudent ERCOT policy precedent and lacks sufficient technical support. NextEra remains committed to working through the stakeholder process to improve the PRR if the Board chooses to remand it to TAC. However, NextEra also recognizes the urgent need for resolution of this issue and, therefore, offers amendments for Board consideration which would sufficiently improve the PRR to enable immediate adoption, while reserving remaining issues for subsequent resolution in accordance with the applicable procedures.

I. Background

Well before submitting PRR 830, ERCOT Staff sent letters to wind generators asking them to demonstrate compliance with the existing Protocol language requiring generators to provide reactive power capability. Wind generators, including NextEra, submitted responses to ERCOT's request and consistently presented evidence that showed compliance by providing what is commonly called a "triangle," *i.e.*, increasing reactive power as the amount of available wind increases. Similar evidence had in many cases been presented to ERCOT Staff and Transmission Service Providers (TSPs) through the generation interconnection and asset registration processes as these units were developed and certified for operation. Nonetheless, ERCOT Staff in November 2008 announced an interpretation of the existing Protocol language to require what is commonly called a "rectangle," *i.e.*, the same amount of reactive power would be expected from wind turbines regardless of whether or how strong the wind blows.

As a result of the conflict between ERCOT Staff's interpretation and that of multiple owners of wind resources installed over a four-year period, several ADRs and a contested case have resulted. NextEra is currently in the final stages of an ADR process which preceded the

contested case at the Commission and the proposal of PRR 830. It was in the midst of these activities, which are defined by Section 21 of the Protocols and by the PUCT Procedural Rules that, ERCOT Staff on September 8 submitted PRR 830 which was described as a “clarification” of existing Protocol language even though it proposed substantive new language, introduced new compliance deadlines, and contained substantive deletions of many key elements of the current reactive power capability standard language.

In response to the clear deficiencies of PRR 830 and in the desire to find a mutually agreeable compromise, NextEra filed PRR 835, included as Attachment B, on September 30. PRR 835 would have required application of the “rectangle” requirement where generation interconnection studies or other studies demonstrated the need for it, but maintained the previously used “triangle” as the minimum reactive power capability requirement. In support of PRR 835, NextEra presented preliminary results of engineering studies to ROS on October 15. The NextEra presentation to the ROS is included as Attachment C. ERCOT Staff sought to dismiss the engineering studies offered by NextEra as insufficient in scope, but did not offer, and has still yet to offer, any alternative studies or data to support the PRR 830 requirement. The ROS, TAC’s subcommittee of technical experts in the area of system reliability, endorsed PRR 830 as filed based upon a “fairness” argument and an assumption that “more is better,” rather than on any technical analysis of system conditions or likely future scenarios. NextEra notes with some concern that the ROS filed only 24 words in its technical endorsement of the PRR, none of them providing technical guidance on any of the fundamental issues. Similarly, both PRS and TAC subsequently endorsed PRR 830 as filed, despite acknowledgement by several parties, including ERCOT Staff, that some issues remained unresolved and that the amendments proposed by multiple parties might improve the clarity and workability of the PRR.

On November 3, prior to the TAC deliberation, NextEra submitted the alternative language included in Attachment A which cured the original language’s interference with the ADR process; preserved the Commission’s jurisdiction over the subject matter in contested case proceedings; provided the exact “rectangle” requirement sought by ERCOT Staff for all new generation; and proposed solutions for identified technical concerns with the PRR – all without closing the door on requiring retrofits of existing units where needed to address system security needs. NextEra’s proposal also incorporated a number of suggestions offered by other parties which the ROS, PRS, and TAC either completely ignored or only briefly considered. NextEra notes that at no point in the Protocol revision process has PRR 830 been studied by the kinds of working groups or task forces where thorough, substantive, detailed discussion by specialized subject matter experts typically occurs in the stakeholder process. NextEra requests the Board remedy these procedural and substantive defects by remanding or amending the PRR.

II. PRR 830 as recommended by TAC does not meet the ERCOT policy standard for retroactive application of technical capabilities.

Implementation of PRR 830 as recommended by TAC is estimated to cost wind generators approximately \$100 million, yet no evidence has been presented to suggest such an investment would yield a commensurate benefit to system reliability. Indeed, the first mention of known reliability concerns related to existing units did not appear until the discussion at TAC,

when ERCOT Staff referenced “two recent incidents” where grid operator actions were required to address reactive power capability deficiencies. No details about these incidents were provided and there was no analysis or discussion whether the reactive power capability retrofits required by PRR 830 would have sufficiently addressed the referenced incidents. There was also no analysis or discussion about whether ERCOT’s actions to support voltage in the referenced incidents provided a more economically beneficial solution to the challenge than imposition of retrofit requirements. In fact, the only thing clear from the brief discussion of known “incidents” is that multiple solutions other than the PRR 830 approach are available to ERCOT and TSPs to resolve voltage support and reactive power issues. In each instance where anecdotal support for PRR 830 has been offered it has been in the form of extemporaneous oral argument – no studies, data, or written comments have been provided.

As the Board is aware, NextEra and other wind generators in ERCOT have spent millions of dollars in the past 18 months to implement numerous PRRs which required new or upgraded capabilities and processes for existing units to support operational reliability. Examples include upgrading generation control systems to implement ramp rate limitations (PRR 778); installing additional data-gathering equipment and telemetry to support development of the ERCOT system-wide wind forecast and accelerated implementation of Texas Nodal Market requirements deemed to have immediate benefit (PRR 794); as well as changes to key operational processes to support ERCOT’s ability to manage wind variability-related issues (PRRs 763, 773, and 793). Indeed, all of these new requirements on existing units were supported, even authored, by wind generators. NextEra has not and will not argue that existing units cannot be required to provide new or upgraded technical capabilities when technically feasible to do so. However, NextEra notes that when such new requirements necessarily involve substantial unit outages and/or dedication of significant technical and financial resources, wind generators have never opposed retrofits out of hand but rather have requested those proposing the major modifications provide reasonable justification for the retrofits and some analysis to support the value of the proposed requirements. PRR 830 noticeably lacks such evidentiary support.

On previous occasions, most notably in the Appeal of OGRR 208, the Board has required a meaningful analysis to support major retrofits on existing investments. In OGRR 208, TAC approved universal application of a voltage ride-through standard which would have forced a number of generators to extensively retrofit existing units. The recommendation was based on a general sense that more capability would be better for the system but there was no study or evidence to support the contention that the benefit would meet or exceed the costs to retroactively apply the new standard. The Board noted the lack of adequate evidence to demonstrate the need for such a significant investment and appropriately approved the new VRT standard on a prospective basis, while directing that a study be performed to identify system needs and recommend solutions. Moreover, the Board recognized the danger of sending a signal to investors and developers that no project *pro forma* was safe from arbitrary *ex post facto* action and that all investment decisions in ERCOT should be made with the understanding that future financial and capital risk could be boundless. NextEra requests the Board remain committed to the reasonable policy precedent that evolving technical requirements be implemented prospectively unless compelling evidence supporting retroactive application is presented.

III. PRR 830 merits refinement of important secondary issues independent of any decision on the issue of retroactive application of the "rectangle" standard.

Even if the Board chooses to ignore the procedural and policy concerns raised in this appeal, it is important to note the TAC-recommended language should be improved to provide additional clarity and to avoid unintended consequences. In so doing, the Board could also minimize the risk that vague or confusing language would prompt additional needs for ADR sessions and contested cases at the Commission. Specifically, NextEra directs the Board to proposed amendments Nos. 1, 2, 3, 7, and 9 in Attachment A. Each proposed amendment addresses issues unrelated to the retrofit question such as whether an ERCOT-ordered disconnection from the grid to support voltage is temporary or permanent and how to best provide ERCOT the information needed for Real Time reactive power capability modeling, among others.

NextEra is disappointed that as late in the process as the November 5, 2009 TAC deliberation, several parties who ultimately supported PRR 830 as filed, including ERCOT Staff, acknowledged some of the concerns and potential solutions raised by NextEra, Invenergy, Vestas, and the Wind Coalition, yet declined to dedicate the time necessary to vet the identified issues. NextEra is concerned that the push to do something has morphed into a willingness to do anything, whether or not fully considered. Such a rush to judgment on critical issues of system reliability and economics does not reflect well on the stakeholder process.

IV. PRR 830 merits further examination of key technical issues.

Sources of reactive power typically provide more benefit to the system by being nearer to load. Wind resources, with almost no exception, are located in remote areas that are far from load. Therefore, even if wind resources were able to provide significant amounts of reactive power, there would likely be no benefit to loads that are hundreds of miles away since reactive power does not travel well. NextEra's study and presentation to ROS showed this fact. The need for additional reactive power near wind farms typically occurs when the amount of energy generated by the turbines increases. The "triangle" provides this by definition, *i.e.*, the amount of reactive power produced increases as the amount of energy is produced. ERCOT Staff has offered no data or studies to quantify the system benefits which might result from burdensome reactive power requirements in regions with low load levels.

Moreover, NextEra is concerned that adding superfluous amounts of reactive power in remote generation pockets can actually harm reliability and can compel expensive equipment additions by TSPs. Where there is too much reactive power in a region, TSPs will be compelled to add equipment on their lines in order to remove these excesses. Although the PUCT approved a plan more than one year ago to add more than 10,000 MW of new wind generation to the western portion of the ERCOT network, a study of the reactive power needs associated with that build out is only now under development. The fact that such a study is under development, and that such a study is similar to the OGRR 208 VRT Study currently underway begs the question: why should anyone, including the Board, feel compelled to make major changes now based on

speculation and conjecture when quantifiable data and analysis is under development and expected within a reasonable time frame? NextEra recommends the Board correct PRR 830's procedural and technical deficiencies by setting aside the legacy issues and directing ERCOT Staff to move forward with an appropriate reactive power requirements study which takes into account the impact of thousands of additional megawatts of new wind capacity in the West Zone generation pocket which must comply with the new "rectangle" requirement of a prospectively applied PRR 830.

V. PRR 830 does not maximize consumer benefit.

Although it has been argued that the reactive power capability from generation units is insufficient for system needs and some, albeit scant and anecdotal, evidence has been offered that ERCOT has taken various actions to address voltage support issues in the west, no meaningful discussion or analysis has occurred to address which approach to the reactive power issue provides the best solution for Texas consumers. If it costs generators more than it would cost TSPs, then consumers will benefit from TSPs providing the solution because the costs of implementation must be recovered regardless of whether they are borne by a generator or a TSP. There is absolutely no evidence that the single option included in PRR 830 is the most cost-effective way to address reactive power. This tunnel vision could cost Texas consumers millions of dollars and burden them with a less efficient system design in the process. NextEra recommends the Board recognize the deficiency of analysis from the consumer viewpoint and refrain from prematurely adopting a policy which may ultimately require significant wasteful spending which would trickle down into customer impacts.

VI. The ERCOT Protocols cannot be "clarified," they can only be "revised."

The ERCOT Staff has described PRR 830 as a "clarification" of existing Protocol language. NextEra is concerned, as many other entities have been over time, with the idea that the Protocols can be "clarified." Section 21.1 of the Protocols clearly states any, "request to make additions, edits, deletions, revisions, or clarifications to these Protocols, including any attachments and exhibits to these Protocols, is called a 'Protocol Revision Request.'" There is no "clarification" which is separate and distinct from a "revision."

ERCOT and all Market Participants are bound by the requirements of the Protocols. When there is a lack of clarity regarding those requirements, parties may proceed at their own risk of an adverse interpretation by a jurisdictional entity or may seek to revise the Protocols to provide new language which makes the Protocols requirement at issue clearer upon the effective date of approved clarifying language. But such revisions never resolve what the language meant in the past, they can only attempt to make clear what the language means once that language is an effective part of the Protocols. All disputes regarding Protocols requirements belong under the jurisdiction of the PUCT. No matter what ERCOT Staff or a particular Market Participant thinks any particular requirement of the Protocols meant at any particular point in time, only the PUCT can actually interpret the language of the Protocols when an irresolvable dispute is raised, as is the case regarding the reactive power capability requirements of Section 6.5.7.

Even to the casual reader, PRR 830 clearly stretches the boundaries of what could reasonably be considered a clarification. In Section 2.1, PRR 830 proposes a new definition which has never appeared in the Protocols and makes a fundamental distinction in another which had previously never been contemplated. PRR 830 strikes entire existing paragraphs, inserts entirely new paragraphs, complete with new technical standards, compliance deadlines, and ERCOT authority to review and approve various plans and actions. In many respects, one could argue PRR 830 is less clear on some issues than the existing Protocols language, such as the Section 6.5.7.1(7) allowance for generators to pay TSPs to install reactive capability equipment. The section currently contains precise language approved by the Board in PRR 493 to ensure consumers did not bear unwarranted costs through transmission rates. That specificity would be stripped by PRR 830 and replaced with vague language allowing generators and TSPs to “enter into an agreement.”

NextEra recommends the Board reject on principle the notion that backward-looking “clarifications” of the Protocols are even possible and amend PRR 830 to comport with the long-held standard that Protocol revisions are only prospectively effective and retroactive application of new standards requiring major financial commitment is permissible only when supported by a demonstration of need and/or cost-effectiveness.

VII. Circumvention of the ADR process and the Commission’s jurisdiction by PRR 830 is inappropriate.

PRR 830 is unique in that, to NextEra’s knowledge, it marks the first time ERCOT Staff has submitted a “clarifying” PRR which seeks to impose the viewpoint of one party in an active ADR process conducted under Section 21 of the Protocols. Typically, as one of the terms to a successful conclusion of ADR, ERCOT requires the Market Participant to file a PRR which provides the clarification in the Protocols needed to avoid another ADR for the same issue in the future. Never before has NextEra known ERCOT to abandon the ADR process and attempt to apply a retroactive interpretation of the Protocols in an effort to render the ongoing ADR proceeding moot. Not only is such an approach unique, it is also quite disturbing because it seems designed to prevent an affected entity from relying on the due processes described in the Protocols and the PUCT rules.

PRR 830 was submitted while a contested case was pending at the PUCT and while multiple companies were engaged in ADR with ERCOT Staff. Each of the ADRs and the contested case focused on the proper interpretation of the existing Protocol language related to reactive power. The contested case has since been dismissed, purely on procedural grounds; however the ADR processes continue and appear to be on track for multiple appeals to the Commission. By actively pushing PRR 830 through the revision process, ERCOT Staff has effectively forum-shopped in a manner that seeks to neuter the ADR process and to end run the Commission’s contested case processes. As a matter of procedural principle, it is inappropriate for any participant, including ERCOT Staff, to ignore the proper tools of ADR and contested cases for interpretation and clarification of existing Protocol language. For this reason, NextEra recommends PRR 830 be designed solely for prospective application at this time. The existing

wind farms can and will be addressed in the pending ADRs and likely in contested cases that relate to them.

VIII. NextEra's proposal addresses key deficiencies in PRR 830 while delivering the full "rectangle" solution and keeps the door open on the retrofitting issue by respecting the PUCT's authority to interpret the Protocols and by proposing technical analysis to develop the right solution.

For the reasons described above, NextEra firmly believes successful resolution of the issues addressed by PRR 830 requires the adoption of revised Protocol language which clearly defines the reactive power capability requirements for generation Resources on a going forward basis. NextEra further believes that such revised language should avoid unnecessary, unclear, or unvetted changes which might produce unintended consequences. Finally, NextEra believes such revised language should avoid an arbitrary retroactive application of major technology changes or language intended to meddle with legal processes outside the PRR process which invite litigation and threaten implementation of a clear standard for market participants. PRR 830 as recommended by TAC fails each of these tests.

The proposal offered by NextEra in Attachment A meets each of these important considerations. It clearly offers the same "rectangle" requirement proposed by ERCOT and endorsed by ROS, PRS, and TAC while setting aside the legacy issues which threaten implementation of the clarified reactive power standard. NextEra's proposal comports with long-standing ERCOT practice for Protocol revisions and with previously adopted Board policy regarding major changes to technical standards for existing infrastructure.

Importantly, NextEra's proposal does not preclude the adoption of a subsequent PRR to require retrofits to existing units. Clearly, if the PUCT decides that multiple wind developers over the last four years somehow all misunderstood the requirements of Section 6.5.7, then those asset owners will obviously be obligated to meet the requirements of the Protocols in effect at that time as interpreted by the PUCT decision. If a PRR is needed to effectuate that change, then such a PRR consistent with a Commission order will be filed and approved. Even if the PUCT decides, as wind generators anticipate, that the existing Protocols language allows the provision of a "triangle"-shaped reactive power capability, there is no reason a new PRR cannot be filed in the future to require generators currently incapable of providing the "rectangle" to make the upgrades necessary to achieve such a standard, provided such a change is sufficiently supported by compelling evidence of necessity.

In short, the NextEra proposal does not preclude the possibility that the ultimate resolution of the reactive power capability issue may eventually include all the elements of PRR 830. However, the NextEra proposal ensures that the most reliable and economically efficient solution has a chance to emerge from the deliberative stakeholder process; preserves the integrity of the stakeholder process and PUCT rules; and follows previous Board policy on fundamental issues of market design and market rules implementation. NextEra strongly recommends the Board do what TAC and its subcommittees failed to do – seriously consider a methodical

approach which breaks this issue into achievable pieces leading to the best long-term result for the ERCOT market and the ERCOT system.

IX. Recommendation of NextEra Energy Resources.

Consistent with ERCOT precedent and sound market policy principles, NextEra recommends the Board decline to approve PRR 830 as recommended by TAC. Rather, NextEra recommends the Board adopt one of the two draft motions below, listed in order of preference.

1. Remand PRR 830 to TAC with instructions to redesign the PRR solely for prospective application and reconsider the need for changing the definition of WGR throughout the Protocols solely for purposes related to Section 6.5.7.; or
2. Adopt PRR 830 with NextEra's November 3, 2009 comments.

Attachment A

November 3, 2009 Comments of NextEra Energy Resources Regarding PRR 830

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 3, 2009
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Submitter's Information	
Name	Todd Kimbrough
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Company	NextEra Energy Resources
Phone Number	512.466.3190
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Market Segment	Independent Generator

Comments

NextEra Energy Resources submits the following comments regarding PRR 830, Reactive Power Capability Requirement, for consideration by the TAC. The redline language proposed below is based upon the PRS Recommendation Report of October 22, 2009 and incorporates concepts and specific amendments proposed in comments submitted by LCRA (10/08/09), The Wind Coalition (10/21/09), ERCOT (10/29/09), and Invenergy (11/02).

NextEra's new compromise proposal below does not insert the PRR 835 approach, which was not endorsed by the ROS and which was rejected by the PRS on Oct. 22. Although NextEra still believes ERCOT's proposed Reactive Power capability standard as set forth in PRR 830 is potentially inefficient and wasteful, NextEra nonetheless respects the opinion of the ROS and the PRS regarding the minimum standards for the ERCOT System going forward. NextEra's proposal, therefore, utilizes the "rectangle" requirement for all technologies as proposed by ERCOT.

Summary of NextEra's proposal

1. Prospectively, the compromise proposal applies the exact Reactive Power capability requirement proposed by ERCOT, endorsed by the ROS, and recommended by the PRS.
2. It provides a means to accomplish ERCOT's Reactive Power capability modeling needs without the unintended consequences of ERCOT's proposed change to the definition of Wind-powered Generation Resource (WGR) in Sec. 2, which

would apply throughout the Protocols for many purposes other than that intended by ERCOT.

3. It sets aside the legacy issues applicable to existing units for resolution following a PUCT decision in the related contested case (Docket No. 36482) and/or through Alternative Dispute Resolution (ADR) processes pursuant to Commission order or pursuant to existing Protocols regarding ADR.

Explanation of each of NextEra's proposed amendments

1. Section 2.1: NextEra strikes ERCOT's proposed re-definition of Wind-powered Generation Resource (WGR) and inserts alternate language which comports with the way WGRs are interconnected to the ERCOT Transmission Grid. As discussed in more detail below, NextEra believes ERCOT's stated desire to more easily model the Reactive Power capability of Resources with multiple units can be achieved with amendments applicable only to Section 6.5.7.1(10) rather than inviting the unintended consequences of re-defining WGRs for all purposes throughout the Protocols.
2. Section 2.2: NextEra includes ERCOT's 10/29 correction to the acronym "GSU" and adopts The Wind Coalition's 10/21 proposed addition of the "WTG" acronym, which is used in the proposed amendment to Section 6.5.7.1(10) to address the Resource Reactive Power capability modeling concerns.
3. Section 6.5.7.1(1): NextEra incorporates ERCOT's 10/29 correction to "10 percent." NextEra also adds clarifying language that the requirement that WGRs disconnect from the grid when unable to support voltage at the POI is a "temporary" disconnection at ERCOT's instruction to address a Real Time condition and that the WGR is allowed to re-connect at ERCOT's instruction. NextEra further incorporates the concept advocated by the 10/08 LCRA comments that execution of ERCOT's instruction to disconnect from the ERCOT System to address a Real Time voltage event precludes a finding that the WGR violated Section 6.5.7.
4. Section 6.5.7.1(2): NextEra incorporates ERCOT's 10/29 correction striking "November" and inserting "December" to reflect the revised expected effective date of PRR 830. NextEra also strikes "February 17, 2004" and inserts "July 1, 2010" for the reasons identified below.
 - a) Paragraph (2) specifically requires WGRs to meet the "rectangle" standard for Reactive Power capability. As drafted by ERCOT, this paragraph creates several problems. Despite ERCOT's claims to be only a clarification of existing language and a prospective application of the clarified standard, ERCOT's proposed paragraph (2) clearly requires retrofitting existing units with new equipment. The interpretation of the existing Protocol language and whether it historically required a

"rectangle" is before the Public Utility Commission of Texas and is the subject of ADR processes that are ongoing. Therefore, these forums should be allowed to continue to address the issue rather than muddying the process with a Protocol revision that may be reversed by existing proceedings. NextEra's proposal does not eliminate the possibility that retrofitting existing units could be required in the future. However, it does reserve this issue for the appropriate jurisdictional entity, the PUCT. The prudent course of action is to address prospective standards and implement the terms of the PUCT final order on the legacy issues, whatever the PUCT determines, once a final order is issued.

- b) Paragraph (2) as drafted by ERCOT also fails to meet the ERCOT Board's policy direction set with the adoption of Operating Guide Revision Request 208, Voltage Ride Through Requirement. In that decision, the Board made a sound policy decision that retroactive application of technical standards can be applied only when a body of evidence indicates such application is required to maintain system reliability. While ERCOT and the ROS have presented sufficient argumentation to support the refinement of the Reactive Power capability standard on a prospective basis, the lack of evidence demonstrating historical deficiencies and the lack of any study at all which would support spending tens of millions of dollars for unit retrofits is seriously troubling and invites scrutiny by policymakers.
 - c) NextEra's amendment to paragraph (2) keeps ERCOT's proposed effective date (as revised by its 10/29 comments) for signed Interconnection Agreements but proposes July 1, 2010 as the effective date for new units. The date is drawn from the historical record in which the ERCOT Board last approved substantive changes to this section of the Protocols. With the approval of PRR 473, Reactive Standards, the Board provided 15 months for new units to comply with the revised standard in order to not force immediate retrofit for units which had already been designed and for which equipment had already been procured. NextEra proposes less than half that amount of time – 7 months from the effective date of PRR 830.
 - d) Finally, NextEra strikes the ERCOT-proposed sentence establishing a Dec. 2010 deadline for retrofit for the same reasons outlined above. NextEra is unaware of a single PRR in the history of ERCOT which imposed tens of millions of dollars of equipment costs on any Market Participant or group of Market Participants without demonstration that the benefit would clearly outweigh the cost. PRR 830 should not be the first PRR to broach this slippery slope.
5. Section 6.5.7.1(3): NextEra strikes "February 17, 2004" and replaces it with "December 1, 2009" which is the anticipated effective date of PRR 830. This

change is recommended for the reasons described above. Because paragraph (3) clearly references the revised standards set forth in paragraph (1), existing units should be held only to the existing Protocols requirement and their URLs submitted to ERCOT in accordance with the Operating Guides absent some compelling evidence to abandon previous policy on the retrofit issue. This change sets aside the legacy issues likely to delay implementation of PRR 830 and allows the PUCT to address the issues duly before it.

6. Section 6.5.7.1(4): NextEra proposes changing the two dates in accordance with the reasons set forth above.
7. Section 6.5.7.1(10) and (12): NextEra endorses the 10/21 comments of The Wind Coalition which provides ERCOT with the Real Time Reactive Power capability modeling information requested from WGRs but without the unintended consequences of changing the definition of WGR throughout the Protocols in Sec. 2. NextEra adopts The Wind Coalition's proposed language with minor modifications for clarity and to avoid redundancy. NextEra's revisions to paragraphs (10) and (12) are also consistent with ERCOT's 10/29 technical corrections.
8. Section 6.5.7.1(11): Delete the word "automatically".
9. Section 6.5.7.1(13): NextEra adopts Invenergy's 11/02 proposal in a new paragraph (13) to approximate the treatment of the Reactive Power obligation for other Resources which have multiple turbines located behind the POI.
10. Section 6.7.6(1)-(3): NextEra incorporates the technical corrections proposed in 10/29 ERCOT comments.
11. Section 6.7.6(5): NextEra rejects ERCOT's strikethrough of the existing paragraph(5), returning the blackline language of existing Protocols and offers an amendment to clarify this language only applies to existing units, as it does not comport with the new requirement established in ERCOT's proposed Section 6.5.7.1(1). The reinstated Sections are highlighted in yellow.
12. Section 6.7.6(6): NextEra rennumbers due to reinsertion of deleted paragraph (5).

Response to ERCOT Comments of October 29 and request for new CEO Review and Impact Analysis

NextEra appreciates ERCOT's attempt to address the concerns of wind generators regarding the proposed change to the definition of WGR in its 10/29 comments. However, NextEra notes that while ERCOT addressed the uses of "WGR" in the Protocols, ERCOT did not address the more complex issue that WGRs are simply referred to as "Resources" and "generation units" throughout the Protocols and Guides when there is not a specific need to separately address WGRs and they are treated like

all other Resources. It is precisely in this area where NextEra believes the unintended consequences of ERCOT's proposal will reveal themselves. The rapid timeline on which PRR 830 has advanced through the process has not afforded NextEra the opportunity to evaluate the hundreds of such references throughout ERCOT's controlling documents and so requests stakeholders re-evaluate the wisdom the WGR definition change and adopt NextEra's proposed methodology below to deliver the same results in a Section-specific way.

Additionally, NextEra points to ERCOT's 10/29 comments which state on page 2, "The proposed definition change may require some wind owners to form multiple WGRs instead of allowing only one depending on their equipment." NextEra agrees with this comment but questions whether the CEO Review and Impact Analysis consider the resource impacts of handling new RARF submissions in both zonal and nodal, whether new sub-QSEs would also need to be created, tested, and certified, or any other impacts on ERCOT Staff to process the changes associated with implementation of this change.

Finally, NextEra notes that the unnecessary WGR definition change would effectively preclude many activities which would benefit the ERCOT System and Texas consumers. NextEra often uses wind turbines in Texas as test models for various hardware and software enhancements to provide better unit control, power uprating, ramp rate control, etc. If each new technological application requires forming a new WGR and submitting RARF data, etc., then such activity becomes overly burdensome and may not be undertaken. A more beneficial approach would be to ensure that the section of the Protocols addressing Reactive Power requirements clearly places the burden on the generator to telemeter the Reactive Power capability to ERCOT, as proposed by NextEra, rather than forcing some definition on units which does not reflect the realities of their configuration in the field.

Conclusion

NextEra's proposal below delivers the full range of Reactive Power capability for all generation units sought by ERCOT and endorsed by ROS in a manner consistent with the application of ERCOT Protocols from the beginning of this market in 2001. NextEra strongly encourages TAC to weigh the policy and market implications of deviating from the market rules philosophy which has served Texas consumers well by continually encouraging major investment in new, more efficient, cleaner generation Resources across a variety of technology types for the past several years. NextEra does not believe the proposed language below in any way precludes addressing the legacy issues now under dispute at the PUCT. However, NextEra predicts serious harm to individual Market Participants, an entire segment of the electric power industry, overall faith in the stability of the ERCOT market rules, and efforts to fulfill state policy on renewable resources should PRR 830 be adopted in its current form.

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connects to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind, which may consist of an aggregation of wind turbines connected to the ERCOT Transmission Grid through one Point of Interconnection (POI). ~~Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generation Step Up Transformer (GSU).~~

2.2 Acronyms

POI	Point of Interconnection
GSU	Generation Generator Step Up Transformer
SGIA	Standard Generation Interconnection Agreement
WTG	Wind-powered Turbine Generator

6.5.7 *Voltage Support Service*

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected to ~~at the same transmission bus~~Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

6.5.7.1 **Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS** ~~Installed Reactive Capability~~

- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power ~~at rated capability (MW)~~ to maintain a Voltage Profile established by ERCOT. ~~This quantity of Reactive Power is the Unit Reactive Limit (URL).~~
- (2) ~~Generation Resources required to provide VSS except as noted below in items (3) or (4), shall have and maintain a URL which comply with the following Reactive Power requirements:~~ has an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission

system Voltage Profile established by ERCOT, and both measured at the point of interconnection POI to the TDSP. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10 percent (10%) of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to temporarily disconnect from the ERCOT System. WGRs which comply with instructions to temporarily disconnect from the ERCOT System in accordance with this Section will not be found in violation of Section 6.5.7 Voltage Support Service. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

- (2) WGRs that commenced operation on or after February 17, 2004July 1, 2010, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before NovemberDecember 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride Through Requirement for Wind powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.
- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004December 1, 2009, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the URL as stated aboveReactive Power requirements established in paragraph (1) above, will be required to maintain a URL-Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and criteria as described in the Operating Guides.
- (4) New generating units connected before May 17, 2005July 1, 2010, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004December 1, 2009, based upon previous standards, whose design does not allow them to meet the URL as stated aboveReactive Power requirements established in paragraph (1) above, will be required to maintain a URL-Reactive Power requirement as defined by the Generation Resource's URL that was

submitted to ERCOT and established per the is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and criteria described in the Operating Guides.

- (5) Upon request to, and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only. For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.
- (6) Upon submission by a Generation Resource Entities required to provide VSS may submit to ERCOT of a specific proposals for requirements to substitute for these URL meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT shall may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall such alternative requirements or provide the submitter an explanation of its objections to the proposal decision. Alternative requirements may include supplying additional static and/or dynamic Reactive Power capability as necessary to meet the area's Reactive Power requirements.
- (7) An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements. A Generation Resource and Transmission and/or Distribution Service Provider (TDSP) may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1) above.
- (8) For Generation Resources required to provide VSS Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements to be met by that unit applied prior to the replacement/modification, unless specifically approved by ERCOT.

- (9) Generation Resources required to provide VSS shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) ~~WGRs must provide a Real Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. Wind-powered Turbine Generators (WTGs) of the same model and size located behind the same Generator Step Up Transformer (GSU) must be aggregated to form a WTG aggregation. Effective June 1, 2010, WGRs must also provide two other the following Real Time Supervisory Control and Data Acquisition (SCADA) points that communicate must be communicated to ERCOT the following for each WTG aggregation by the WGR's QSE, selected for this purpose:~~
- (a) ~~The number of wind turbine WTGs that are not able to communicate and whose status is unknown; and~~
 - (b) ~~The number of wind turbine WTGs out of service and not available for operation; and~~
 - (c) ~~The number of WTGs that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must comply with these requirements by no later than six months after the effective date of this paragraph.~~
- (11) ~~For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.~~
- (12) ~~ERCOT and the TSPs shall, at a minimum, represent WGRs in the ERCOT and TSP Real Time control systems and their off-line studies to include: GSUs, substation reactive devices, and the equivalent of the WTG aggregation connected to each GSU.~~
- (13) ~~The reactive power requirements for a WGR under this Section shall be reduced proportionally to the nameplate capacity of the WGR's WTGs that are out of service and not available for operation. Any WTG not able to produce more than 10% of its nameplate capacity shall be considered to be out of service and not available for operation for the purpose of the Reactive Power requirements under this Section.~~

6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission and/or Distribution Service Providers (TDSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional ~~M~~ megavolt-~~A~~ amperes ~~R~~ reactive (MVAR), nor will they be requested to operate on a voltage schedule outside the ~~Unit Reactive Limits (URL)~~ specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.

- (2) ERCOT and ~~Transmission and/or Distribution Service Providers (TDSPs)~~ shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, ~~step-up transformer~~GSU tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.
- (3) The TDSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed ~~Reactive Power~~ capability requirements.
- (4) All Generation Resources required to provide VSS shall ~~maintain~~support the transmission voltage at the ~~point of interconnection~~POI to the ~~ERCOT~~ ~~Transmission~~ ~~Grid~~, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).
- (5) At all times a Generation Resource unit which commenced operation before July 31, 2010, has a signed SGIA before December 1, 2009, and which is required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.
- (6) The QSEs providing ~~Voltage Support Service~~SSe shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

Attachment B

PRR 835

PRR Number	835	PRR Title	Reactive Capability Requirement
Date Posted	September 30, 2009		

Protocol Section(s) Requiring Revision (Include Section No. and Title)	<p>2.1, Definitions</p> <p>2.2, Acronyms</p> <p>6.5.7, Voltage Support Service</p> <p>6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability</p> <p>6.5.7.4, Wind-powered Generation Resources Required to Provide VSS Installed Reactive Capability (new)</p> <p>6.7.6, Deployment of Voltage Support Service</p>
Requested Resolution (Normal or Urgent, and justification for Urgent status)	<p><u>Urgent.</u> Due to conflicting interpretations of Protocol Sections 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability and 6.7.6, Deployment of Voltage Support Service, ambiguity exists as to what the requirements are for existing and future Wind-powered Generation Resources (WGRs) in providing Reactive Power and Voltage Support Service (VSS). This Protocol Revision Request (PRR) clarifies the Reactive Power and VSS requirements for WGRs, and provides a means for maintaining and ensuring reliability without unnecessarily burdening existing and future WGRs with the cost of installing supplemental reactive capability in locations where it will have little or no value.</p> <p>This PRR requires existing WGRs interconnected after May 17, 2005 to provide +/- .95 power factor at the Point of Interconnection (POI) over the full output range of the Resource which is consistent with the interpretation and criteria applied by the Transmission Service Providers (TSPs) at the time these Resources were interconnected.</p> <p>This PRR differentiates Reactive Power and VSS requirements for WGRs from other non-wind types of Resources primarily because of the unique characteristics of the ERCOT Transmission Grid where the majority of the wind Resources currently are, and will be, interconnected. The Western zone of ERCOT has very little Load as compared to the magnitude of installed and planned WGRs and therefore has very different Reactive Power requirements from other regions of ERCOT. The imposition of a "one size for all" approach, as proposed in PRR830, Reactive Power Capability Requirement, to all generating Resources for ensuring reliability is not economically efficient in that it will necessitate the installation of reactive Resources at locations where, as a practical matter, grid reliability benefits will not be realized or ensured.</p> <p>This PRR also provides for the imposition of additional Reactive</p>

	Power capability to support VSS by WGRs if the TSP shows, through the System Impact Study, that such capability is required to ensure grid safety or reliability.
Revision Description	This PRR clarifies the Reactive Power capability requirement for WGRs by specifying +/- 0.95 power factor criteria as the minimum requirement, and the Generation Resources Unit Reactive Limit (URL) criteria as the maximum requirement contingent upon a System Impact Study by the TSP.
Reason for Revision	Clarification of requirements for Resources.
Overall Market Benefit	This PRR provides additional clarity to the reactive requirements for wind generation to ensure grid safety and reliability while avoiding the cost of additional equipment where it is not justified.
Overall Market Impact	None.
Consumer Impact	This PRR may cause the cost of energy generation to increase for WGRs, however, it provides a responsible, economically efficient and technically justified option for consumers should Market Participants find that WGRs should provide additional Reactive Power.
Credit Implications (Yes or No, and summary of impact)	Unknown.
Relevance to Nodal Market (Yes or No, and summary of impact)	Yes.
Nodal Protocol Section(s) Requiring Revision (Include Section No. and Title, and submit NPRR if applicable)	To be determined based upon final resolution of this issue in the Zonal Protocols.

Quantitative Impacts and Benefits			
Assumptions	1	<i>Additional 10,000 MW of wind generation in Competitive Renewable Energy Zones (CREZs) and unknown amount of existing affected wind Resources under the proposed PRR830.</i>	
	2	<i>Avoidance of unnecessary cost impacts to existing wind generators assumed to be \$10k/MW installed.</i>	
	3	<i>Avoids installation of additional reactive capability not justified for reliability.</i>	
	4		
Market Cost		Impact Area	Monetary Impact
	1	WGRs.	Potentially \$100M.
	2		
	3		
	4		
Market Benefit		Impact Area	Monetary Impact

	1	System reliability	Potentially none
	2		
	3		
	4		
Additional Qualitative Information	1	Avoidance of the imposition of additional reactive requirements under the presumption of reliability without technical justification is economically inefficient.	
	2		
	3		
	4		
Other Comments	1		
	2		
	3		
	4		

Sponsor	
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Market Segment	Independent Generator

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Proposed Protocol Language Revision

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connect to the Facilities of the Transmission and/or Distribution Service Provider (TDSP) as specified in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and the TDSP.

Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind, which may consist of an aggregation of wind turbines connected to the ERCOT Transmission Grid through one Point of Interconnection (POI).

P_{max}

A wind power generation facility's revised maximum output submitted in Real Time via SCADA based on the number of wind turbine generators that are out of service.

2.2 Acronyms

POI Point of Interconnection

SGIA Standard Generation Interconnection Agreement

6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected to at the same transmission busPoint of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

6.5.7.1 Generation Resources, Other Than Wind-powered Generation Resources, Required to Provide VSS Installed Reactive Capability

- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power at rated capability (MW) to maintain a Voltage Profile established by ERCOT. This quantity of Reactive Power is the Unit Reactive Limit (URL).
- (2) Generation Resources required to provide VSS ~~except as noted below in items (3) or (4),~~ shall have and maintain a URL which has an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ~~transmission grid~~ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the ~~point of interconnection~~POI to the TDSP.
- ~~(3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the URL as stated above, will be required to maintain a URL that is limited to the~~

quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and criteria as described in the Operating Guides.

- ~~(4)~~ New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the URL as stated above, will be required to maintain a URL that is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and criteria described in the Operating Guides.
- (53) Upon request to, and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only.
- (64) Upon submission by a Generation Resource required to provide VSS to ERCOT of a specific proposal for requirements to substitute for these URL requirements, ERCOT shall either approve such alternative requirements or provide the submitter an explanation of its objections to the proposal. Alternative requirements may include supplying additional static and/or dynamic Reactive Power capability as necessary to meet the area's Reactive Power requirements.
- ~~(7)~~ An induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.
- (85) For Generation Resources required to provide VSS, no unit equipment replacement or modification shall reduce the capability of the unit below the requirements to be met by that unit prior to the replacement/modification, unless specifically approved by ERCOT.
- (96) Generation Resources required to provide VSS shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.

6.5.7.4 Wind-powered Generation Resources Required to Provide VSS Installed Reactive Capability

- (1) WGRs are required to provide VSS and must be capable of operating at a power factor of $\pm .95$ or less over the full (MW) net power output range of the Resource, supplied to the ERCOT Transmission Grid, and measured at the POI to the TDSP in order to maintain a Voltage Profile established by ERCOT. This requirement is graphically depicted in Figure 1. The quantity of Reactive Power measured at the full rated capability of the Resource is the URL.

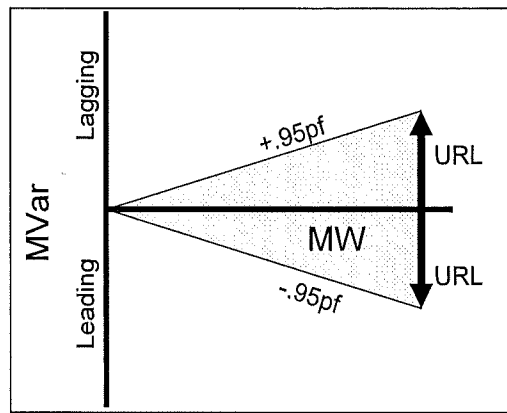


Figure 1. $\pm .95$ Power Factor Criteria

- (2) WGRs may be required to provide VSS beyond what is required in paragraph (1) above only if the TSP or ERCOT shows, through a System Impact Study, that such capability is required to ensure grid safety or reliability. The amount of additional reactive capability required to be provided by the Resource shall not exceed the URL specified in paragraph (1) above and be available at all MW output levels over the full output range of the Resource. This requirement is graphically depicted in Figure 2. This additional reactive capability may be provided through any combination of automatically switchable static reactive devices (i.e. switched shunts) and/or dynamic reactive devices (i.e. SVC, Statcom, etc.) so long as the requirement to ensure safety and reliability is met.

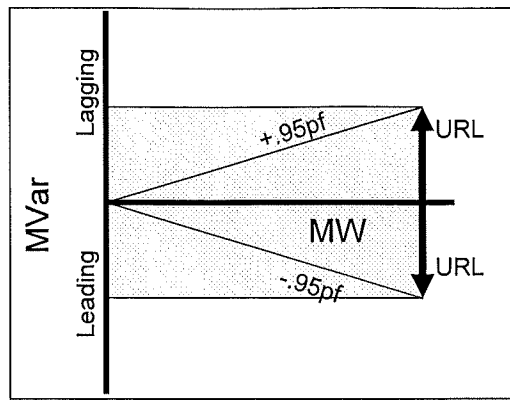


Figure 2. Fixed URL Criteria (based on +/- .95 Power Factor)

- (3) Demonstration and measurement of reactive capability will be based on system Voltage Profile criteria specified by ERCOT. This Voltage Profile criteria will consist of a low system voltage V_{sys-l} , where the wind Resource will be operating in a lagging power mode to produce the required amount of Reactive Power to support system voltage, and V_{sys-h} , where the wind Resource will be operating in a leading mode to absorb the required amount of Reactive Power to suppress system voltage. The scheduled system voltage under normal conditions should fall somewhere in between V_{sys-l} and V_{sys-h} .
- (4) WGRs capable of remaining On-line at low output levels considered outside of their net power output range where VSS can not be provided at the POI shall be capable of operating such that they appear "VAR Neutral" at the POI. The amount of allowable deviation from unity (1.0) power factor will be specified by the TDSP. WGRs that cannot meet the "VAR neutrality" requirement may be required to disconnect from the ERCOT System.
- (5) Qualified renewable WGRs (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS, and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the URL as stated above, will be required to maintain a URL that is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and criteria as described in the Operating Guides.
- (6) WGRs connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the URL as stated above, will be required to maintain a URL that is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and criteria described in the Operating Guides.

- (7) WGRs connected after May 17, 2005 are required to provide VSS as described in paragraph (1) above.
- (8) Upon request to, and with the approval of ERCOT, multiple wind generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these URL requirements only.
- (9) Upon submission by a WGR required to provide VSS to ERCOT of a specific proposal for requirements to substitute for these URL requirements, ERCOT shall either approve such alternative requirements or provide the submitter an explanation of its objections to the proposal. Alternative requirements may include supplying additional static and/or dynamic Reactive Power capability as necessary to meet the area's Reactive Power requirements.
- (10) A wind induction generator may elect to make a contribution in aid of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under paragraph (7) above, the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for paragraph (7) above to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.
- (11) For WGRs required to provide VSS, no unit equipment replacement or modification shall reduce the capability of the unit below the requirements to be met by that unit prior to the replacement/modification, unless specifically approved by ERCOT.
- (12) WGRs required to provide VSS shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (13) WGRs must provide Real Time Supervisory Control And Data Acquisition (SCADA) points that communicate to ERCOT the Facility's available P_{max} and revised URL values reflecting the amount of installed turbine capacity that is out of service.

6.7.6 *Deployment of Voltage Support Service*

- (1) ERCOT, or Transmission Service Providers (TSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional ~~megawatt~~ Megavolt amperes-Ampere reactive Reactive (MVAR), nor will they be requested to operate on a

voltage schedule outside the ~~Unit Reactive Limits (URL)~~ specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.

- (2) ERCOT and Transmission and/or Distribution Service Providers (TDSPs) shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, step-up transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.
- (3) The TSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed reactive capability requirements.
- (4) All Generation Resources required to provide VSS shall ~~maintain support~~ the transmission voltage at the ~~point~~ Point of interconnection-Interconnection (POI) to the ERCOT transmission-Transmission grid-Grid as directed by ERCOT within the operating Reactive Power capability of the unit(s).
- ~~(5) At all times a Generation Resource unit required to provide VSS is On line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.~~
- (65) The QSEs providing ~~Voltage Support Service~~ VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

Attachment C

PRR 835 presentation to ROS



PRR835 – Reactive Power Capability Requirement

Peter Wybierala

Regional Director of Transmission & Interconnects

Presentation to the ERCOT Reliability and Operations Subcommittee (ROS)

October 15, 2009

The current ERCOT Protocol on reactive power capability requirements is obsolete

Ancillary Services Section 6.5.7 needs to be revised

- **All generators are not the same**
 - Synchronous generators have their own inherent reactive power characteristics
 - The reactive capability of wind generators is evolving
 - Early machines were Type 1 and 2 induction generators with no reactive capability
 - Type 3 machines consist of a Doubly Fed Induction Generator (DFIG)
 - Type 4 machines employ a full bridge converter design coupled to either an induction or synchronous machine
- **Other technologies such as solar and energy storage will have their own unique characteristics**
- **The imposition of a “one size fits all” approach to reactive power capability requirements will result in economic inefficiency and create barriers to entry for the adoption of new technologies**

Not only is the current ERCOT Protocol obsolete...it's also ambiguous

Ancillary Services Section 6.5.7 needs to be revised

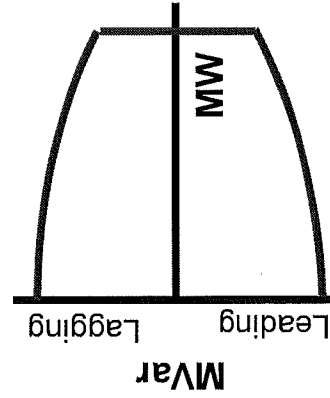
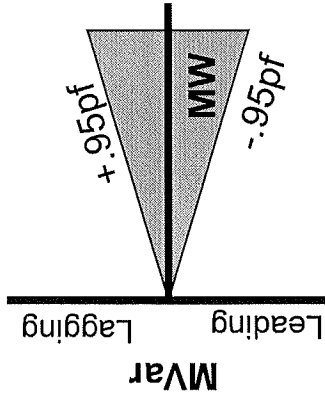
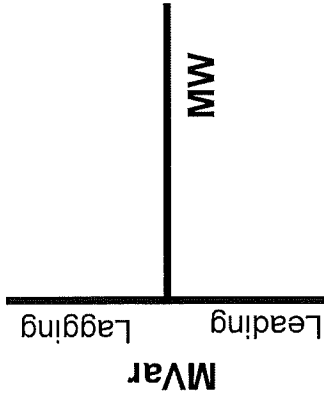
- **Protocol 6.5.7.1 (2) states that...**

“Generation Resources required to provide VSS....shall have and maintain a URL which has an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the transmission grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the point of interconnection to the TDSP.”

- **Does “shall have and maintain” mean going forward in time or does it mean over the output range of the unit?**
- **PRR830, if adopted, would require a wind generator interconnected after February 17, 2004 to maintain a URL over the output range of the unit.**

Wind turbine generator technology continues to evolve

- Type 1 and 2 induction generators – no inherent reactive production capability
- Type 3 doubly fed induction generators - ± 0.95 pf (typical of GE 1.5 MW machines)
- Type 4 machines – reactive capability comparable to synchronous generators (typical of Siemens 2.3 MW machines and comparable to conventional synchronous units)

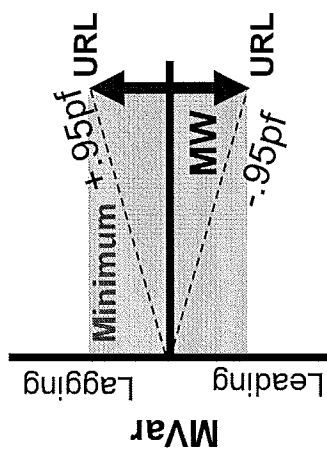
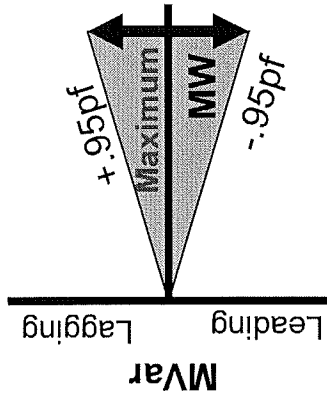


PRR835 does several things...

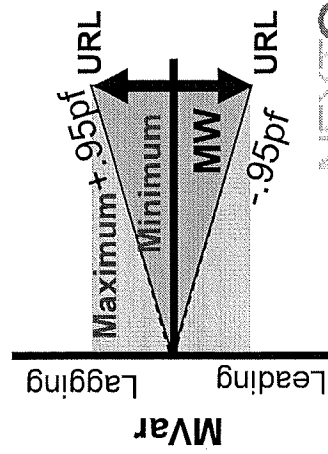
- It carves out a separate section for the reactive power requirements of Wind Generating Resources and requires a +/- 0.95 power factor range as the minimum requirement
- It provides for the imposition of additional reactive requirements consistent with PRR830 where it can be demonstrated through a system impact study that such capability is required to ensure safety and reliability
- PRR835 avoids requiring generators already interconnected to make costly investment in additional reactive capability where it is not justified
- PRR 835 exceeds FERC Order 661-A requirements

Comparison of PRR835 to PRR830 and FERC Order 661-A

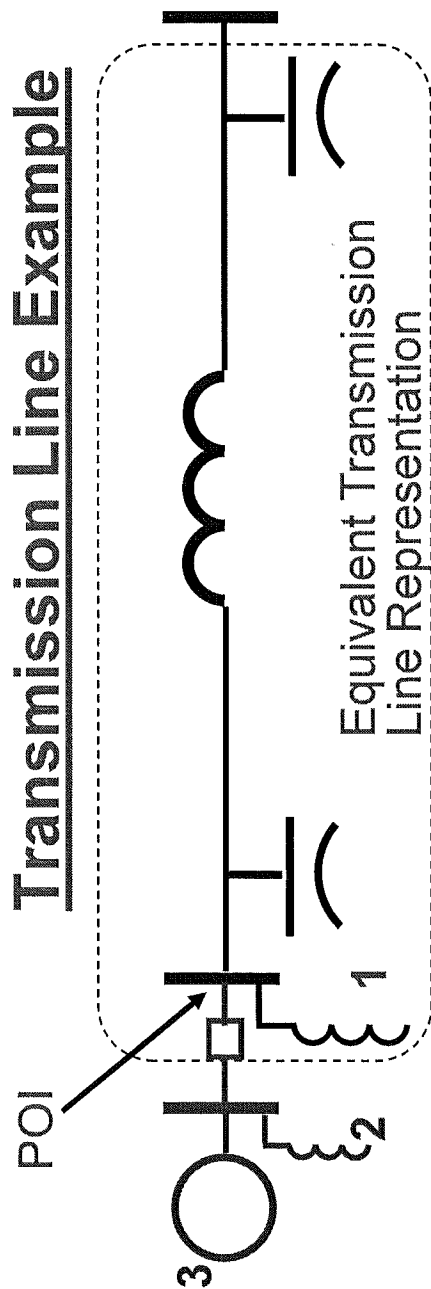
- FERC Order 661-A
 - Adopts +/- 0.95PF range as the maximum requirement
 - Requires wind plants to maintain the required power factor range only if the Transmission Provider shows, through the System Impact Study, that such capability is required of the plant to ensure safety and reliability
- PRR830
 - Adopts the URL measured at +/-0.95 PF and maximum net MW output
 - Requires URL over the full operating range of the plant



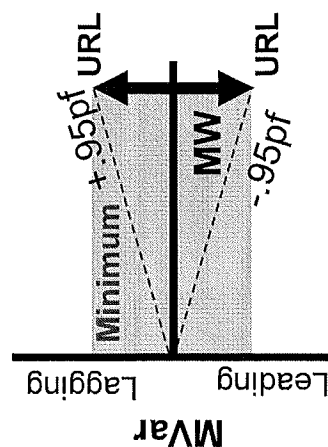
- PRR835
 - Adopts +/-0.95PF as the minimum reactive capability
 - May require URL over the full operating range of the plant only if the Transmission Provider demonstrates it is needed to ensure safety and reliability through a System Impact Study



PRR830 will result in redundant and excessive reactive capability where it is not needed



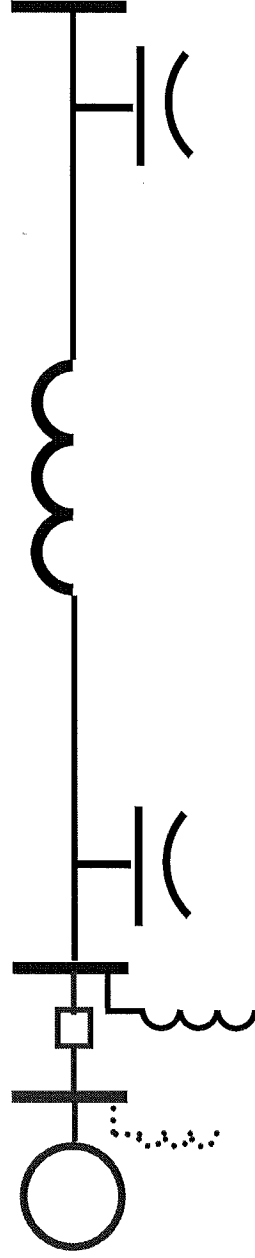
1. Transmission Owner must provide shunt reactors to offset line charging when wind is calm and generator is not generating
2. PRR830 would have the Generator install an additional shunt reactor to meet its URL requirement for leading reactive capability over its range of output
3. Inherent Generator reactive capability



PRR830 will result in the wasteful installation of redundant reactive resources.

PRR835 ensures system safety and reliability without mandating investment in reactive capability for providing VSS where it is not needed

Transmission Line Example



Generator shunt reactor (or capacitor) would not be required to meet its URL requirement for leading (or lagging) reactive capability over its range of output unless shown to be required by the System Impact Study

NextEra has engaged the services of Siemens-PTI to assess the current need for additional reactive resources in Western ERCOT

Study Assumptions

- **Reference case from ERCOT**
 - 2010/2011 Winter off-Peak (09/17/2009 update)
 - 39,569 MW total generation; 3,719 MW wind generation (9.4%)
- **Wind farms represented per ERCOT's modeling**
 - Reactive power capability expressed by Q_{\min} and Q_{\max} as given in the reference case (rectangular reactive power capability)
 - Wind farms represented by equivalent (aggregated) models
- **Sensitivity cases**
 - Different reactive power capability (triangular capability)
 - Different levels of wind generation

Scenarios based on ERCOT case, from no wind to high wind penetration. Limited reactive power capability in the wind farms (conservative).

Wind Farm Generation Re-Dispatch was performed to model the following sensitivity scenarios

Sensitivity Scenarios

- **No-Wind scenarios**
 - Constant load (conventional generation increased by 3,719 MW)
 - Constant conventional generation (system load scaled down by 3,719 MW)
- **Increased wind generation scenarios**
 - Scenario 3 (5,849 MW of wind generation, 14.7% of total)
 - Maximum wind generation in the Gulf Coast and Horse Hollow gen-tie
 - West Texas wind generation increased by 1,040 MW
 - Scenario 4 (6,369 MW of wind generation, 16% of total)
 - Scenario 3 with an additional 520 MW of wind in West Texas
 - Scenario 5 (same as scenario 4 but with additional wind in west Texas dispatched against local generation)

Preliminary results indicate that voltage violations are not the issue for the current Western ERCOT system

Results

- **AC contingency analysis**
 - ERCOT contingency file (9,000+ cat. B and cat. C contingencies)
- **Few post-contingency voltage violations**
 - Generally unrelated to the wind generation dispatch
 - Also unrelated to reactive power capability at the wind farms
- **Thermal violations**
 - Existing system configuration → restrictions to dispatch of West Texas wind generation
 - Significant overloads already identified before reaching full power output of wind generation in West Texas

Thermal overloads are the limiting factors. No condition has been identified that shows the need for additional reactive power capability from wind farms

Generator reactive capability requirements are driven by system topology and the imbalance between generation and load in Western ERCOT. This trend will become further exaggerated with CREZ implementation

- **Current ERCOT System**
 - West Zone load – approximately 4,000 MW
 - West Zone Generation – approximately 8,000 MW
- **ERCOT System post CREZ**
 - West Zone load – approximate 4,400 MW
 - West Zone Generation – 18,000 MW
- **WGR lagging reactive capability will need to increase with MW output to compensate for transmission line reactive losses.**
- **WGR leading reactive capability will have little value since shunt reactors will be required to offset transmission line charging anyway when the wind is calm.**

CREZ doesn't make things worse but amplifies the consequences of adopting PRR830!

Highlights of PRR835

- Sets minimum requirement of ± 0.95 Power Factor at the Point of Interconnection
- May require additional reactive requirements when supported by a System Impact Study
- Addresses the “Cone” versus “Rectangle” debate
- Wind generator reactive requirements and VSS are distinguished from non-wind generators
- Requires wind generators to provide real-time reactive capability through SCADA
- Does not unnecessarily limit aggregation of wind turbine generators based on size and type as does PRR830
- Grandfathers WGRs interconnected after May 17, 2005 and before the adoption of PRR835 in meeting the ± 0.95 PF requirement

What differentiates PRR835 from PRR830 is that it provides superior economies while ensuring system safety and reliability where justified and needed!

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	11/10/2009
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Submitter's Information	
Name	Kip Fox on behalf of American Electric Power Service Corp.
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Company	American Electric Power Service Corp.
Phone Number	214 777 1063
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Market Segment	Investor Owned Utility (IOU)

Comments

AEP supports the TAC Approved language of PRR830, Reactive Power Capability Requirement and requests the Board deny the appeal. Similar to MW (real power) concerns created with large wind generation shifts, large wind generation shifts within a short period of time can create significant MVAR (Reactive Power) concerns. While the Transmission Owners have installed a large amount of dynamic reactive devices in recent years, the large swings on the system can quickly exhaust dynamic reactive capability. The proper amount of reactive capability, including capability from Generation Resources, is necessary to maintain the reliability of the grid. Unlike thermal limits that can be exceeded for short periods of time, violating the reactive needs of the system can have immediate and severe consequences.

While AEP is supportive of the development of the vast wind Resources in the region, those Resources must provide the reactive capabilities necessary to support their power injections on the grid. There is clear evidence that the ERCOT System has significant Reactive Power deficiency that is directly correlated to wind generation including:

1. AEP can get large voltage swings because of significant changes in wind in a short period of time and we do not have time to adjust. We are also taking a large number of circuits out because of overloads to maximize wind output. We believe lack of dynamic Reactive Power support from wind

PRR Comments

farms is a primary root cause for large voltage swings for large wind changes. This problem will be exacerbated with events such as a “carbon tax” where base load coal plants are likely to reduce their output during these high wind periods. There is a growing, significant possibility of voltage collapse that AEP believes is beyond the risk tolerance for ERCOT’s reliable operations.

2. The primary purpose of the Transmission System is to reliably deliver power and energy to Load. Historically, transmission maintenance is scheduled in spring and fall to prepare for the summer Load. Maintenance in these periods coincides with periods of high wind production. Transmission Service Providers (TSPs) continue to see ERCOT move planned Maintenance Outages and lines taken out of service for upgrades which over time will have significant reliability impact on the transmission system and the ability of the transmission system to meet its primary purpose. AEP believes that PRR 830 as written will improve this condition by having a better dispersion of Reactive Power in the network around wind.
3. Operating Guides and local controls are being used more frequently and to less effect than in years past during high wind conditions. AEP operates transmission in Southwest Power Pool (SPP), PJM and ERCOT. Operating issues during high wind events take place significantly more in ERCOT than the rest of the AEP system nationwide. AEP believes that PRR 830 as written will improve this condition.
4. Just as MW reserves are made available to protect for more than just an N-1 event, reactive reserves are needed for such large generation swings across multiple wind units and farms. The dynamic language is specifically important since numerous events over the last few years can show large voltage swings when dynamic reserves were exhausted with the larger wind generation swings, which happen frequently.

The ROS subcommittee, tasked with reliability matters, took a significant amount of time to address the dynamic VAR requirement issues and endorsed PRR 830. These issues have been debated and reviewed among the stakeholders since February 2004. In 2004, a compromise was reached among the stakeholders that “grandfathered” wind generators installed before February 2004. It was understood that future wind farms would meet the reactive and static requirements of all generators in compliance with ERCOT requirements as we moved forward. AEP does commend those wind farms that are meeting their obligation under this compromise and request the ERCOT Board approve the TAC recommendation in order to continue to honor this compromise. Even prior to this proposed change, the requirements are clear. Providing any further exemption to wind farms outside

PRR Comments

the current grandfathered language would amount to a retroactive relaxation/change in the protocol requirements. While a waiver of such provisions of the Protocols might be considered reasonable in a situation where the reactive needs of the system are stable, it should not be considered in this case given the reactive needs in the area.

The consequences if the Board grants the language proposed by Nextera would be for TSP's to submit reactive element upgrades for the transmission system such as Static VAR Compensators (SVCs), static compensators (STATCOMs), other Flexible AC Transmission Systems (FACTS) and synchronous condensers which provide dynamic Reactive Power with various time responses to quickly changing system conditions. The costs of these upgrades should be borne by those that are charged with meeting the requirements outlined in the Protocols and their choice is clear. Install the equipment to meet the standards outlined in the Protocols or make contributions in aid of construction in lieu of meeting the standard as outlined in paragraph (7) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability.

Revised Proposed Protocol Language

None proposed.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	11/10/2009
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Submitter's Information	
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Market Segment	Independent Generator

Comments

PRR 830 should not be implemented in the present form for a number of reasons. The following are 3 issues important to the AES Corporation.

1) PRR 830 requires voltage and power factor capabilities higher than the requirements of FERC 661A "Interconnection Requirements for Wind Energy implemented in December of 2005. ERCOT has not demonstrated the need for voltage and power factor support capabilities higher than the accepted National standard.

Many existing wind projects, and particularly those that use type 3 and 4 turbines from General Electric and Siemens can provide substantial voltage support now without retrofits. The systems in these turbines have been designed to conform to the voltage and power factor requirements mandated by FERC in order 661A and by many other regulatory bodies around the world. These regulatory requirements and turbine capabilities are based on numerous system studies performed specific to wind turbine interaction and integration with utility power systems.

ERCOT has arbitrarily required a higher level of voltage and power factor support than what is required under FERC 661A. No studies have been conducted and no justification has been provided by ERCOT as to why this higher level of voltage support is needed, or if it can even be utilized by the ERCOT System.

Technical studies conducted by AES indicate that wind projects will hit their over and under voltage limits and trigger protective relaying at the levels of voltage support required under PRR 830. AES suggests that existing and future wind generators will be

PRR Comments

required to spend millions of dollars to enhance the voltage and power factor capabilities and these systems will never be utilized.

ERCOT should be required to demonstrate the *need* and *ability* of the ERCOT transmission system to utilize voltage and power factor support at levels above those required under the accepted national standard of FERC 661A.

2) PRR 830 is incomplete and a piecemeal approach to providing the ERCOT System with additional reliability and support from wind turbines. ERCOT should take a comprehensive approach to studying and specifying the need for voltage and power factor support along with Low Voltage Ride Through (LVRT) for wind turbines.

ERCOT is presently studying the need for LVRT capability for wind turbines as directed by the ERCOT Board under OGRR 208, Voltage Ride-Through (VRT) Requirement. Should this study result in additional requirements for wind turbines it would involve the same voltage and power factor systems within the turbines and wind projects that may require modification under PRR 830. This very well may result in a situation where existing projects spend substantial capital to retrofit existing turbines to conform to PRR 830 only to find that additional or different retrofits may be required to conform to new LVRT requirements. A comprehensive analysis of what is **needed** and can be **utilized** by the ERCOT system from the installed fleet of wind turbines is recommended.

3) PRR 830 retroactively changes the interconnection requirements for thousands of megawatts of operating wind projects with no technical basis, no system studies, and no documented need.

Prior to PRR 830, the "cone" reactive requirement was clearly defined in the Protocols and related ERCOT documents and has been accepted by ERCOT as detailed in the individual generator registrations (RARF).

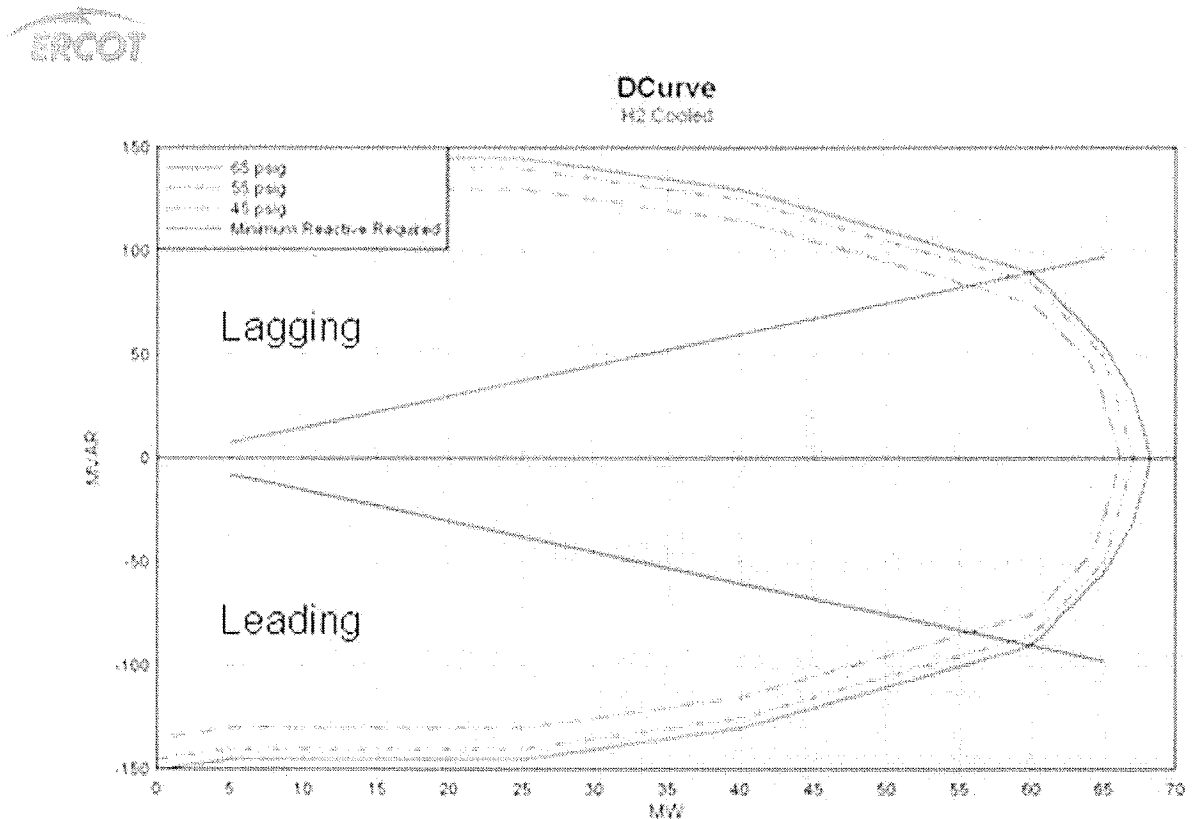
a) The current ERCOT Protocols state the reactive "cone" requirement in paragraph (5) of Section 6.7.6, Deployment of Voltage Support Service (below). PRR 830 deletes this paragraph entirely and effectively changes the reactive requirement retroactively for operating projects.

(5) At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power

PRR Comments

available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP

b) The ERCOT Resource Registration Guide as recently as June 2009 illustrated the "cone" requirement in section 7.4. As noted in the diagram from page # 30 below the purple line illustrates the "Minimum Reactive Required" as the "cone"



c) Virtually all wind projects installed in ERCOT prepared and submitted Resource Asset Registration Forms (RARFs) that clearly stated their reactive capability as the "cone". These detailed official registration documents convey the operating parameters and capabilities of the generation projects to ERCOT. The RARF forms were reviewed and accepted by ERCOT with the "cone" parameters as each generator connected to the ERCOT system.

As stated above, ERCOT should be required to demonstrate the need and ability of the ERCOT transmission system to utilize voltage and power factor support at levels above those required under the accepted national standard of FERC 661A. These needs should be studied along with LVRT requirements also defined in FERC 661A to provide a comprehensive and technically sound set of requirements for Wind Generators.

PRR Comments

**Brief in Support of the NextEra Appeal of the
Technical Advisory Committee Recommendation
Report Relating to PRR 830**

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 10, 2009
-------------	-------------------

Decision Being Appealed	Technical Advisory Committee Recommendation Report
Date of Decision	November 5, 2009

Submitter's Information	
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Cell Number	
Market Segment	Independent Generator

Comments

Horizon submits this, its *Brief in Support of the NextEra Appeal of the Technical Advisory Committee Recommendation Report Relating to PRR 830*, styled as comments, and incorporates by reference the earlier Horizon comments made throughout the committee process including to the Technical Advisory Committee ("TAC")¹ in opposition to PRR 830 and in support of the NextEra Energy Resources Appeal of the TAC Recommendation Report with regard to PRR 830.

Horizon incorporates NextEra's briefing in support of its appeal by reference herein and focuses its brief on demonstrating that PRR 830 is neither "clarification" of existing Protocols, nor in anyway consistent with the current Protocols and will create hardships on a single segment of the generation market that answered the call to make Texas the wind capital of the United States.

¹ Each set of comments is attached at the end of this, Horizon's Brief in Support of the NextEra Appeal of the TAC Recommendation Report relating to PRR 830, as Exhibits F, G, and H.

Brief in Support of the NextEra Appeal of the Technical Advisory Committee Recommendation Report Relating to PRR 830

PRR 830 submitted by the Electric Reliability Council of Texas ("ERCOT") purports to clarify what ERCOT has previously stated is already the clear standard set forth in the ERCOT Protocols relating to reactive power. This position has been the ERCOT position since it submitted its November 13, 2008 Interpretation of Reactive Power Protocols §§6.5.7.1(2) and 6.7.6(5), which was later withdrawn for procedural defects following an appeal to the Public Utility Commission of Texas ("PUCT" or "Commission"), and that ERCOT has stated it will still enforce. ERCOT is now attempting to modify the ERCOT Protocols to retroactively require retrofits to wind generation resources that have been operating in the ERCOT market for years, and at great expense—tens of millions of dollars for Horizon alone.

This is a sea change in the way the market has operated and is in direct conflict with the plain language of the ERCOT Protocols—it is not a clarification or consistent with the market rules that have been in place since 2004. The best way to explain the intent of the Protocols is to use ERCOT's own presentation to the market—conventional generators and wind generation resources alike, noting which generation is exempt from these requirements, and what the requirement is for generation that is not exempt. That presentation is dated August of 2008 and is the first attachment hereto (Exhibit A). The second slide of ERCOT's PowerPoint discusses the lead and lag requirement in the Protocols. Anyone listening to the discussions in the earlier ERCOT Committees would notice that this standard is referred to by ERCOT or Calpine as the "rectangle". However, as clearly discussed on slide 2, and demonstrated pictorially on slide 3, the .95 lead and lag requirement means that the MVAR or reactive power requirement starts at 0 and increases gradually under a .95 lead and lag standard as generation increases. Note also that the minimum requirement is clearly triangle or cone-shaped and noted plainly in ERCOT's presentation—intended to demonstrate what ERCOT's interpretation of these requirements was until just before the ERCOT Official Interpretation was issued in November of 2008 (see Exhibit B).

Wind-powered generation resources ("WGRs") have entered the Texas market and invested billions of dollars in this market under the existing rules. It is those WGRs that have made the investment under the rules in effect at the time, and today, that will be penalized by PRR 830. The reason is that PRR 830 is meant to require massive retrofits for WGRs that have long since financed their generation and for generation that has been operating in accordance with the Protocols for years.

WGRs have made their capabilities clear to ERCOT and ERCOT has allowed them to interconnect, sent them notices that they meet the ERCOT checklist, and ERCOT has had before it each time a Generation Asset Registration Form ("GARF") (now termed a Resource Asset Registration Form ("RARF")) that depicts the reactive power capability of WGRs—and that reflects the triangle. ERCOT has consistently accepted these GARFs and RARFs. For years and until very recently in the Resource Asset Registration Guide (Exhibit C), the minimum requirement for reactive power for WGRs has been depicted, clearly, as the triangle—increasing with the output of the wind

Brief in Support of the NextEra Appeal of the Technical Advisory Committee Recommendation Report Relating to PRR 830

project. It is unclear how changes were made to the Resource Asset Registration Guide to remove the pictorial, but it was apparently removed in a July 2009 revision.

In addition to all of the above, ERCOT has permitted WGRs clearly providing the "cone" or "triangle" to interconnect using the Public Utility Commission of Texas ("PUCT" or "Commission") Standard Generation Interconnection Agreement ("SGIA") with the relevant transmission service provider ("TSP"). The SGIA requires that the TSP request ISO approval necessary to carry out its responsibilities. Further, ERCOT has the obligation not to interconnect generation in violation of the ERCOT Protocols or the Commission's Rules. In practice, ERCOT gets on the phone with the WGR and the TSP to discuss the project before allowing it to interconnect—including in its checklist the RARF or GARF demonstrating that it meets the ERCOT cone/triangle requirement and then sends a notice to the WGR that it complies with all of the requirements—which include reactive power requirements. WGRs go farther than the standards in the Protocols require though and implement any additional reactive equipment the TSP deems necessary at the time after the TSP has run its studies. All of this is the expectation of cost, value, market expectation and a clear sense of what the rules are—prior to interconnection and has resulted in all GARF and RARF forms striving to meet the cone/triangle in accordance with the Resource Asset Registration Guide. In addition, ERCOT required all WGRs to meet the New Generator Interconnection Checklist, attached as Exhibit D. Had WGRs not met the Checklist requirements, including for reactive power, and in accordance with the Operating Guides implementing these Protocols, ERCOT could not have interconnected these WGRs. See also RARF Approval attached as Exhibit E.

As further demonstration that the standards under PRR 830 seek to modify the rules and impose retrofits on WGRs without any basis or study, ERCOT takes the position that not only is the "rectangle" required to be provided, but that that response must now be dynamic, under ERCOT's current inaccurate interpretation of the Protocols and its language in PRR 830. The current Protocols make no mention of any dynamic power requirement and such a requirement multiplies the retrofit investment by a factor of four. ERCOT is incorrect in stating that PRR 830 is not a change from the current Protocols. ERCOT's 2008 survey of WGR equipment confirmed that many have installed static reactive equipment. The "dynamic requirement" is not in the Protocols today. Only two manufacturers arguably can meet that requirement with their turbines, but those manufacturers are not comfortable warranting that their turbines have that capability. Similarly, there were no turbines on the market that could meet a rectangle standard at the time the Protocol language at issue was instituted.

Despite arguments largely from Calpine and PSEG in ERCOT committee meetings that WGRs are not "providing their fair share", it is important to note that PRR 830 only requires retrofits of WGRs, leaving all of the other conventional generation in service before 1999 exempt. To the extent retrofits are being required, which is what PRR 830 does only to WGRs, Calpine argues that generators in the market need to "step up" and "pay their fair share" for reliability. Horizon suggests that if the language requires

Brief in Support of the NextEra Appeal of the Technical Advisory Committee Recommendation Report Relating to PRR 830

retrofits to existing generation to meet a new standard, that same standard should be applied across the board such that WGRs that complied with the Protocols as drafted and now are being asked to retrofit should be joined by conventional generators such as Calpine that should be treated in the same manner.

The singling out of one category of generation for retrofits is inappropriate, particularly when, as here, ERCOT has done no study or analysis to determine what is actually needed for reliability. As was stated by Mr. Dumas in the TAC meeting, ERCOT has modeled the transmission system as if WGRs met its "interpretation" (and the PRR 830 requirements) even though ERCOT knew from its own presentations, the language of the Protocols and the RARFs and GARFs submitted by WGRs, exactly what was on the system—WGRs providing the cone/triangle. ERCOT modeled a system different from what currently exists, and now seeks to force WGRs to make retrofits to make the system look like the model, rather than changing ERCOT's modeling and determining if the expense would provide any value or just be gold-plating that will not support reliability, as the only study done on the subject by NextEra demonstrates.

Looking at the language of the current Protocols, it can be easily demonstrated that PRR 830 is a shift intended to require retrofits from WGRs alone.

§ 6.5.7.1 Generation Resources Required to Provide VSS Installed Reactive Capability

(2) Generation Resources required to provide VSS except as noted below in items (3) or (4), shall have and maintain a URL which has an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the transmission grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the point of interconnection to the TDSP.

§ 6.7.6 Deployment of Voltage Support Service

(5) At all times a Generation Resource unit required to provide VSS is On-line, the URL must be available for utilization at the generating unit's continuous rated active power output, and Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.

Brief in Support of the NextEra Appeal of the Technical Advisory Committee Recommendation Report Relating to PRR 830

The operating capability is the level at which a WGR is running. The Protocols require that reactive power **up to the operating capability** and at lower levels must be available. Reactive power is not to be less than the installed reactive capability (which is the total possible reactive capability) **multiplied by the ratio of lower active power output to the continuous rated output** (the ratio of the amount the WGR is providing in output compared to the total it could provide). Thus, the reactive power will always be a percentage based on the output—increasing when output increases and decreasing when output decreases—as demonstrated in Exhibit A, ERCOT's presentation on reactive power.

Paragraphs (3) and (4) of Protocol Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability explicitly state which Generation Resources are exempt from meeting the Reactive Power capability requirement and which Resources are not required to retrofit in PRR 830 as would WGRs. Since the end date of that exemption, over 40 WGRs with approximately 7,000 MW of capacity have interconnected with the ERCOT Transmission Grid. Horizon is not aware of a single WGR that meets ERCOT's interpretation of the required Reactive Power capability. This can be verified by reviewing the asset registration forms that ERCOT accepted from these WGRs, and from the results of an informal survey ERCOT undertook in the last half of 2008 of WGR capabilities and procedures. It is hard to comprehend how so many projects could be interconnected in a manner contrary to ERCOT's interpretation of the Reactive Power requirements, particularly if such interconnections would create reliability problems.

More than 40 wind resources that have interconnected with ERCOT since the Reactive Power capability requirement in the Protocols were instituted. At the time of such interconnections, WGRs interpreted the minimum Reactive Power requirement as the "triangle". This is borne out by ERCOT's survey of wind resources conducted in the summer and fall of 2008. The survey shows that WGRs have Reactive Power capability in the triangle, unless they have installed additional equipment. Thirty of the 49 WGRs surveyed have installed additional equipment. In every case where that additional equipment was specified, WGRs had installed capacitors. Horizon's projects are included in this number. Based on the studies conducted as part of the interconnection process, those projects installed sufficient capacitance to provide Reactive Power as described in the top half of the rectangle (lagging). The projects' leading Reactive Power capability as described by the triangle. While the minimum Reactive Power capability was agreed by all parties involved in the interconnection of these projects to be the triangle, Horizon, among others, installed additional equipment determined by the TSP to be necessary for system reliability. This equipment has been reported to ERCOT in several rounds of asset registration forms, which were accepted and approved by ERCOT prior to the issuance of its "compliance letters" in June of 2009 shortly after it withdrew its Official Protocol Interpretation and sought to remove the issue from Commission review in seeking dismissal of PUCT Docket 36482. The letter states that, based on the Reactive Power curves in the asset registration forms Horizon

Brief in Support of the NextEra Appeal of the Technical Advisory Committee Recommendation Report Relating to PRR 830

had submitted, Horizon's projects appear unable to comply with ERCOT's interpretation of the protocol requirements.

ERCOT has never discussed or mentioned how WGRs supplying a good deal of energy to the ERCOT market will operate if this PRR passes. If WGRs do not comply with the Protocols, will they be allowed to continue to provide service and how would retrofits be accomplished with virtually all existing WGRs requiring retrofits and units having to be shut down? What would such a result do to increase market prices as conventional units are dispatched in place of WGRs that are down for retrofits? How will this benefit reliability if at all?

Horizon can answer some of the above questions—some WGRs may not be able to afford the retrofits and those that can will have to recover those investments from the market, raising the price for power in the ERCOT market, and benefiting conventional generation that would otherwise not be dispatched, such as Calpine's units. ERCOT states that the current system can be run reliably and has no studies or analyses of any kind to demonstrate that retrofits are needed. If this is true, then there is no reason not to implement this new standard on a forward-looking basis as NextEra's PRR compromise amendments to PRR 830 at the TAC would have done, and which Horizon supports.

Horizon believes that ERCOT got it right the first time, from 2004 through at least August of 2008, when it explained that the ERCOT requirement meant the cone/triangle as demonstrated on Exhibit A, rather than three months later when ERCOT changed its interpretation following its discovery that it had modeled the transmission system incorrectly. Market certainty in the requirements applicable to WGRs is extremely important. Investors depend upon stable rules to invest in the ERCOT market. In the case of PRR 830 where there is no demonstrated reliability need for retrofits and the only study that has been done shows that such changes do not provide reliability benefits, there is no reason to require a single WGR to spend tens of millions of dollars or the collective WGR market to spend what may well be hundreds of millions of dollars, without basis. PRR 830 should not be implemented such that one segment of the generation market is burdened with retrofits (WGRs), while other generation resources (exempt conventional generation) with which WGRs compete are benefited as market prices rise and are passed on to consumers. Horizon agrees with the NextEra comments provided at TAC to implement these new standards only on a forward-looking basis and not to penalize existing generation that has invested in the Texas market, resulting in overall lower market costs to consumers and cleaner power. Horizon incorporates the comments of NextEra in support of its appeal.

EXHIBIT A



Voltage Control Requirement

ERCOT Operations Planning

August 22, 2008

Voltage Control Protocols that apply to WGRs

- **Protocol 6.5.7.1-**

Generation Resources Required to Provide VSS Installed Reactive Capability

- (2) Generation Resources required to provide VSS except as noted below in items (3) or (4), shall have and maintain a Unit Reactive Limit (URL) which has an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the transmission grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the point of interconnection to the TDSP.
- (3) Qualified renewable Generation Resources (as described in Section 14, Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the URL as stated above, will be required to maintain a URL that is limited to the quantity of Reactive Power that the Generation Resource can produce at its rated capability (MW) as determined using procedures and criteria as described in the Operating Guides.

0.95 PF requirement for generators

- Shown to the right are the reactive capability curves for a conventional generator and a WGR
- As seen from the figures, each generator is required to provide a + 0.95 to -0.95 pf voltage support
- Example:
 - Wind generation output equals 100 MW; MVAR requirement = +/- 33 MVAR at Point of Interconnect
 - Wind generation output equals 0 MW; MVAR requirement = 0 MVAR at Point of Interconnect

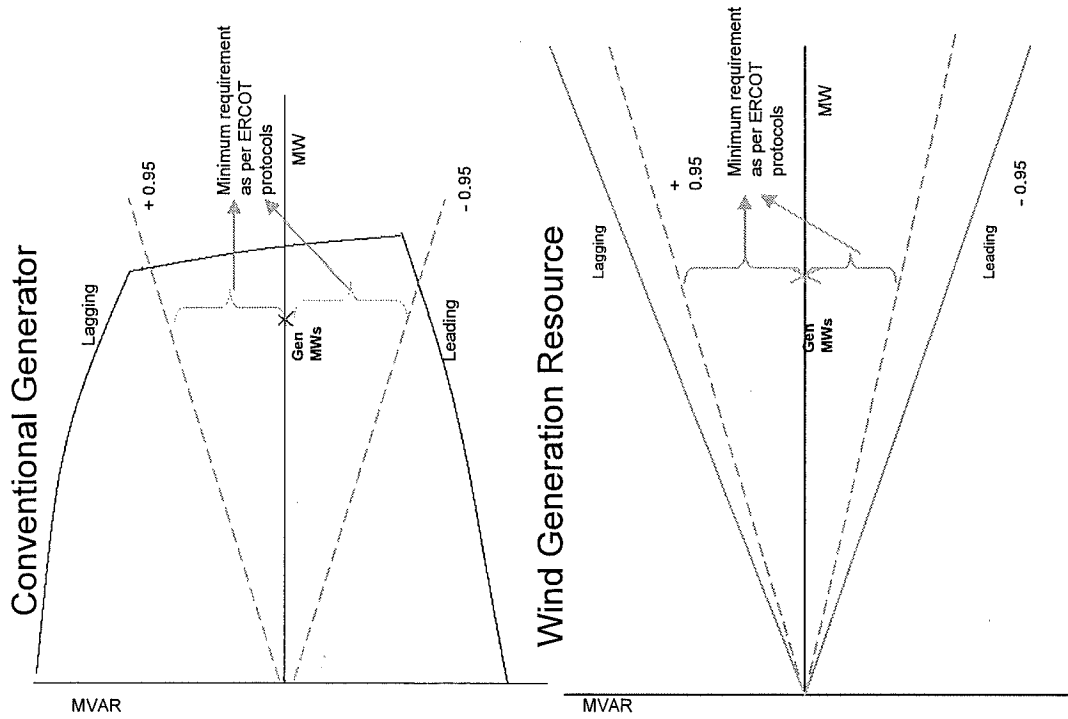


EXHIBIT B

NOTICE DATE: November 13, 2008

NOTICE TYPE: M-D111308-01 Legal

SHORT DESCRIPTION: Protocol Interpretation Request on Reactive Power Capability Requirements

INTENDED AUDIENCE: All ERCOT Market Participants

LONG DESCRIPTION: An Entity has submitted to ERCOT a Protocol Clarification/Interpretation Request (PIR) regarding subsection (2) in Protocol Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, and subsection (5) in Protocol Section 6.7.6, Deployment of Voltage Support Service. Specifically, the PIR seeks clarification on issues surrounding Reactive Power capability requirements.

ERCOT provides the following guidance to the questions submitted by the Entity.

1. Clarify if the power factor capability of +/- 0.95 is required at all levels of generation.

Yes. Protocol Section 6.5.7.1(2) sets the Reactive Power capability requirement for all Generation Resources that provide Voltage Support Service (VSS). The section states that a Generation Resource is required to have and maintain an Unit Reactive Limit (URL) with a power factor capability of +/- 0.95, determined at its net max output to the transmission system, and that this capability must be maintained – no exceptions are provided.

2. Clarify the minimum reactive capability requirements at lower levels of generation and exactly how this is calculated.

There is no minimum Reactive Power capability requirement. The Reactive Power requirement is set forth in Protocol Section 6.5.7.1, *Generation Resources Required to Provide VSS Installed Reactive Capability*. Specifically, subsection (2) states:

Generation Resources required to provide VSS except as noted below in items (3) or (4), **shall have and maintain a URL which has an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less**, both determined at the generating unit's maximum net power to be supplied to the transmission grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the point of interconnection to the TDSP.

As described in the response to Question 1, Protocol Section 6.5.7.1(2) states that a Generation Resource must provide the MVAR requirement (+/- 0.95 power factor) calculated at the maximum net output to the ERCOT Transmission Grid, and that level must be available at all MW output levels.

ERCOT, or TSPs designated by ERCOT, have the right to instruct Generation Resources to make adjustments for voltage support within the URL capacity limits. However, dispatching a Generation Resource within a URL range is the right of the system operator, and is unrelated to, and does not affect a Generation Resource's obligation to maintain a power factor capability of +/- 0.95 when dispatched by ERCOT or TSPs.

Protocol Section 6.7.6(5) confirms the power factor capability requirement in Protocol Section 6.5.7.1(2). Specifically, the first sentence reads:

At all times a Generation Resource unit required to provide VSS is On-Line, the URL must be available for utilization at the generating unit's continuous rated active power output, and **Reactive Power up to the unit's operating capability must be available for utilization at lower active power output levels.**

Therefore, under this Protocol as well, the power factor capability requirement does **not** decrease with decreasing generation output. A Generation Resource must be able to maintain the MVAR capability requirement as described in Protocol Section 6.5.7.1(2) even with decreasing power output.

The second sentence in Protocol Section 6.7.6(5) states:

In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any Reactive Power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a TSP.

This sentence does not conflict with the power factor capability requirement in the first sentence or Protocol Section 6.5.7.1(2) by establishing a minimum reactive capability requirement. In fact, as described above, the requirement in 6.5.7.1(2) is confirmed in the first sentence of this section. The language in the second sentence of this section merely accounts for situations in which a Generation Resource encounters equipment-related issues or other unforeseen circumstances that may cause the Reactive Power capability to be less than the requirement in Protocol Section 6.5.7.1(2). If the Reactive Power is less than the calculation described in the second sentence, then the Generation Resource's ability to support system voltage may jeopardize the reliability of the ERCOT Transmission Grid.

3. Clarify the definitions for "generating unit's maximum net power" as indicated in Protocol Section 6.5.7.1(2) and "the generating unit's continuous rated active power output" as indicated in Protocol Section 6.7.6(5).

Both references above refer to the Net High Capability Limit provided by the Generation Resource to ERCOT through resource registration. Net High Capability Limit is the net high MW generation output based on the rating of plant equipment minus plant Load.

CONTACT: If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Services phone number at (512) 248-3900 or contact ERCOT Client Services via e-mail at ClientRelations@ercot.com.

If you are receiving e-mail from an ERCOT distribution list that you no longer wish to receive, please follow this link in order to unsubscribe from this list: <http://lists.ercot.com>.

sg

EXHIBIT C



**Resource Asset Registration Guide
v4.03**



Revision History

Date	Version	Description	Author
10/10/2007	0.03	Draft for Internal Review	D. Showalter
10/10/2007	0.04	Second draft for Internal Review	D. Showalter
10/10/2007	0.05	Draft for Posting	D. Showalter
10/11/2007	0.06	Revised Draft for Posting	D. Showalter
10/16/2007	0.07	Revised with Market Comments	D. Showalter
12/13/2007	0.08	Revised for Planning Submittal	D. Showalter
4/01/2008	3.99	Draft -Reorganized and reformatted for RARF Ver 4	D. Showalter
4/08/2008	4.00	Released with RARF Ver 4 (Official RARF)	D. Showalter
12/16/08	4.01	Updated RARF Guide V4.01	A. Moy
2/4/2009	4.02	Updated and re-wrote transmission and load data tabs	S. Middleton
3/10/2009	4.03	Corrected / Modified business rules for transformer tab	S. Middleton



Table of Contents

1.0	Summary of Resource Registration Guide.....	6
1.1	Tabs	7
1.2	Colors	8
1.3	RARF - Hyperlinks and Mapping	8
1.4	Glossary	9
2.0	Instructions and Map	10
2.1	Process for Official Submittal	10
2.2	Map	12
3.0	General Information and Site Information	13
3.1	General Information	13
3.2	Site Information	13
4.0	Unit Information.....	15
4.1	Unit Info – non-Wind, non-CC Generation Units.....	15
4.2	Unit Info – Combined-Cycle Units	16
4.3	Unit Info – Wind Units.....	17
5.0	Resource Parameters	18
5.1	Generation Resources – non-Wind, non-CC Generation Units	18
5.2	Generation Resources – Combined-Cycle Units and Configurations	19
5.3	Generation Resource – Wind Units	20
6.0	Operational Resource Parameters.....	21
6.1	Operational Resource Parameters – non-Wind, non-CC Generation Units.....	22
6.2	Operational Resource Parameters – Combined-Cycle Configurations.....	23
6.3	Operational Resource Parameters – Wind Units.....	24
6.4	Ramp Rates	25
7.0	Reactive Capability	27



7.1	Reactive Capability – non-Wind, non-CC Generation Units	27
7.2	Reactive Capability – Combined-Cycle Units	28
7.3	Reactive Capability – Wind Units	29
7.4	D-Curve / REACTIVE CAPABILITY CURVES.....	29
8.0	Split Generation Resources	32
8.1	Ownership – non-Wind, non-CC Generation Units.....	32
8.2	Split Resource Generation – Combined-Cycle Units.....	32
8.3	Split Resource Generation – Wind Units	33
9.0	Combined-Cycle Configurations and Transitions	34
9.1	Configurations	34
9.2	Transitions.....	35
9.3	Establishing Configurations and Transitions	35
10.0	Planning	39
10.1	Planning Information	39
10.1.1	Planning – non-Wind, non-CC Generation Units.....	40
10.1.2	Planning – Combined Cycle	41
10.1.3	Planning – Wind Units	42
10.2	Protection	43
10.2.1	Protection – non-Wind, non-CC Generation Units.....	43
10.2.2	Protection – Combined Cycle.....	44
10.2.3	Protection – Wind Units.....	45
10.3	Sub-synchronous Resonance	45
10.3.1	Sub-synchronous Resonance – non-Wind, non-CC Generation Units.....	46
10.3.2	Sub-synchronous Resonance – Combined Cycle	47
11.0	Private Use Networks	48
11.1	Site Information	48



11.2 Unit Information	49
12.0 Line Data	50
13.0 Breaker / Switch Data	53
14.0 Capacitor Reactor Data	54
15.0 Transformers	55
16.0 Static Var Compensator	63
17.0 Series Device Data	65
18.0 Load Data	66
19.0 Load Resources	67
19.1 Load Resource Information	67
19.2 Load Resource Parameters	68
19.3 CLR Ramp Rates	68
20.0 Additional Information	69



1.0 Summary of Resource Registration Guide

This document is a guide to completing Resource Asset Registration with ERCOT in accordance with Section 16 of the ERCOT Nodal Protocols. Historically, the GARF, along with other documents, has been used for Resource Entities (RE) to provide information necessary to setup a Resource within ERCOT's systems, including registration, market operations, power operations, and commercial operations.

Upon obtaining the forms from Resource Entities, ERCOT will keep the RARFs in a central repository hub so the files can be tracked and easily accessed by all ERCOT systems, as well as communicated back to the Resource Entity through audits (Figure 1 below illustrates the process flow of receiving and loading RARF data).

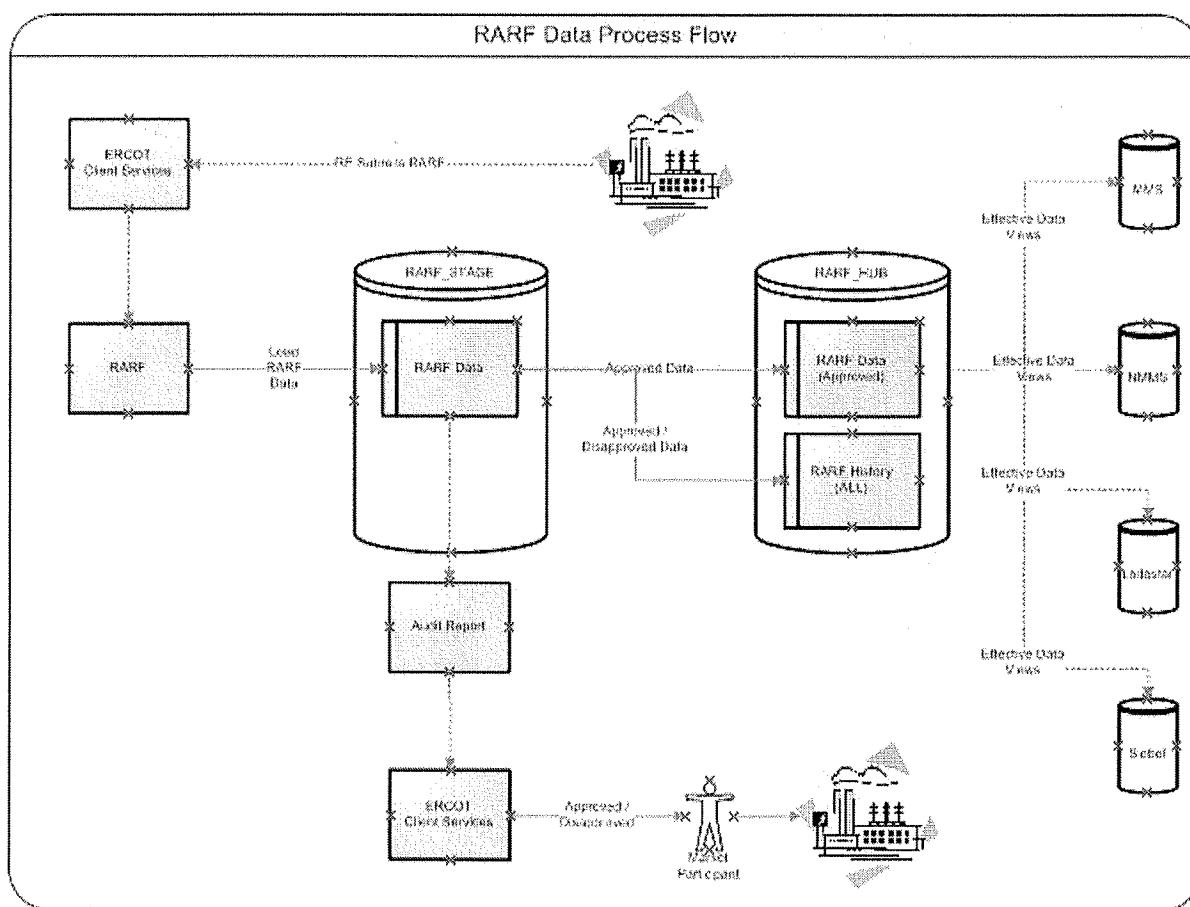


Figure 1



Structure of Resource Asset Registration Form (RARF)

1.1 Tabs

The RARF uses the worksheet tabs to focus on areas. The goal is to get this as close to web-interface entry as possible. The list of tabs is as follows:

- Instructions
- Spreadsheet Map
- General Information - ALL
- Site Information - All GEN RES
- Unit Info - GEN
- Unit Info - CC
- Unit Info - WIND
- Resource Parameters - GEN
- Resource Parameters - CC
- Resource Parameters - CC CFG
- Resource Parameters - WIND
- Operational Resource Parameters - GEN
- Operational Resource Parameters - CC CFG
- Operational Resource Parameters - WIND
- Reactive Capability - GEN
- Reactive Capability - CC
- Reactive Capability - WIND
- Ownership - GEN
- Ownership - CC
- Ownership - WIND
- Configurations - CC1
- Transitions - CC1
- Configurations - CC2
- Transitions - CC2
- Configurations - CC3
- Transitions - CC3
- Planning - GEN
- Planning - CC
- Planning - WIND
- Protection - GEN
- Protection - CC
- Protection - WIND
- SubSync Resonance - GEN
- SubSync Resonance - CC
- Private Network
- GEN Owned Transmission Assets
- Line Data
- Breaker Switch Data
- Capacitor and Reactor Data



- Transformer Data

1.2 Colors

The new form for the official RARFs will primarily use colors to identify sections of the workbook. However, a pale yellow cell indicates any cell that is blank or set to zero.

ERCOT Confidential		RETURN TO MAP	
Unit Information			
<i>This worksheet tab applies only to Wind generation resources. This tab is UNIT specific for all Wind.</i>			
<i>Please complete this section and select RETURN TO MAP</i>			
Unit Details	Labels	Unit 1	Unit 2
Unit Name		UNIT1	
Resource Name (Unit Code/Mnemonic)		TEST_UNIT1	
PUC Registration Number (Docket Number)			
ERCOT Interconnection Project Number - only new units			
NERC Number (NERC ID#)			
Unit Start Date	mm/dd/yyyy	12/12/2007	
Unit End Date	mm/dd/yyyy		
Physical Unit Type		WT	
Renewable	Y/N	Y	
Renewable/Offset		RN	
Resource Category		Renewable	
Qualifying facility	Y/N	N	
Eligible for McCamey Flowgate Rights (MCFRIs)?	Y/N	Y	
Name Plate Rating	MVA	200.00	
Real Power Rating	MW	180.00	
Reactive Power Rating	MVAR	100.00	
Unit Generating Voltage (collection voltage?)	kV	13.80	
Latitude of center of Wind Farm	decimal degrees (N)	200.00	
Longitude of center of Wind Farm	decimal degrees (W)	100.00	
Average Height above ground of Turbine Hub	meters	50.00	
Latitude of Meteorological Tower	decimal degrees (N)	200.00	
Longitude of Meteorological Tower	decimal degrees (W)	100.00	
Height of Meteorological Tower Instrumentation	meters	75.00	
Turbine Details - Turbine Information by Model			
Group 1 - Type of Turbine (Manufacturer/Model)		GE 1.5 SLE	
Group 1 - MW Rating for this model of Turbine	MW	180.00	
Group 1 - Number of this type of Turbine		10.000	

- If a cell is hatched, the cell is not ready to be filled out, and should be left blank. Upon completing the Resource Names and defining all basic site and unit information, all cells that need to be completed should be hatch-free. Do not enter data behind hatched cells.
- If a field has a Label, the data for the corresponding cell must show only the applicable data value, not the label itself.
- N/A values or other descriptive information is not allowed in cells unless otherwise provided in the pull-down menu selection.

1.3 RARF - Hyperlinks and Mapping

In an attempt to ease accessibility to this document, hyperlinks and a mapping page have been used. Each worksheet has a "RETURN TO MAP" link at the top, in or near cell C1.



C	D	E
RETURN TO MAP		

The Map page is categorized by generation type – CC, WIND and GEN where GEN is all non-wind, non-CC Generation Resources. The example below is for wind. In addition, the map shows a reference to this guide.

WIND	RARF Guide / Protocol Reference	Worksheets Included in this form:
Instructions	RARF Guide: Section 3.0	Instructions
Map (this page)	RARF Guide: Section 3.0	Spreadsheet Map (this page)
General Information - ALL	RARF Guide: Section 4.0	General Information
Site Information - GEN CC WIND	RARF Guide: Section 4.0	Site Information
Unit Info - WIND	RARF Guide: Section 5.3	Unit Information
Resource Parameters - WIND	RARF Guide: Section 6.3	Resource Parameters
Operational Resource Parameters - WIND	RARF Guide: Section 7.3	Operational Resource Parameters
Reactive Capability - WIND	RARF Guide: Section 8.3	Reactive Capability
GSU Transformer - ALL	RARF Guide: Section 9.1	GSU Transformer
Ownership - WIND	RARF Guide: Section 10.3	Ownership
Planning - WIND	RARF Guide: Section 12.1	Planning
Protection - WIND	RARF Guide: Section 12.3	Planning
Private Network - PUN	RARF Guide: Section 13.0	Private Use Network
Generation Owned Transmission Assets - ALL	RARF Guide: Section 14.0	Generation Owned Transmission Assets

1.4 Glossary

A glossary has been created and is being provided as a separate document to this form. The glossary is the source for the definition of each field requested in the RARF.

162					Reactive Capability
163	Reactive Capability	GEN, CC, WIND	MW	MW1	Reactive Capability curve - point on curve of MW output for this unit, MW1
164	Reactive Capability		MVAR	Lagging MVAR limit associated with MW1 output	Unit's Lagging reactive power output capability associated with its MW1 out
	Reactive Capability		MVAR	Leading MVAR limit associated with MW1 output	Unit's Leading reactive power output capability associated with its MW1 out negative number
165					
166	Reactive Capability		MW	MW2	Reactive Capability curve - point on curve of MW output for this unit, MW2
167	Reactive Capability		MVAR	Lagging MVAR limit associated with MW2 output	Unit's Lagging reactive power output capability associated with its MW2 out
168			MVAR	Leading MVAR limit associated with MW2 output	Unit's Leading reactive power output capability associated with its MW2 out negative number
169	Reactive Capability		MW	MW3	Reactive Capability curve - point on curve of MW output for this unit, MW3
170	Reactive Capability		MVAR	Lagging MVAR limit associated with MW3 output	Unit's Lagging reactive power output capability associated with its MW3 out
	Reactive Capability		MVAR	Leading MVAR limit associated with MW3 output	Unit's Leading reactive power output capability associated with its MW3 out negative number
171					
172	Reactive Capability		MW	MW4	Reactive Capability curve - point on curve of MW output for this unit, MW4
173	Reactive Capability		MVAR	Lagging MVAR limit associated with MW4 output	Unit's Lagging reactive power output capability associated with its MW4 out
	Reactive Capability		MVAR	Leading MVAR limit associated with MW4 output	Unit's Leading reactive power output capability associated with its MW4 out negative number
174					
175	Reactive Capability		MW	MW5 - Unity Power Factor	From the Reactive Capability curve - the MW output at Unity Power Factor (ze
	Reactive Capability	GEN, CC	PSI	If hydrogen cooled, indicate hydrogen pressure (psi) associated with your Reactive Curve submitted for ERCOT studies	From manufacturer Reactive Capability Curve or data sheet.
176					
	Reactive Capability	GEN, CC, WIND	MVAR	Net Maximum Leading Operating Capability (MVAR)	Enter the maximum lagging MVARs that can be produced. Obtained from m
177					
178	Reactive Capability		MVAR	Net Maximum Lagging Operating Capability (MVAR)	From manufacturer Reactive Capability Curve or data sheet.
179	Reactive Capability		Y/N	Manufacturer's Capability Curve submitted?	Has a recent curve been submitted to ERCOT? If not, please submit.
180	Reactive Capability	WIND	Y/N	Reactive Standard?	Does the Wind unit meet the reactive standard?



2.0 Instructions and Map

A RARF should be submitted for each generation resource site that contains data for all generation at the site. A separate RARF should also be submitted for each Resource Entity covering all load resources represented by that entity. A RARF is to be completed for all active and mothballed generation resources inside ERCOT. Organizations must submit a market participant application as a Resource Entity prior to submission of this form, if not eligible for Federal Hydro waiver (Section 16.5). If questions arise related to the completion of this form, please contact your designated ERCOT Account Manager or email Wholesale Client Services at NodalMarketTransition@ercot.com with the subject "Resource/Asset Registration Form".

Please bear in mind the following for the completion of this form:

- A single RARF must be submitted for each generation resource site. This form will accommodate generation Resources located at a common site as well as generation load splitting.
- A single RARF must be submitted for load resources represented by a common Resource Entity.

2.1 Process for Official Submittal

There are two methods of submitting the RARF, as follows:

PRIMARY: RARFs are to be submitted through the Texas Market Link (TML) located at <https://tml.ercot.com>. Submission through the TML link requires a valid Authorized Representative's digital certificate.

ALTERNATIVE: An alternate email signature document is available upon request from your ERCOT Account Manager for those who have technical problems submitting via the TML portal. The RARF must be emailed in both portable document format (pdf) and Microsoft Excel spreadsheet (xls) format, along with the signature document to: MPAPPL@ERCOT.COM and NodalMarketTransition@ercot.com.

The following are instructions for submitting the RARF through TML:

- Access to ERCOT TML requires a user digital certificate with a minimal role that allows access to "Create Service Request" on the "Market Activities" page. The "user digital certificate" is authorized by the Market Participant's User Security Administrator.
- Upon accessing TML, go to the "Market Activities" page and select "Create Service Request". Be advised that the Service Request will display in a new window as a pop-up, which may be restricted by browser settings.
- Complete the required fields on the "Service Request" screen annotated by red asterisks.



- The following Request Type and Sub-Type are essential to a proper submittal:
 - *Request Type*: Select "**MP Registration**" from the drop-down list
 - *Request Sub-Type*: Select "**Resource/Asset Registration**" from the drop-down list

Please note that if the Type and Sub-Type values above are not used, the RARF will not be received or processed by ERCOT Client Services.

- Click "*Submit*" (you will add the RARF file on the next screen)
- From the "*Activities and Attachments*" screen, under the Attachments heading of the Service Request click the 'Add' button.
- Select "*Browse*" icon and find the completed RARF file on your computer
- Click "*Submit*" (comments are optional)

ERCOT will verify the RARF is sent from the Authorized Representative of the registered Resource Entity via digital certificate. ERCOT may request additional authentication as deemed necessary.



2.2 Map

<i>ERCOT Confidential</i>		
Map of the ERCOT Resource Asset Registration Form		
<i>This worksheet tab identifies the necessary worksheets and provides links to the pages.</i>		
WIND	RARF Guide / Protocol Reference	Worksheets included in this form:
<i>Instructions</i>	RARF Guide: Section 3.0	Instructions
<i>Map (this page)</i>	RARF Guide: Section 3.0	Spreadsheet Map (this page)
<i>General Information - ALL</i>	RARF Guide: Section 4.0	General Information
<i>Site Information - GEN CC WIND</i>	RARF Guide: Section 4.0	Site Information
<i>Unit Info - WIND</i>	RARF Guide: Section 5.3	Unit Information
<i>Resource Parameters - WIND</i>	RARF Guide: Section 6.3	Resource Parameters
<i>Operational Resource Parameters - WIND</i>	RARF Guide: Section 7.3	Operational Resource Parameters
<i>Reactive Capability - WIND</i>	RARF Guide: Section 8.3	Reactive Capability
<i>GSU Transformer - ALL</i>	RARF Guide: Section 9.1	GSU Transformer
<i>Ownership - WIND</i>	RARF Guide: Section 10.3	Ownership
<i>Planning - WIND</i>	RARF Guide: Section 12.1	Planning
<i>Protection - WIND</i>	RARF Guide: Section 12.3	Planning
<i>Private Network - PUN</i>	RARF Guide: Section 13.0	Private Use Network
<i>Generation Owned Transmission Assets - ALL</i>	RARF Guide: Section 14.0	Generation Owned Transmission Assets
GEN		
<i>Instructions</i>	RARF Guide: Section 3.0	Instructions
<i>Map (this page)</i>	RARF Guide: Section 3.0	Spreadsheet Map (this page)
<i>General Information - ALL</i>	RARF Guide: Section 4.0	General Information
<i>Site Information - GEN CC WIND</i>	RARF Guide: Section 4.0	Site Information
<i>Unit Info - GEN</i>	RARF Guide: Section 5.1	Unit Information
<i>Resource Parameters - GEN</i>	RARF Guide: Section 6.1	Resource Parameters
<i>Operational Resource Parameters - GEN</i>	RARF Guide: Section 7.3	Operational Resource Parameters
<i>Reactive Capability - GEN</i>	RARF Guide: Section 8.1	Reactive Capability
<i>GSU Transformer - ALL</i>	RARF Guide: Section 9.1	GSU Transformer
<i>Ownership - GEN</i>	RARF Guide: Section 10.1	Ownership
<i>Planning - GEN</i>	RARF Guide: Section 12.1	Planning
<i>Protection - GEN</i>	RARF Guide: Section 12.2	Planning
<i>Subsynchronous Resonance - GEN</i>	RARF Guide: Section 12.3	Planning
<i>Private Network - PUN</i>	RARF Guide: Section 13.0	Private Use Network
<i>Generation Owned Transmission Assets - ALL</i>	RARF Guide: Section 14.0	Generation Owned Transmission Assets
COMBINED CYCLE		
<i>Instructions</i>	RARF Guide: Section 3.0	Instructions
<i>Map (this page)</i>	RARF Guide: Section 3.0	Spreadsheet Map (this page)
<i>General Information - ALL</i>	RARF Guide: Section 4.0	General Information
<i>Site Information - GEN CC WIND</i>	RARF Guide: Section 4.0	Site Information
<i>Unit Info - CC</i>	RARF Guide: Section 5.2	Unit Information
<i>Resource Parameters - CC</i>	RARF Guide: Section 6.2	Resource Parameters
<i>Resource Parameters - CC CFG (ensure configurations are entered first)</i>	RARF Guide: Section 6.2	Resource Parameters
<i>Operational Resource Parameters - CC CFG (ensure configurations are entered first)</i>	RARF Guide: Section 7.3	Operational Resource Parameters
<i>Reactive Capability - CC</i>	RARF Guide: Section 8.2	Reactive Capability
<i>GSU Transformer - ALL</i>	RARF Guide: Section 9.1	GSU Transformer
<i>Ownership - CC</i>	RARF Guide: Section 10.2	Ownership
<i>Configurations - CC1</i>	RARF Guide: Section 11.2	Combined Cycle Configuration Details
<i>Configurations - CC2</i>	RARF Guide: Section 11.2	Combined Cycle Configuration Details
<i>Configurations - CC3</i>	RARF Guide: Section 11.2	Combined Cycle Configuration Details
<i>Transitions - CC1</i>	RARF Guide: Section 11.3	Combined Cycle Configuration Details
<i>Transitions - CC2</i>	RARF Guide: Section 11.3	Combined Cycle Configuration Details
<i>Transitions - CC3</i>	RARF Guide: Section 11.3	Combined Cycle Configuration Details
<i>Planning - CC</i>	RARF Guide: Section 12.1	Planning



3.0 General Information and Site Information

These sections contain information that applies to the RARF submittal and/or the site.

3.1 General Information

The General Information tab should be updated with every submittal for load and generation resources. The submittal information, such as date completed, should be updated with every submission, while the remainder of the fields should be verified. Primary contact information is essential, as it provides ERCOT with an additional contact in case of questions regarding the RARF.

ERCOT Confidential	RETURN TO MAP
General Information - All Resource Entities	
<i>This worksheet tab contains information on the Resource Entity responsible for submitting this form.</i>	
<i>Please complete this section and select RETURN TO MAP</i>	
This submittal is for:	
<i>* Deletions are accepted as intentions. This form does not supersede the Notice of Suspension of Operations requirements.</i>	
Submittal Information	
Date Form Completed:	
Resource Entity Submitting Form:	
Resource Entity DUNS #:	
Primary Contact (name of person ERCOT can contact with questions regarding this form)	
Printed Name:	
Title:	
Phone Number:	
E-mail Address:	
Fax Number:	
Secondary Contact (if available)	
Printed Name:	
Title:	
Phone Number:	
E-mail Address:	
Fax Number:	
Instructions for Revisions	
Tab name (Use Drop-Down List):	Describe revision and whether revision is to be applied in Zonal Market. All revisions will be applied to Nodal as default.

3.2 Site Information

The Site Information tab identifies information for the generation resource site, such as address and ERCOT Polled Settlement metering information. The Resource Site Code is determined jointly with ERCOT, and typically aligns with the substation name at the point of interconnection.

All fields in this section must be completed with the exception of Site Stop Service Date. For assistance in identifying the 2003 Congestion Management Zone or the Resource ID (RID), please contact NodalMarketTransition@ercot.com.



Please verify the transmission provider, as some names may have changed over time.

This section does not apply to load resources.

ERCOT Confidential		RETURN TO MAP
Site Information		
<i>This worksheet tab contains site-specific information. Please complete this section and select RETURN TO MAP</i>		
Site Info for Generation Resources (Load Resources and Block Load Transfers should skip this section)		
All Generation Resources	Resource Site Name:	
	Resource Site Code:	
	Street Address:	
	City:	
	State & Zip:	
	County:	
	Site In-Service Date:	
	Site Stop Service Date:	
	Congestion Management Zone for 2003:	
	Resource owned by NOIE?	
	Is Resource behind a NOIE Settlement Meter Point?	
	Number of EPS Primary meters:	
	Generation Load Split?	
	ESI ID:	
ERCOT Read Meter?		
TDSP Providing Service To Resource:		
TDSP DUNS Number:		

If the facility has the Gen Site Load split among multiple competitive retailers or among multiple TDSPs, the second part of the Site Information tab should be filled out as applicable (not the top ESI ID & TDSP fields). Otherwise this section should be left blank.

ERCOT Confidential		RETURN TO MAP
Site Information		
<i>This worksheet tab contains site-specific information. Please complete this section and select RETURN TO MAP</i>		
Complete this section if the Gen Site Load is split among multiple ESI IDs.		
Site Load Split	ESI ID 1:	
	Fixed Load Splitting %	
	Competitive Retailer	
	Competitive Retailer DUNS #	
	TDSP Providing Service To Resource:	
	TDSP DUNS Number:	
	ESI ID 2:	
	Fixed Load Splitting %	
	Competitive Retailer	
	Competitive Retailer DUNS #	
	TDSP Providing Service To Resource:	
	TDSP DUNS Number:	
	ESI ID 3:	
	Fixed Load Splitting %	
	Competitive Retailer	
	Competitive Retailer DUNS #	
	TDSP Providing Service To Resource:	
	TDSP DUNS Number:	
	ESI ID 4:	
	Fixed Load Splitting %	
	Competitive Retailer	
	Competitive Retailer DUNS #	
	TDSP Providing Service To Resource:	
	TDSP DUNS Number:	
ESI ID 5:		
Fixed Load Splitting %		
Competitive Retailer		
Competitive Retailer DUNS #		
TDSP Providing Service To Resource:		
TDSP DUNS Number:		
ESI ID 6:		
Fixed Load Splitting %		
Competitive Retailer		
Competitive Retailer DUNS #		



4.0 Unit Information

The Unit Information section is required for all generation resources. This tab is split into the different sections based on generation resource type: Wind, CC, or other non-Wind, non-CC Generation.

Please enter the PUC Registration number and the NERC Registration number for tracking purposes. The ERCOT Interconnection Project number is only needed for NEW units to aid with tying the interconnection process and the commercial operation process together.

All fields in this section should be completed. Also, the ERCOT Interconnection Project Number is not needed for units already in commercial operation.

4.1 Unit Info – non-Wind, non-CC Generation Units

The Resource Name (also known as the Unit Code/Mnemonic) is the unique identifier that propagates through ERCOT systems. This is determined jointly between ERCOT and the resource, but is already established for existing units. The Resource Name consists of "SITECODE_UNITNAME". This field will populate the remainder of the spreadsheet, identifying additional fields that must be completed.

ERCOT Confidential		RETURN TO MAP		
Unit Information				
This worksheet tab provides generator unit information for generation resources. This tab is UNIT specific for all non-Wind and non-CC. Please complete this section and select RETURN TO MAP				
Unit Details	Labels	Unit 1	Unit 2	Unit 3
Unit Name				
Resource Name (Unit Code/Mnemonic)		TEST_A	TEST_B	
PUC Registration Number				
ERCOT Interconnection Project Number - only new Units				
NERC Number				
Unit Start Date	mm/dd/yyyy			
Unit End Date	mm/dd/yyyy			
Physical Unit Type				
Primary Fuel Type				
Secondary Fuel Type				
Fuel Transportation Type				
Renewable	Y/N			
Renewable/Offset				
Resource Category				
Qualifying facility	Y/N			
Name Plate Rating	MVA			
Real Power Rating	MW			
Reactive Power Rating	MVAR			
Turbine Rating	MW			
Unit Generating Voltage	KV			



4.2 Unit Info – Combined-Cycle Units

This tab contains three parts – for registering up to three trains at one site.

The Mnemonic of Combined Cycle Train is the unique identifier that will propagate through ERCOT systems to identify the Train. This is determined by ERCOT by simply using "SITECODE_CCx" where x is 1, 2, or 3.

The Resource Name (also known as the Unit Code/Mnemonic) is the unique identifier that propagates through ERCOT systems. This is determined jointly between ERCOT and the resource, but is already established for existing units. The Resource Name consists of "SITECODE_UNITNAME". This field will populate the remainder of the spreadsheet, identifying additional fields that must be completed.

ERCOT Confidential		RETURN TO MAP			
Unit Information					
<i>This worksheet tab applies to all combined cycle generation resources. This information is UNIT and TRAIN specific. Please complete this sections (one for each train at the facility) and select RETURN TO MAP</i>					
COMBINED-CYCLE GENERATION RESOURCES CCI	Train Details	Labels	Train 1		
	Name of Combined Cycle Train				
	Mnemonic for Combined Cycle Train		TEST_CC1		
	PUC Registration Number				
	NERC Number				
	Unit Start Date	mm/dd/yyyy			
	Unit End Date	mm/dd/yyyy			
	Fuel Transportation Type				
	Resource Category				
	Qualifying Facility (Y/N)?	Y/N			
	Is train augmented with Duct Burner(s)?	Y/N			
	Is train augmented with Evap Cooler(s)?	Y/N			
	Is train augmented with Chiller(s)?	Y/N			
	Other augmentation?	Y/N			
	Unit Details	Labels	Unit 1	Unit 2	Unit 3
	Unit Name				
	Resource Name (Unit Code/Mnemonic)		TEST_A	TEST_B	TEST_C
	ERCOT Interconnection Project Number - only new units				
	Unit Start Date	mm/dd/yyyy			
	Unit End Date	mm/dd/yyyy			
Physical Unit Type					
Primary Fuel Type					
Secondary Fuel Type					
Name Plate Rating	MVA				
Real Power Rating	MW				
Reactive Power Rating	MVAR				
Turbine Rating	MW				
Unit Generating Voltage	KV				



4.3 Unit Info – Wind Units

The Resource Name (also known as the Unit Code/Mnemonic) is the unique identifier that propagates through ERCOT systems. This is determined jointly between ERCOT and the resource, but is already established for existing units. The Resource Name consists of "SITECODE_UNITNAME". This field will populate the remainder of the spreadsheet, identifying additional fields that must be completed.

The Wind Unit Information tab contains information on the turbine groups. Each Wind Unit may identify up to 5 groups of turbine types, or 5 different models, within a particular unit. This section asks for the model, quantity, and rating of each.

ERCOT Confidential		RETURN TO MAP		
Unit Information				
This worksheet tab applies only to Wind generation resources. This tab is UNIT specific for all Wind. Please complete this section and select RETURN TO MAP				
Unit Details	Labels	Unit 1	Unit 2	Unit 3
Unit Name		TEST_A		
Resource Name (Unit Code/Mnemonic)		TEST_A		
PUC Registration Number (Docket Number)				
ERCOT Interconnection Project Number - only new units				
NERC Number (NERC ID#)				
Unit Start Date	mm/dd/yyyy			
Unit End Date	mm/dd/yyyy			
Physical Unit Type				
Renewable	Y/N			
Renewable/Offset				
Resource Category				
Qualifying facility	Y/N			
Eligible for McCamey Flowgate Rights (MCFRIs)?	Y/N			
Name Plate Rating	MVA			
Real Power Rating	MW			
Reactive Power Rating	MVAR			
Unit Generating Voltage	kV			
Latitude of center of Wind Farm	decimal degrees (N)			
Longitude of center of Wind Farm	decimal degrees (W)			
Average Height above ground of Turbine Hub	meters			
Latitude of Meteorological Tower	decimal degrees (N)			
Longitude of Meteorological Tower	decimal degrees (W)			
Height of Meteorological Tower Instrumentation	meters			
Turbine Details - Turbine Information by Model				
Group 1 - Type of Turbine (Manufacturer/Model)		GROUP1		
Group 1 - MW Rating for this model of Turbine	MW			
Group 1 - Number of this type of Turbine				
Group 2 - Type of Turbine (Manufacturer/Model)				
Group 2 - MW Rating for this model of Turbine	MW			
Group 2 - Number of this type of Turbine				
Group 3 - Type of Turbine (Manufacturer/Model)				
Group 3 - MW Rating for this model of Turbine	MW			
Group 3 - Number of this type of Turbine				
Group 4 - Type of Turbine (Manufacturer/Model)				
Group 4 - MW Rating for this model of Turbine	MW			
Group 4 - Number of this type of Turbine				
Group 5 - Type of Turbine (Manufacturer/Model)				
Group 5 - MW Rating for this model of Turbine	MW			
Group 5 - Number of this type of Turbine				
Total number of turbines		0	0	0



5.0 Resource Parameters

The Resource Parameters tab allows generation resources to establish operational limits and long term planning information. The Seasonal Net Max Sustainable ratings for each season will also be used for the Mitigated Offer Cap.

All fields on this tab should be completed.

5.1 Generation Resources – non-Wind, non-CC Generation Units

ERCOT Confidential		RETURN TO MAP	
Resource Parameters			
<i>This worksheet tab provides resource parameters for generation resources. This tab is UNIT specific for all non-Wind and non-CC.</i>			
<i>Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. Then complete this section and select RETURN TO</i>			
GENERATION RESOURCES (non-WIND, non-CC)	Reasonability Limits	Labels	TEST A
			TEST B
	High Reasonability Limit	MW	
	Low Reasonability Limit	MW	
	High Reasonability Ramp Rate Limit	MW/min	
	Low Reasonability Ramp Rate Limit	MW/min	
	Seasonal Ratings	Labels	TEST A
			TEST B
	Seasonal Net Max Sustainable Rating - Spring	MW	
	Seasonal Net Min Sustainable Rating - Spring	MW	
	Seasonal Net Max Emergency Rating - Spring	MW	
	Seasonal Net Min Emergency Rating - Spring	MW	
	Seasonal Net Max Sustainable Rating - Summer	MW	
	Seasonal Net Min Sustainable Rating - Summer	MW	
	Seasonal Net Max Emergency Rating - Summer	MW	
	Seasonal Net Min Emergency Rating - Summer	MW	
	Seasonal Net Max Sustainable Rating - Fall	MW	
	Seasonal Net Min Sustainable Rating - Fall	MW	
	Seasonal Net Max Emergency Rating - Fall	MW	
	Seasonal Net Min Emergency Rating - Fall	MW	
Seasonal Net Max Sustainable Rating - Winter	MW		
Seasonal Net Min Sustainable Rating - Winter	MW		
Seasonal Net Max Emergency Rating - Winter	MW		
Seasonal Net Min Emergency Rating - Winter	MW		



5.2 Generation Resources – Combined-Cycle Units and Configurations

This tab contains three parts – for registering up to three trains at one site. This information is required for Units and Configurations.

Units:

ERCOT Confidential

RETURN TO MAP

Resource Parameters

This worksheet tab provides resource parameters for Combined Cycle generation resources. This tab is UNIT specific for all CC.
Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. Then complete this section and select RETURN TO

CC GENERATION RESOURCES CCI	Reasonability Limits	Labels	TEST_A	TEST_B	TEST_C
	High Reasonability Limit	MW			
	Low Reasonability Limit	MW			
	High Reasonability Ramp Rate Limit	MW/min			
	Low Reasonability Ramp Rate Limit	MW/min			
	Seasonal Ratings	Labels	TEST_A	TEST_B	TEST_C
	Seasonal Net Max Sustainable Rating - Spring	MW			
	Seasonal Net Min Sustainable Rating - Spring	MW			
	Seasonal Net Max Emergency Rating - Spring	MW			
	Seasonal Net Min Emergency Rating - Spring	MW			
	Seasonal Net Max Sustainable Rating - Summer	MW			
	Seasonal Net Min Sustainable Rating - Summer	MW			
	Seasonal Net Max Emergency Rating - Summer	MW			
	Seasonal Net Min Emergency Rating - Summer	MW			
	Seasonal Net Max Sustainable Rating - Fall	MW			
	Seasonal Net Min Sustainable Rating - Fall	MW			
	Seasonal Net Max Emergency Rating - Fall	MW			
	Seasonal Net Min Emergency Rating - Fall	MW			
	Seasonal Net Max Sustainable Rating - Winter	MW			
	Seasonal Net Min Sustainable Rating - Winter	MW			
	Seasonal Net Max Emergency Rating - Winter	MW			
	Seasonal Net Min Emergency Rating - Winter	MW			

Configurations:

ERCOT Confidential

RETURN TO MAP

Resource Parameters

This worksheet tab provides resource parameters for Combined Cycle generation resources. This tab is specific to all CC configurations.

The cells for the resource parameters will become un-hatched for data entry, after a configuration is entered on the corresponding Configurations Tab.

CC GENERATION RESOURCES CCI CONFIGURATIONS	Reasonability Limits	Labels	TEST_CC1_1	TEST_CC1_2	TEST_CC1_3
	High Reasonability Limit	MW			
	Low Reasonability Limit	MW			
	High Reasonability Ramp Rate Limit	MW/min			
	Low Reasonability Ramp Rate Limit	MW/min			
	Seasonal Ratings	Labels	TEST_CC1_1	TEST_CC1_2	TEST_CC1_3
	Seasonal Net Max Sustainable Rating - Spring	MW			
	Seasonal Net Min Sustainable Rating - Spring	MW			
	Seasonal Net Max Emergency Rating - Spring	MW			
	Seasonal Net Min Emergency Rating - Spring	MW			
	Seasonal Net Max Sustainable Rating - Summer	MW			
	Seasonal Net Min Sustainable Rating - Summer	MW			
	Seasonal Net Max Emergency Rating - Summer	MW			
	Seasonal Net Min Emergency Rating - Summer	MW			
	Seasonal Net Max Sustainable Rating - Fall	MW			
	Seasonal Net Min Sustainable Rating - Fall	MW			
	Seasonal Net Max Emergency Rating - Fall	MW			
	Seasonal Net Min Emergency Rating - Fall	MW			
	Seasonal Net Max Sustainable Rating - Winter	MW			
	Seasonal Net Min Sustainable Rating - Winter	MW			
	Seasonal Net Max Emergency Rating - Winter	MW			
	Seasonal Net Min Emergency Rating - Winter	MW			



5.3 Generation Resource – Wind Units

ERCOT Confidential		RETURN TO MAP	
Resource Parameters			
This worksheet tab provides resource parameters for Wind generation resources. This tab is UNIT specific for all Wind. Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. Then complete this section.			
WIND GENERATION RESOURCES	Reasonability Limits	Labels	TEST_A
	High Reasonability Limit	MW	
	Low Reasonability Limit	MW	
	High Reasonability Ramp Rate Limit	MW/min	
	Low Reasonability Ramp Rate Limit	MW/min	
	Seasonal Ratings	Labels	TEST_A
	Seasonal Net Max Sustainable Rating - Spring	MW	
	Seasonal Net Min Sustainable Rating - Spring	MW	
	Seasonal Net Max Emergency Rating - Spring	MW	
	Seasonal Net Min Emergency Rating - Spring	MW	
	Seasonal Net Max Sustainable Rating - Summer	MW	
	Seasonal Net Min Sustainable Rating - Summer	MW	
	Seasonal Net Max Emergency Rating - Summer	MW	
	Seasonal Net Min Emergency Rating - Summer	MW	
	Seasonal Net Max Sustainable Rating - Fall	MW	
	Seasonal Net Min Sustainable Rating - Fall	MW	
	Seasonal Net Max Emergency Rating - Fall	MW	
	Seasonal Net Min Emergency Rating - Fall	MW	
	Seasonal Net Max Sustainable Rating - Winter	MW	
	Seasonal Net Min Sustainable Rating - Winter	MW	
Seasonal Net Max Emergency Rating - Winter	MW		
Seasonal Net Min Emergency Rating - Winter	MW		

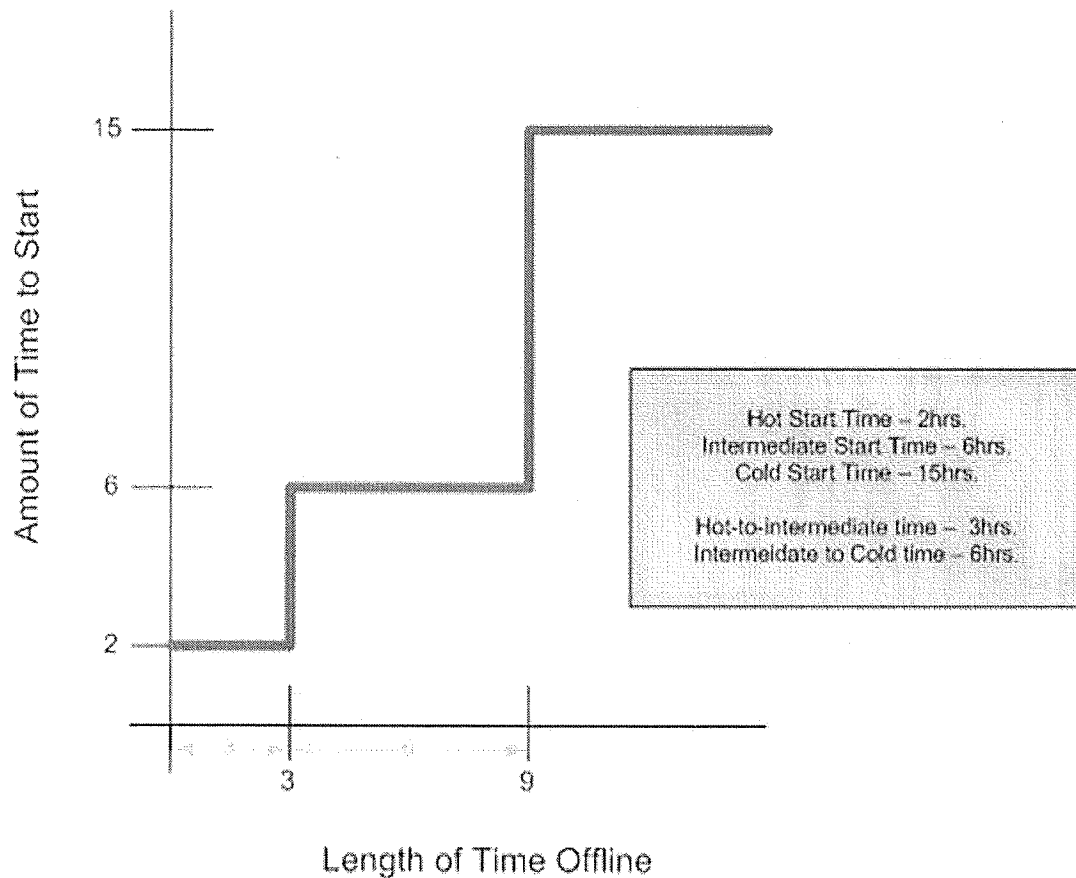


6.0 Operational Resource Parameters

The Operational Resource Parameters section of the RARF provides base values for start-up. The QSE will be able to update these values through the MMS.

These values are required. The only permissible blanks will be the unused portion of the ramp rate curves. (e.g. A minimum of one megawatt value is required, so the MW1 Value and the Upward & Downward Ramps for that MW value.)

The start times for hot, intermediate, and cold apply only to units and trains that are off-line. The Hot-Intermediate and Intermediate-Cold times define which start time to use by seeing how long the unit/train has been off-line. An example is shown below:





6.1 Operational Resource Parameters – non-Wind, non-CC Generation Units

ERCOT Confidential		RETURN TO MAP	
Operational Resource Parameters			
Resource Entity authorizes QSE representing this Generation Resource to submit Resource Parameters on this page for operational purposes in accordance with Section 3.7.1 on behalf of Resource Entity.			
This worksheet tab provides resource parameters for generation resources. This tab is UNIT specific for all non-Wind and non-CC. Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. Then complete this section and select			
Resource Parameters	Labels	TEST_A	TEST_B
Minimum On Line Time	hours		
Minimum Off Line Time	hours		
Hot Start Time	hours		
Intermediate Start Time	hours		
Cold Start Time	hours		
Max Weekly Starts			
Max On Line Time	hours		
Max Daily Starts			
Max Weekly Energy	MWh		
Hot-to-Intermediate Time	hours		
Intermediate-to-Cold Time	hours		
Normal Ramp Rate Curve	Labels	TEST_A	TEST_B
MW1	MW		
Upward RampRate1	MW/min		
Downward RampRate1	MW/min		
MW2	MW		
Upward RampRate2	MW/min		
Downward RampRate2	MW/min		
MW3	MW		
Upward RampRate3	MW/min		
Downward RampRate3	MW/min		
MW4	MW		
Upward RampRate4	MW/min		
Downward RampRate4	MW/min		
MW5	MW		
Upward RampRate5	MW/min		
Downward RampRate5	MW/min		
MW6	MW		
Upward RampRate6	MW/min		
Downward RampRate6	MW/min		
MW7	MW		
Upward RampRate7	MW/min		
Downward RampRate7	MW/min		
MW8	MW		
Upward RampRate8	MW/min		
Downward RampRate8	MW/min		
MW9	MW		
Upward RampRate9	MW/min		
Downward RampRate9	MW/min		
MW10	MW		
Upward RampRate10	MW/min		
Downward RampRate10	MW/min		
Emergency Ramp Rate Curve	Labels	TEST_A	TEST_B
MW1	MW		
Upward RampRate1	MW/min		
Downward RampRate1	MW/min		
MW2	MW		
Upward RampRate2	MW/min		
Downward RampRate2	MW/min		
MW3	MW		
Upward RampRate3	MW/min		
Downward RampRate3	MW/min		
MW4	MW		
Upward RampRate4	MW/min		
Downward RampRate4	MW/min		
MW5	MW		
Upward RampRate5	MW/min		
Downward RampRate5	MW/min		
MW6	MW		
Upward RampRate6	MW/min		
Downward RampRate6	MW/min		

GENERATION RESOURCES (non-WIND, non-CC)



6.2 Operational Resource Parameters – Combined-Cycle Configurations

This tab contains three parts – for registering up to three trains at one site. This information is required for Configurations.

ERCOT Confidential		RETURN TO MAP			
Operational Resource Parameters					
Resource Entity authorizes QSE representing this Generating Resource to submit Resource Parameters on this page for operational purposes in accordance with Section 3.7.1 on behalf of Resource Entity.					
This worksheet tab provides resource parameters for Combined Cycle generation resources. This tab is Configuration specific.					
The cells for the operational resource parameters will become un-hatched for data entry, after a configuration is entered on the corresponding					
Resource Parameters		s	TEST_CC1_1	TEST_CC1_2	TEST_CC1_3
Minimum On Line Time	hours				
Minimum Off Line Time	hours				
Hot Start Time	hours				
Intermediate Start Time	hours				
Cold Start Time	hours				
Max Weekly Starts					
Max On Line Time	hours				
Max Daily Starts					
Max Weekly Energy	MWh				
Hot-to-Intermediate Time	hours				
Intermediate-to-Cold Time	hours				
Normal Ramp Rate Curve		s	TEST_CC1_1	TEST_CC1_2	TEST_CC1_3
MW1	MW				
Upward RampRate1	MW/min				
Downward RampRate1	MW/min				
MW2	MW				
Upward RampRate2	MW/min				
Downward RampRate2	MW/min				
MW3	MW				
Upward RampRate3	MW/min				
Downward RampRate3	MW/min				
MW4	MW				
Upward RampRate4	MW/min				
Downward RampRate4	MW/min				
MW5	MW				
Upward RampRate5	MW/min				
Downward RampRate5	MW/min				
MW6	MW				
Upward RampRate6	MW/min				
Downward RampRate6	MW/min				
MW7	MW				
Upward RampRate7	MW/min				
Downward RampRate7	MW/min				
MW8	MW				
Upward RampRate8	MW/min				
Downward RampRate8	MW/min				
MW9	MW				
Upward RampRate9	MW/min				
Downward RampRate9	MW/min				
MW10	MW				
Upward RampRate10	MW/min				
Downward RampRate10	MW/min				
Emergency Ramp Rate Curve		s	TEST_CC1_1	TEST_CC1_2	TEST_CC1_3
MW1	MW				
Upward RampRate1	MW/min				
Downward RampRate1	MW/min				
MW2	MW				
Upward RampRate2	MW/min				
Downward RampRate2	MW/min				
MW3	MW				
Upward RampRate3	MW/min				
Downward RampRate3	MW/min				
MW4	MW				
Upward RampRate4	MW/min				
Downward RampRate4	MW/min				
MW5	MW				
Upward RampRate5	MW/min				
Downward RampRate5	MW/min				
MW6	MW				
Upward RampRate6	MW/min				
Downward RampRate6	MW/min				
MW7	MW				

CC-GENERATION RESOURCES CC1 CONFIGURATIONS



6.3 Operational Resource Parameters – Wind Units

ERCOT Confidential		RETURN TO MAP	
Operational Resource Parameters			
Resource Entity authorizes GSE representing this Generation Resource to submit Resource Parameters on this page for operational purposes in accordance with Section 3.7.1 on behalf of Resource Entity.			
This worksheet tab provides resource parameters for Wind generation resources. This tab is UNIT specific for all W			
Complete the Unit Information Tab first, then the corresponding cells will become un-hatched on this tab. Then complete			
Resource Parameters		Labels	TEST_A
Minimum On Line Time	hours		
Minimum Off Line Time	hours		
Hot Start Time	hours		
Intermediate Start Time	hours		
Cold Start Time	hours		
Max Weekly Starts			
Max On Line Time	hours		
Max Daily Starts			
Max Weekly Energy	MWh		
Hot-to-Intermediate Time	hours		
Intermediate-to-Cold Time	hours		
Normal Ramp Rate Curve		Labels	TEST_A
MV1	MV		
Upward RampRate1	MW/min		
Downward RampRate1	MW/min		
MV2	MV		
Upward RampRate2	MW/min		
Downward RampRate2	MW/min		
MV3	MV		
Upward RampRate3	MW/min		
Downward RampRate3	MW/min		
MV4	MV		
Upward RampRate4	MW/min		
Downward RampRate4	MW/min		
MV5	MV		
Upward RampRate5	MW/min		
Downward RampRate5	MW/min		
MV6	MV		
Upward RampRate6	MW/min		
Downward RampRate6	MW/min		
MV7	MV		
Upward RampRate7	MW/min		
Downward RampRate7	MW/min		
MV8	MV		
Upward RampRate8	MW/min		
Downward RampRate8	MW/min		
MV9	MV		
Upward RampRate9	MW/min		
Downward RampRate9	MW/min		
MV10	MV		
Upward RampRate10	MW/min		
Downward RampRate10	MW/min		
Emergency Ramp Rate Curve		Labels	TEST_A
MV1	MV		
Upward RampRate1	MW/min		
Downward RampRate1	MW/min		
MV2	MV		
Upward RampRate2	MW/min		



6.4 Ramp Rates

The Ramp Rate Curve data must be entered for both Normal and Emergency Operations. The ramp rates are initially submitted in the RARF, however the QSE will be able to update the ramp rates in Market Management System (MMS).

Ramp rate curves are step functions in the up and down directions at ten MW break points. All ramp rate values, including downward rates, should be entered in the RARF as non-zero positive values. The ramp rates and curves are critical and must be provided for every unit or, in the case of Combined Cycle facilities, ramp rates curves are needed for every configuration

The values submitted in the RARF are used to build the ramp rate step curves, and should not be used as tools to restrain the operating range of the unit or configuration. The curves are limited to LRL and HRL. Further operating restrictions exist as part of the COP and telemetry.

For ranges where the resource must be manually ramped, the up and down ramp rate should be a MW rate at which, if requested, the resource can be manually ramped to within a 5 minute period.

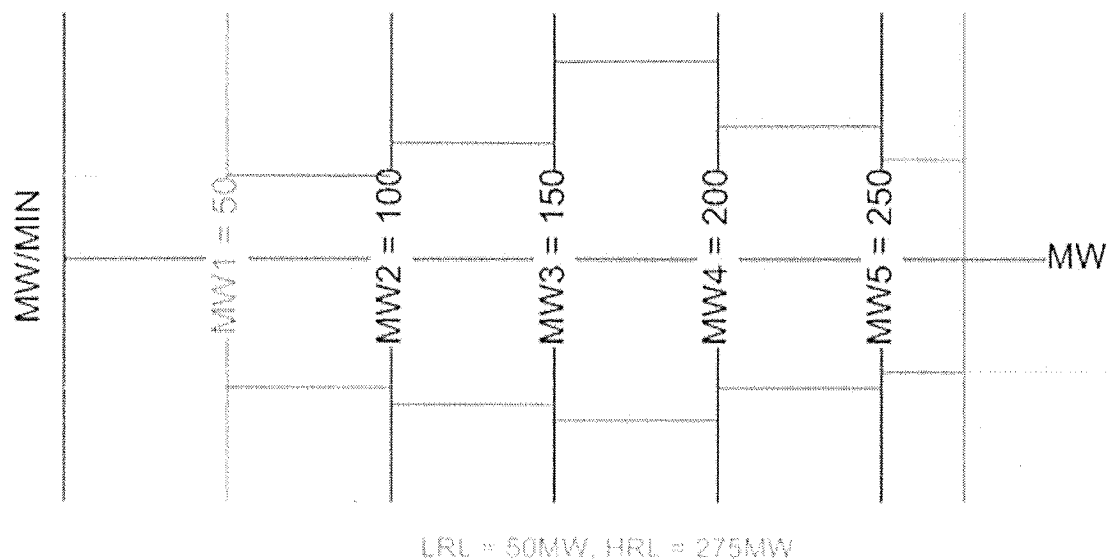
Only one ramp rate is required for the Normal curve and the Emergency curve.

The following picture is an example of a Ramp Rate curve using only five MW break points.

Normal Ramp Rate Curve	Labels	TEST_UNIT1
MW1	MW	50.00
Upward RampRate1	MW/min	5.00
Downward RampRate1	MW/min	8.00
MW2	MW	100.00
Upward RampRate2	MW/min	7.00
Downward RampRate2	MW/min	9.00
MW3	MW	150.00
Upward RampRate3	MW/min	12.00
Downward RampRate3	MW/min	10.00
MW4	MW	200.00
Upward RampRate4	MW/min	8.00
Downward RampRate4	MW/min	8.00
MW5	MW	250.00
Upward RampRate5	MW/min	6.00
Downward RampRate5	MW/min	7.00
MW6	MW	
Upward RampRate6	MW/min	
Downward RampRate6	MW/min	
MW7	MW	
Upward RampRate7	MW/min	
Downward RampRate7	MW/min	
MW8	MW	
Upward RampRate8	MW/min	
Downward RampRate8	MW/min	
MW9	MW	
Upward RampRate9	MW/min	
Downward RampRate9	MW/min	
MW10	MW	
Upward RampRate10	MW/min	
Downward RampRate10	MW/min	



The curve below is shown to help visualize how the reasonability and sustainable limits act as operational limiters as entered on the COP:





7.0 Reactive Capability

The Reactive Capability section requires the submittal of the manufacturer's capability curve as well as the 9-point curve values in the RARF. This information will be used to validate test data and should be the best design information available – including all reactive limitations. ERCOT will continue to require bi-annual testing, and this data will be used operationally.

With the exception of Wind, all values on this tab should be filled in.

7.1 Reactive Capability – non-Wind, non-CC Generation Units

ERCOT Confidential		RETURN TO MAP		
Reactive Capability				
This worksheet tab provides reactive capability for generation resources. This tab is UNIT specific for all non-Wind and non-CC. Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. Then complete this section				
GENERATION RESOURCES (non-WIND, non-CC)	Reactive Capability Curve	Labels	TEST_A	TEST_B
	MW1	MW		
	Lagging MVAR limit associated with MW1 output	MVAR		
	Leading MVAR limit associated with MW1 output	MVAR		
	MW2	MW		
	Lagging MVAR limit associated with MW2 output	MVAR		
	Leading MVAR limit associated with MW2 output	MVAR		
	MW3	MW		
	Lagging MVAR limit associated with MW3 output	MVAR		
	Leading MVAR limit associated with MW3 output	MVAR		
	MW4	MW		
	Lagging MVAR limit associated with MW4 output	MVAR		
	Leading MVAR limit associated with MW4 output	MVAR		
	MW5 - Unity Power Factor	MW		
	If hydrogen cooled, indicate hydrogen pressure (psi) associated with your Reactive Curve submitted for ERCOT	PSI		
	Maximum Leading Operating Capability (MVAR)	MVAR		
	Maximum Lagging Operating Capability (MVAR)	MVAR		
	Manufacturer's Capability Curve submitted?	Y/N		



7.2 Reactive Capability – Combined-Cycle Units

This tab contains three parts – for registering up to three trains at one site. This information is required for Units.

ERCOT Confidential		RETURN TO MAP		
Reactive Capability				
This worksheet tab provides reactive capability for Combined Cycle generation resources. This tab is UNIT specific for all CC. Please complete this section and select RETURN TO MAP				
Reactive Capability Curve	Labels	TEST_A	TEST_B	TEST_C
MW1	MW			
Lagging MVAR limit associated with MW1 output	MVAR			
Leading MVAR limit associated with MW1 output	MVAR			
MW2	MW			
Lagging MVAR limit associated with MW2 output	MVAR			
Leading MVAR limit associated with MW2 output	MVAR			
MW3	MW			
Lagging MVAR limit associated with MW3 output	MVAR			
Leading MVAR limit associated with MW3 output	MVAR			
MW4	MW			
Lagging MVAR limit associated with MW4 output	MVAR			
Leading MVAR limit associated with MW4 output	MVAR			
MW5 - Unity Power Factor	MW			
If hydrogen cooled, Indicate hydrogen pressure (psi) associated with your Reactive Curve submitted for ERCOT	PSI			
Maximum Leading Operating Capability (MVAR)	MVAR			
Maximum Lagging Operating Capability (MVAR)	MVAR			
Manufacturer's Capability Curve submitted?	Y/N			

Reactive Capability Curve	Labels			
MW1	MW			
Lagging MVAR limit associated with MW1 output	MVAR			
Leading MVAR limit associated with MW1 output	MVAR			
MW2	MW			
Lagging MVAR limit associated with MW2 output	MVAR			
Leading MVAR limit associated with MW2 output	MVAR			
MW3	MW			



7.3 Reactive Capability – Wind Units

The 9 point reactive curve data points must be submitted for each unit, as well as the manufacturer's capability curve. The units are listed in the vertical columns – the RARF allows up to five. The groups are horizontal.

Reactive capability must be completed for each group of each unit.

ERCOT Confidential		RETURN TO MAP			
Reactive Capability					
This worksheet tab provides reactive capability for Wind generation resources. This tab is UNIT specific for all WIND.					
Complete the Unit Information Tab first, then the corresponding cells will become un-hatched on this tab. Then complete this section and select RETURN TO					
Reactive Capability Curves - TEST A	Labels	Group 1	Group 2	Group 3	Group 4
Does this unit meet the ERCOT Reactive Standard?					
MW1	MW				
Lagging MVAR limit associated with MW1 output	MVAR				
Leading MVAR limit associated with MW1 output	MVAR				
MW2	MW				
Lagging MVAR limit associated with MW2 output	MVAR				
Leading MVAR limit associated with MW2 output	MVAR				
MW3	MW				
Lagging MVAR limit associated with MW3 output	MVAR				
Leading MVAR limit associated with MW3 output	MVAR				
MW4	MW				
Lagging MVAR limit associated with MW4 output	MVAR				
Leading MVAR limit associated with MW4 output	MVAR				
MW5 - Unity Power Factor	MW				
Maximum Leading Operating Capability	MVAR				
Maximum Lagging Operating Capability	MVAR				
Has the Manufacturer's Capability Curve submitted?	Y/N				

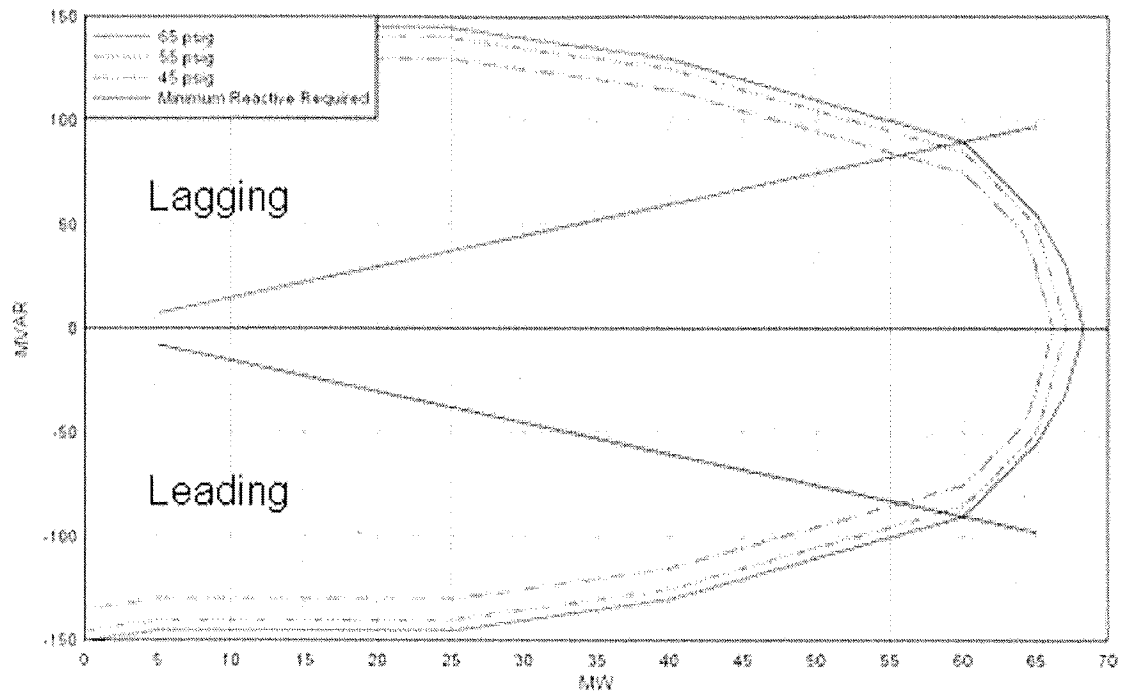
7.4 D-Curve / REACTIVE CAPABILITY CURVES

Reactive capability is the ability of a generator unit to supply/absorb reactive power (MVAR) to the grid continuously for a given MW operating value without damaging the unit. Reactive power is required to control voltage under normal and emergency situations in order to prevent voltage collapse of the grid. Reactive capability qualification testing is required by ERCOT for verification of maximum leading and lagging capability of all generation resources required to provide voltage support service.

The Reactive Capability Curve, also known as the D-curve, represents the operating limits of the generator. The example Reactive Capability Curve pictured below shows the Reactive Capability Curve or D-Curve of a generator unit where the X-axis is MW and the Y-axis is MVAR, and is intended for illustrative purposes only. Values above the x-axis (positive VARs) are "LAGGING" MVARs and values below the x-axis (negative VARs) are "LEADING" MVARs.



DCurve H2 Cooled

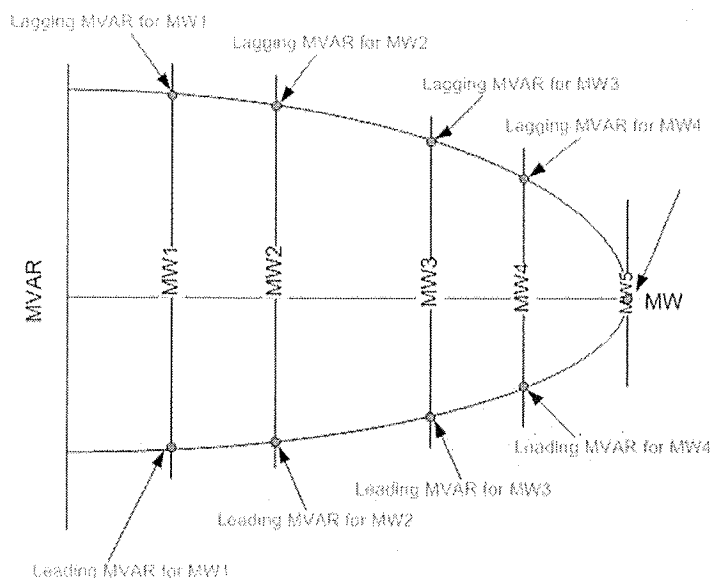




To establish the curve in the RARF, ERCOT requests nine points of data. When entering data on the RARF, use POSITIVE values to represent the lagging MVARs and NEGATIVE values to represent leading MVARs. If the unit is hydrogen cooled, indicate pressure of hydrogen in psi; otherwise leave the cell blank. Supply 5 increasing MW values of operating real power - MW1 at the lowest operation MW through MW 5 at unity power factor. An example of this entry is shown below.

Reactive Capability Curve	Labels	TEST_UNIT1
MW1	MW	50.00
Lagging MVAR limit associated with MW1 output	MVAR	10.00
Leading MVAR limit associated with MW1 output	MVAR	-12.00
MW2	MW	100.00
Lagging MVAR limit associated with MW2 output	MVAR	15.00
Leading MVAR limit associated with MW2 output	MVAR	-25.00
MW3	MW	150.00
Lagging MVAR limit associated with MW3 output	MVAR	20.00
Leading MVAR limit associated with MW3 output	MVAR	-35.00
MW4	MW	200.00
Lagging MVAR limit associated with MW4 output	MVAR	30.00
Leading MVAR limit associated with MW4 output	MVAR	-50.00
MW5 - Unity Power Factor	MW	250.00
If hydrogen cooled, indicate hydrogen pressure (psi) associated with your Reactive Curve submitted for ERCOT studies	PSI	65.0
Maximum Lagging Operating Capability (MVAR)	MVAR	40.00
Maximum Leading Operating Capability (MVAR)	MVAR	-55.00
Manufacturer's Capability Curve submitted?	Y/N	Y

The following is an example of a D-curve and the selection of points. The graph below shows five MW points and corresponding MVARs. After entering these values in the form, the end curve is shown. This implies that the MW selection points should move closer to the unity end to more accurately depict the curve and reactive capability of the resource.





8.0 Split Generation Resources

The responsibility for ensuring proper resource registration belongs to the Resource Entity that represents or controls the output of the unit(s). Joint-ownership is not formally defined in ERCOT. These resources are referred to as Split Generation.

If the entire output of all units at a facility/site is controlled by one Resource Entity only, then the top section should be completed. However, if multiple Resource Entities share ownership, even if the split is by entire units, then the Split Generation Resource section must be completed. This will allow the unit to be properly aligned with the Resource Entity in the ERCOT registration system.

8.1 Ownership – non-Wind, non-CC Generation Units

Complete this section ONLY if a single Resource Entity (RE) represents 100% of all units.		
Resource Owner Data	Owner 1	
Resource Entity Name		
Resource Duns Number		
Complete the following sections if units at the same site are represented by different Resource Entities (RE) or represented :		
TEST A	Owner 1	Owner 2
Market Participant (Resource) Name	RESOURCEOWNER1	RESOURCEOWNER2
Market Participant (Resource) Duns Num	123456789	3216549872000
Fixed Ownership % (must equal 100%)	60.00%	40.00%
Master Owner (Y or N)	Y	N
	Owner 1	Owner 2
Market Participant (Resource) Name		
Market Participant (Resource) Duns Number		
Fixed Ownership % (must equal 100%)		
Master Owner (Y or N)		

8.2 Split Resource Generation – Combined-Cycle Units

This tab contains three parts, for registering up to three trains at one site. The information is required for each train. ERCOT does not allow Combined-Cycle Resources to register as Split Generation.



CC1	Complete this section if a single Resource Entity (RE) represents 100% of all units	
	Resource Owner Data - TEST_CC1	Owner
	Resource Entity Name	RESOURCEOWNER1
	Resource Duns Number	123456789
CC2	Complete this section if a single Resource Entity (RE) represents 100% of all units	
	Resource Owner Data -	Owner
	Resource Entity Name	RESOURCEOWNER1
	Resource Duns Number	3216549872000
CC3	Complete this section if a single Resource Entity (RE) represents 100% of all units	
	Resource Owner Data -	Owner
	Resource Entity Name	
	Resource Duns Number	

8.3 Split Resource Generation – Wind Units

ERCOT Confidential		RETURN TO MAP
Representation of Facility Output		
<i>This worksheet tab applies to all WIND Generation Resources. This tab identifies the Resource. Please complete either the single Resource Owner section or the Split-Generation Owners section.</i>		
WIND GENERATION RESOURCES	Complete this section ONLY if a single Resource Entity (RE) represents 100% of all units.	
	Resource Owner Data	Owner 1
	Resource Entity Name	
	Resource Duns Number	
	Complete the following sections if units at the same site are represented by different Resources.	
	TEST_A	Owner 1
	Market Participant (Resource) Name	RESOURCEOWNER1
	Market Participant (Resource) Duns Number	123456789
	Fixed Ownership % (must equal 100%)	100.00%
	Master Owner (Y or N)	Y
	TEST_B	Owner 1
	Market Participant (Resource) Name	RESOURCEOWNER2
	Market Participant (Resource) Duns Number	3216549872000
	Fixed Ownership % (must equal 100%)	100.00%
	Master Owner (Y or N)	Y
		Owner 1
	Market Participant (Resource) Name	
	Market Participant (Resource) Duns Number	
	Fixed Ownership % (must equal 100%)	
	Master Owner (Y or N)	



9.0 Combined-Cycle Configurations and Transitions

Before the details such as ramp rates can be entered for a configuration, the configurations must be established.

9.1 Configurations

This section is pre-populated with the unit mnemonic, the unit type, and the nameplate MVA rating for reference. CCx refers to a combined cycle train, e.g. CC1 or CC2 or CC3.

Previously, ERCOT limited registration of configurations to no more than the number of units in the train. In this registration, resources are allowed to register all operationally unique configurations. When registering additional configurations, bear in mind the configurations should represent logical configurations (1-0, 2-0, 1-1, etc.), and should NOT represent uniqueness for individual units. In the example below, whether running Unit1&Steamer or Unit2&Steamer, the resource would represent only one unique configuration of 1-on-1.

Enter the unique configurations for each train. Assistance with developing all unique configurations can be found later in this document. The keys to properly identifying the configurations include defining the configurations to increase in MW and in units from left to right (configuration 1 through xx).

As a configuration is entered, the cells for all the resource parameters for that configuration will become available for data entry. The resource parameters must be filled, as this will overwrite any RARF submittals for all configurations.

ERCOT CONFIDENTIAL		RETURN TO MAP			
Combined Cycle Configurations					
<i>This worksheet tab applies to all Combined Cycle Generation Resources. Please complete this section and select RETURN TO MAP</i>					
<i>As a configuration is entered into the CCx Config tab, the hatched cells will open up in the corresponding CCx Transition tab.</i>					
CC3	Resource Name (Unit Code)	Unit Type	TEST CC1_1	TEST CC1_2	TEST CC1_3
	TEST_A	0	X	X	X
	TEST_B	0	a	X	X
	TEST_C	0			X
Number of units and MW increase from left to right.					



9.2 Transitions

As a configuration is entered into the CCx Config tab, the hatched cells will open up in the corresponding CCx Transition tab. This table is a map that, for each operating state/configuration, identifies what states/configurations are next available – e.g. adding a unit or removing a unit. This map is critical to properly transition the ERCOT systems.

ERCOT CONFIDENTIAL

Combined Cycle Transitions

RETURN TO MAP

This worksheet tab applies to all Combined Cycle Generation Resources. This tab defines the operating transitions.

Transition cells will open as a configuration is entered into the corresponding CCx Config tab. After completing this section, select RETURN TO MAP

<div>From \ To</div>	Offline	TEST_CC1_1	TEST_CC1_2	TEST_CC1_3	TEST_CC1_4	TEST_CC1_5
Offline		X				
TEST_CC1_1	X		X			
TEST_CC1_2	X	X		X		
TEST_CC1_3	X	X	X			
TEST_CC1_4						

9.3 Establishing Configurations and Transitions

The following are steps intended to aid in developing configurations and transitions. These steps are not required.

An example is included for illustrative purposes only. For the example, assume a three unit train named ABC_CC1, consisting of two 100MW combustion turbines (CT) and one 100MW steam turbine (CA). When one CT is on, assume the CA can operate at 50% output.

Step 1:

Establish and register all operationally unique configurations with ERCOT. When registering additional configurations, bear in mind the configurations represent logical configurations (1-0, 2-0, 1-1, etc), and should NOT represent uniqueness for individual units. In the example below, whether running Unit1&Steamer or Unit2&Steamer, the resource would only represent one unique configuration of 1-on-1. Additional background to assist with this step can be obtained from the combined cycle whitepaper found at <http://www.ercot.com/calendar/2008/01/20080121-TPTF.html>, item 31.



This step should also establish a configuration order, 1 through xx (where xx represents, at a maximum, the number of unique configurations for the train). The sort order for the configurations should be from lowest to highest MW. A secondary sort order, if needed, would be to assign the lower configuration number to the configuration with fewer units operating.

Step 1 Example:

CC1 can operate in four unique configurations – 1x0, 2x0, 1x1, and 2x1. Each configuration has a different MW output. These configurations and the output have been identified in the table to the right. Applying the configuration order requirement, the yellow cells identify the order that they should be entered into the CCx Config table.

CC1		MW	1x0	2x0	1x1	2x1
Unit 1	CT	100	x	x	x	x
Unit 2	CT	100	a	x	a	x
Unit 3	CA	100			x	x
		300	100	200	150	300
			1	3	2	4

Step 2:

Enter the configurations into the CCx Config tab of Addendum 2.

Step 2 Example:

Unit Code / Mnemonic	Unit Type, MVA	ABC_CC1_1	ABC_CC1_2	ABC_CC1_3	ABC_CC1_4
ABC_Unit1	CT, 120MVA	X	X	X	X
ABC_Unit2	CT, 120MVA	A	A	X	X
ABC_Unit3	CA, 120MVA		X		X

Step 3:

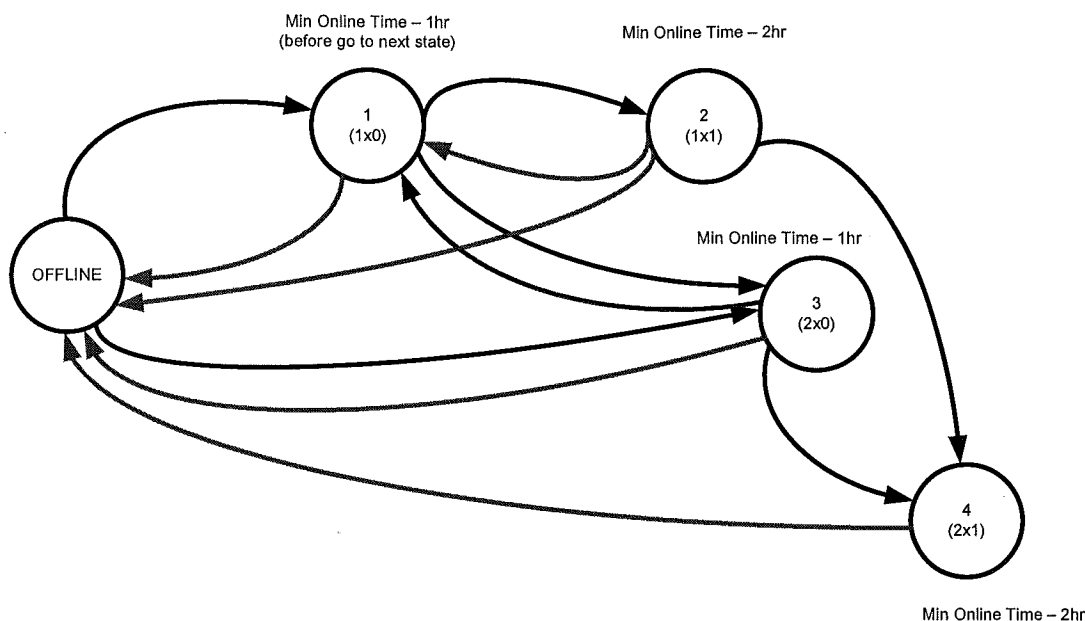
Enter resource parameter information for the configurations. Use the hyperlinks and the map to return to these sections.

Step 4:

Construct a state diagram, where each configuration is a “state” represented by a circle. Then arrows are drawn from each configuration to any other that can be reached within the minimum online time.

The state diagram should be laid out from left to right, where OFFLINE is furthest to the left, and the highest configuration number is furthest to the right. Draw arrows between states/configurations to indicate where the train could operate next. If the configurations were assigned correctly, arrows to the right should add a unit and increase MW. Arrows to the left should indicate decreasing MW and units. This diagram will help you build an accurate matrix for the Nodal systems.

ERCOT
Step 4 Example:



Step 5:

Go to the transition tab to complete the transition matrix.

Referring to the state diagram constructed in Step 4, each arrow should be an X in the matrix. With this layout, an arrow from left to right will be entered as an X in the transition matrix *above* the black diagonal, and any arrow from right to left will be entered as an X in the transition matrix *below* the black diagonal.

Please keep in mind that the unit will stay in any one state/configuration for the duration of the minimum online time.

Step 5 Example:

From Offline, this train can go to ABC_CC1_1 or ABC_CC1_2. This could be any state that could be reached in one hour from offline. The unit will stay in the initial state for the duration of the minimum online time.

From \ To	Offline	ABC_CC1_1	ABC_CC1_2	ABC_CC1_3	ABC_CC1_4
Offline		X		X	
ABC_CC1_1	X		X	X	
ABC_CC1_2	X	X			X
ABC_CC1_3	X	X			X
ABC_CC1_4	X				



In this example, the train could reach Configuration 4 after 1 hour by going from Offline to Configuration 3 (ABC_CC1_3), wait the minimum online time of 1 hour, then transition to Configuration 4 (ABC_CC1_4). If the steamer cannot be ready in 1 hour, then the minimum online time should be increased for Configuration 3.

Alternatively, the train could reach Configuration 4 in 3 hours by going from ABC_CC1_1, wait 1 hour, go to ABC_CC1_2, wait 2 hours, then go to ABC_CC1_4. Again, if the steamer cannot be ready in 1 hour, then the minimum online time for Configuration 1 should be increased.

Complete these steps for each CC train.



10.0 Planning

The Planning Information section of the RARF, along with the PSSE Model datasheets, provides ERCOT with the information needed to properly complete studies. The planning section of the RARF has been separated into three sections.

10.1 Planning Information

This section provides details to ERCOT regarding generator details, auxiliary load information, acknowledgement of PSSE model submittals, as well as transient and subtransient reactances.

Machine Impedance is equivalent to Z_{eq} , which consists of the armature, rotor, and mutual coupling impedances. In addition, the System Protection Working Group needs the Positive, Negative, and Zero sequence impedances.

The Auxiliary Load should be defined by identifying the amount of load in MW and MVAR for each unit. The Load Characteristics should be completed to allocate 100% of the MW and MVAR (separately) across the types of load the facility may have. Please include any motor connected to 2400V/4160V and above with the large motor percentage and lower voltage motors as small.

New Resources should request the PSSE model direct from the manufacturer, especially if the standard models do not exist.

If there are questions related to the PSSE models, please contact your designated ERCOT Account Manager or email Wholesale Client Services at NodalMarketTransition@ercot.com.

All fields in this section should be completed.



10.1.1 Planning – non-Wind, non-CC Generation Units

ERCOT Confidential		RETURN TO MAP	
Planning Information			
<i>This worksheet tab provides planning information for generation resources. This tab is UNIT specific for all non-Wind and non-CC. Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. Then complete this section and select RE.</i>			
GEH (non-wind, non-CC)	Generator Details	Labels	TEST_A
	What is the MVA base that the following data is based on?	MVA	TEST_B
	What is the kV base that the following data is based on?	kV	
	Machine Impedance Z_{eq} (R+jX)	R in p.u.	
		X in p.u.	
	Armature Z	R in p.u.	
		X in p.u.	
	Rotor Z	R in p.u.	
		X in p.u.	
	Mutual coupling Armature-Rotor Z	R in p.u.	
		X in p.u.	
	Positive Sequence Z	R in p.u.	
		X in p.u.	
	Negative Sequence Z	R in p.u.	
		X in p.u.	
	Zero Sequence Z	R in p.u.	
		X in p.u.	
	Generator Auxiliary Load	Labels	TEST_A
	Average Amount of Auxiliary Real Power	MW	TEST_B
	Average Amount of Auxiliary Reactive Power	MVAR	
	Generation Auxiliary Load Characteristics for MW Load		
	Large Motor, percent of total MW load	%	
	Small Motor, percent of total MW load	%	
	Resistive (Heating) Load, percent of total MW load	%	
	Discharge Lighting, percent of total MW load	%	
	Other, percent of total MW load	%	
	Generation Auxiliary Load Characteristics for MVAR Load		
	Large Motor, percent of total MVAR load	%	
	Small Motor, percent of total MVAR load	%	
	Discharge Lighting, percent of total MVAR load	%	
Other, percent of total MVAR load	%		
PSSE Model		TEST_A	
Generator Form on file with ERCOT?	Y/N	TEST_B	
Turbine-Governor Form on file with ERCOT?	Y/N		
Excitation Form on file with ERCOT?	Y/N		
Do you have a Power System Stabilizer?	Y/N		
If so, is Stabilizer Form on file with ERCOT?	Y/N		
Do you have a Compensator?	Y/N		
If so, is Compensator Form on file with ERCOT?	Y/N		
Do you have a Over Excitation Limiter?	Y/N		
If so, is Over Excitation Limiter Form on file with ERCOT?	Y/N		
Do you have a Under Excitation Limiter?	Y/N		
If so, is Under Excitation Limiter Form on file with ERCOT?	Y/N		



10.1.2 Planning – Combined Cycle

This tab contains three parts, for registering up to three trains at one site. This information should be completed for each unit of the trains.

ERCOT Confidential		RETURN TO MAP		
Planning Information				
<i>This worksheet tab provides planning information for Combined Cycle generation resources. This tab is UNIT specific for all CC units.</i>				
<i>Please complete this section and select RETURN TO MAP</i>				
Generator Details		TEST_A	TEST_B	TEST_C
What is the MVA base that the following data is based on?	MVA			
What is the kV base that the following data is based on?	kV			
Machine Impedance Z_{eq} (R+jX)	R in p.u. X in p.u.			
Armature Z	R in p.u. X in p.u.			
Rotor Z	R in p.u. X in p.u.			
Mutual coupling Armature-Rotor Z	R in p.u. X in p.u.			
Positive Sequence Z	R in p.u. X in p.u.			
Negative Sequence Z	R in p.u. X in p.u.			
Zero Sequence Z	R in p.u. X in p.u.			
Generator Auxiliary Load		TEST_A	TEST_B	TEST_C
Average Amount of Auxiliary Real Power	MW			
Average Amount of Auxiliary Reactive Power	MVAR			
Generation Auxiliary Load Characteristics for MW Load				
Large Motor, percent of total MW load	%			
Small Motor, percent of total MW load	%			
Resistive (Heating) Load, percent of total MW load	%			
Discharge Lighting, percent of total MW load	%			
Other, percent of total MW load	%			
Generation Auxiliary Load Characteristics for MVAR Load				
Large Motor, percent of total MVAR load	%			
Small Motor, percent of total MVAR load	%			
Discharge Lighting, percent of total MVAR load	%			
Other, percent of total MVAR load	%			
PSSE Model		TEST_A	TEST_B	TEST_C
Generator Form on file with ERCOT?	Y/N			
Turbine-Governor Form on file with ERCOT?	Y/N			
Excitation Form on file with ERCOT?	Y/N			
Do you have a Power System Stabilizer?	Y/N			
If so, is Stabilizer Form on file with ERCOT?	Y/N			
Do you have a Compensator?	Y/N			
If so, is Compensator Form on file with ERCOT?	Y/N			
Do you have a Over Excitation Limiter?	Y/N			
If so, is Over Excitation Limiter Form on file with ERCOT?	Y/N			
Do you have a Under Excitation Limiter?	Y/N			
If so, is Under Excitation Limiter Form on file with ERCOT?	Y/N			
Reactances		TEST_A	TEST_B	TEST_C
Direct Axis Subtransient reactance, X''_d				
Direct Axis Transient reactance, X'_d				



10.1.3 Planning – Wind Units

For non-Wind Generation Resources, the Over/Under Excitation Limiter form is new and must be submitted to ERCOT as soon as possible.

All fields in this section should be completed.

ERCOT Confidential		RETURN TO MAP		
Planning Information				
<i>This worksheet tab provides planning information for WIND generation resources. This tab is UNIT specific for all Wind units. Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. Then complete this section and select RETURN</i>				
Wind	Field Description	Labels	TEST_A	TEST_B
	What is the MVA base that the following data is based on?	MVA		
	What is the kV base that the following data is based on?	kV		
	Machine Impedance $Z_{eq} (R+jX)$	R in p.u.		
		X in p.u.		
	Armature Z	R in p.u.		
		X in p.u.		
	Rotor Z	R in p.u.		
		X in p.u.		
	Mutual coupling Armature-Rotor Z	R in p.u.		
		X in p.u.		
	Positive Sequence Z	R in p.u.		
		X in p.u.		
	Negative Sequence Z	R in p.u.		
		X in p.u.		
Zero Sequence Z	R in p.u.			
	X in p.u.			
PSSE MODEL		TEST_A	TEST_B	
PSSE Compatible Wind Generator Models submitted to ERCOT?		Y/N		
Do you have a Dynamic Reactive Device?		Y/N		
If so, is corresponding Dynamic Reactive Device Form on file with ERCOT?		Y/N		
Transient and Subtransient Reactances		TEST_A	TEST_B	
Direct Axis Subtransient reactance, X''_{di}				
Direct Axis Transient reactance, X'_{di}				



10.2 Protection

The protection section of the Planning tabs covers the breaker interruption time as well as the voltage and frequency protection of the unit.

Protection information must be provided as applicable. Please ensure that the generator protection is defined.

10.2.1 Protection – non-Wind, non-CC Generation Units

ERCOT Confidential		RETURN TO MAP		
Planning Information				
<i>This worksheet tab provides protection information for generation resources. This tab is UNIT specific for Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. The</i>				
GEN (non-wind, non-cc)	Plant Voltage Protection	Label	TEST_A	TEST_B
	Instantaneous Undervoltage Trip	kV		
	Time 1	sec		
	Undervoltage 1	kV		
	Time 2	sec		
	Undervoltage 2	kV		
	Time 3	sec		
	Undervoltage 3	kV		
	Instantaneous Overvoltage Trip	kV		
	Time 1	sec		
	Overvoltage 1	kV		
	Time 2	sec		
	Overvoltage 2	kV		
	Time 3	sec		
	Overvoltage 3	kV		
	Plant Frequency Protection	Label	TEST_A	TEST_B
	Instantaneous Underfrequency Trip	Hz		
	Time 1	sec		
	Underfrequency 1	Hz		
	Time 2	sec		
	Underfrequency 2	Hz		
	Time 3	sec		
	Underfrequency 3	Hz		
	Instantaneous Overfrequency Trip	Hz		
	Time 1	sec		
	Overfrequency 1	Hz		
	Time 2	sec		
	Overfrequency 2	Hz		
	Time 3	sec		
	Overfrequency 3	Hz		
Breaker Interruption Time	Label	TEST_A	TEST_B	
Breaker Interruption Time	cycles			



10.2.2 Protection – Combined Cycle

This tab contains three parts – for registering up to three trains at one site. This information is required for each unit of the train.

ERCOT Confidential		RETURN TO MAP			
Planning Information					
<i>This worksheet tab provides protection information for Combined Cycle generation resources. This tab is UNIT specific for all CC. Please complete this section and select RETURN TO MAP</i>					
100	Plant Voltage Protection	Label	TEST_A	TEST_B	TEST_C
	Instantaneous Undervoltage Trip	kV			
	Time 1	sec			
	Undervoltage 1	kV			
	Time 2	sec			
	Undervoltage 2	kV			
	Time 3	sec			
	Undervoltage 3	kV			
	Instantaneous Overvoltage Trip	kV			
	Time 1	sec			
	Overvoltage 1	kV			
	Time 2	sec			
	Overvoltage 2	kV			
	Time 3	sec			
	Overvoltage 3	kV			
	Plant Frequency Protection	Label	TEST_A	TEST_B	TEST_C
	Instantaneous Underfrequency Trip	Hz			
	Time 1	sec			
	Underfrequency 1	Hz			
	Time 2	sec			
	Underfrequency 2	Hz			
	Time 3	sec			
	Underfrequency 3	Hz			
	Instantaneous Overfrequency Trip	Hz			
	Time 1	sec			
	Overfrequency 1	Hz			
	Time 2	sec			
	Overfrequency 2	Hz			
Time 3	sec				
Overfrequency 3	Hz				
Breaker Interruption Time	Label	TEST_A	TEST_B	TEST_C	
Breaker Interruption Time	cycles				



10.2.3 Protection – Wind Units

ERCOT Confidential		RETURN TO MAP		
Planning Information				
<i>This worksheet tab provides protection information for WIND generation resources. This tab is UNIT specific for all Wind. Complete the Unit Information tab first, then the corresponding cells will become un-hatched on this tab. Then complete the</i>				
WIND	Plant Voltage Protection	Label	TEST_A	TEST_B
	Instantaneous Undervoltage Trip	kV		
	Time 1	sec		
	Undervoltage 1	kV		
	Time 2	sec		
	Undervoltage 2	kV		
	Time 3	sec		
	Undervoltage 3	kV		
	Instantaneous Overvoltage Trip	kV		
	Time 1	sec		
	Overvoltage 1	kV		
	Time 2	sec		
	Overvoltage 2	kV		
	Time 3	sec		
	Overvoltage 3	kV		
	Plant Frequency Protection	Label	TEST_A	TEST_B
	Instantaneous Underfrequency Trip	Hz		
	Time 1	sec		
	Underfrequency 1	Hz		
	Time 2	sec		
	Underfrequency 2	Hz		
	Time 3	sec		
	Underfrequency 3	Hz		
	Instantaneous Overfrequency Trip	Hz		
	Time 1	sec		
	Overfrequency 1	Hz		
	Time 2	sec		
	Overfrequency 2	Hz		
Time 3	sec			
Overfrequency 3	Hz			
Breaker Interruption Time	Label	TEST_A	TEST_B	
Breaker Interruption Time	cycles			

10.3 Sub-synchronous Resonance

Sub-synchronous Resonance information has been difficult for many Resources to provide. At this time, the studies that need this information are not completed often, but will become more common as capacitor compensation is used in series on long transmission lines.

The studies focus on the units at either end of the lines compensated with the series capacitors to ensure the resonance from these lines will not excite critical frequencies in the machines in the areas at the ends of these lines.

In the future, these studies will be useful to Resource owners interested in equipment damage prevention.



Due to the infrequent nature of these studies, ERCOT accepts minimal information in these fields at this time. However, as series compensation is installed on our grid, this information will become necessary and critical to system performance

10.3.1 Sub-synchronous Resonance – non-Wind, non-CC Generation Units

ERCOT Confidential		RETURN TO MAP	
Planning Information			
<i>This worksheet tab provides subsynchronous resonance planning information for generation resources. This tab is UNIT specific for all non-Wind. Please complete this section and select RETURN TO MAP</i>			
CELL (non-wind, non-CC)	Subsynchronous Resonance - Mass 1	TEST_A	TEST_B
	Name of Mass 1		
	Mass Inertia		
	Inertia units		
	Associated damping		
	Damping units		
	Subsynchronous Resonance - Mass 2	TEST_A	TEST_B
	Name of Mass 2		
	Mass Inertia		
	Inertia units		
	Associated damping		
	Damping units		
	Stiffness between Masses 1 and 2		
	Stiffness units		
	Subsynchronous Resonance - Mass 3	TEST_A	TEST_B
	Name of Mass 3		
	Mass Inertia		
	Inertia units		
	Associated damping		
	Damping units		
	Stiffness between Masses 2 and 3		
	Stiffness units		
	Subsynchronous Resonance - Mass 4	TEST_A	TEST_B
	Name of Mass 4		
	Mass Inertia		
Inertia units			
Associated damping			
Damping units			
Stiffness between Masses 3 and 4			
Stiffness units			
Subsynchronous Resonance - Mass 5	TEST_A	TEST_B	
Name of Mass 5			
Mass Inertia			
Inertia units			
Associated damping			
Damping units			
Stiffness between Masses 4 and 5			
Stiffness units			



10.3.2 Sub-synchronous Resonance – Combined Cycle

This tab contains three parts, for registering up to three trains at one site. This information is required for each unit of the train.

ERCOT Confidential		RETURN TO MAP			
Planning Information					
<i>This worksheet tab provides subsynchronous resonance planning information for Combined Cycle generation resources. This tab is UNIT specific. Please complete this section and select RETURN TO MAP.</i>					
CC1	Subsynchronous Resonance - Mass 1		TEST_A	TEST_B	TEST_C
	Name of Mass 1				
	Mass Inertia				
	Inertia units				
	Associated damping				
	Damping units				
	Subsynchronous Resonance - Mass 2		TEST_A	TEST_B	TEST_C
	Name of Mass 2				
	Mass Inertia				
	Inertia units				
	Associated damping				
	Damping units				
	Stiffness between Masses 1 and 2				
	Stiffness units				
	Subsynchronous Resonance - Mass 3		TEST_A	TEST_B	TEST_C
	Name of Mass 3				
	Mass Inertia				
	Inertia units				
	Associated damping				
	Damping units				
	Stiffness between Masses 2 and 3				
	Stiffness units				
	Subsynchronous Resonance - Mass 4		TEST_A	TEST_B	TEST_C
	Name of Mass 4				
	Mass Inertia				
Inertia units					
Associated damping					
Damping units					
Stiffness between Masses 3 and 4					
Stiffness units					
Subsynchronous Resonance - Mass 5		TEST_A	TEST_B	TEST_C	
Name of Mass 5					
Mass Inertia					
Inertia units					
Associated damping					
Damping units					
Stiffness between Masses 4 and 5					
Stiffness units					



11.0 Private Use Networks

Private Use Networks require information at both the site and unit level. If the facility is a Private Use Network – load other than auxiliary load behind the EPS meter – then enter Y for the response to “Private Network?” This will open the rest of the hatched cells on the page that must be completed.

11.1 Site Information

Each private network should provide the MW and MVAR that can be generated, that which is typically used by the facility, and that which is net to the grid. ERCOT is aware this net value can swing widely, and telemetry will provide details. If possible, provide an average over the past year.

Similar to the auxiliary load, load characteristics must be provided for the planning studies. Each of the % for MW Load and for MVAR Load areas must add to 100%.

ERCOT Confidential		RETURN TO MAP	
Private Network - Site and Unit Information			
<i>This worksheet tab applies to all Private Use Networks. Complete this section then select RETURN TO MAP</i>			
<i>Complete the Unit Information tab then answer whether the site is Private Network and the appropriate cells will become un-hatched on this tab.</i>			
SITE	PRIVATE NETWORK - SITE INFORMATION		Labels
	Private Network?	Y/N	Y
	Average Amount of Self-Serve private load	MW	
	Average Amount of Self-Serve private reactive load	MVAR	
	Expected Typical Private Network Net Interchange	MW	
	Expected Typical Private Network Net Reactive Interchange	MVAR	
	Private Network Gross Unit Capability	MW	
	Private Network Gross Unit Reactive Capability	MVAR	
	Load Characteristics:		
	Load Characteristics for MW Load (must equal 100%)		
	Large Motor, percent of total MW load	%	
	Small Motor, percent of total MW load	%	
	Resistive (Heating) Load, percent of total MW load	%	
	Discharge Lighting, percent of total MW load	%	
	Other, percent of total MW load	%	
	Load Characteristics for MVAR Load (must equal 100%)		
	Large Motor, percent of total MVAR load	%	
	Small Motor, percent of total MVAR load	%	
Discharge Lighting, percent of total MVAR load	%		
Other, percent of total MVAR load	%		



11.2 Unit Information

After completing the site details, the generation and load must be allocated across the units. Please identify the amount of load allocated to each unit, as well as the percentage of load that will trip if the unit trips. Some facilities become a large load to ERCOT if the generation trips, which can create issues with the reliability studies if the load cannot trip within a minute of the generation unit trip.

PRIVATE NETWORK - Unit Information		Label	TEST_A	TEST_B	TEST_C
DC1	Average Amount of Self-Serve private load	MW			
	Average Amount of Self-Serve private reactive load	MVAR			
	Expected Typical Private Network Net Interchange	MW			
	Expected Typical Private Network Net Reactive Interchange	MVAR			
	Private Network Gross Unit Capability	MW			
	Private Network Gross Unit Reactive Capability	MVAR			
	If Unit trips, does Load trip?	Y/N			
	If yes, approximate percentage of Load that will trip?	%			
DC2	PRIVATE NETWORK - Unit Information	Label			
	Average Amount of Self-Serve private load	MW			
	Average Amount of Self-Serve private reactive load	MVAR			
	Expected Typical Private Network Net Interchange	MW			
	Expected Typical Private Network Net Reactive Interchange	MVAR			
	Private Network Gross Unit Capability	MW			
	Private Network Gross Unit Reactive Capability	MVAR			
	If Unit trips, does Load trip?	Y/N			
If yes, approximate percentage of Load that will trip?	%				
DC3	PRIVATE NETWORK - Unit Information	Label			
	Average Amount of Self-Serve private load	MW			
	Average Amount of Self-Serve private reactive load	MVAR			
	Expected Typical Private Network Net Interchange	MW			
	Expected Typical Private Network Net Reactive Interchange	MVAR			
	Private Network Gross Unit Capability	MW			
	Private Network Gross Unit Reactive Capability	MVAR			
	If Unit trips, does Load trip?	Y/N			
If yes, approximate percentage of Load that will trip?	%				



12.0 Line Data

The Line Data tab is used for registering both, internal lines and lines which go outside of the generation site, but are owned by the resource entity. All lines registered here are those owned by the Resource Entity.

Each line registered must use the Line names as they appear in the ERCOT model.

For connected devices, ERCOT requires at least 1 device, but no more than 10.

Line Data Business Rules / Basic Validations

Use this section to pre-validate the information entered in the RARF.

RARF DATA FIELD	Business Rules/Basic UI validations	Datatype
Description of Change	1) This field is conditionally Required - If there is a change to a tab, the change must be described.	Alpha
ERCOT Line Name	1) This field is required 2) Warn if > 14 characters 3) This field may not have any special characters, except an underscore "_" and a dash "-"	Alpha
Line Voltage Level	1) This field is required. 2) If the value ≥ 69 kv it must be 69, 138, or 345 3) The value must be < 345 4) The value must be > 1	Float
TO STATION - ERCOT Station Code Mnemonic	1) This field is Optional 2) Warn if left blank 3) This field must match ERCOT records (unless new)	Alpha
TO STATION - TSP Name	1) This field is conditionally required if TO STATION - Internal Line - 'N' 2) This field must match ERCOT records (drop down in RARF)	Alpha
TO STATION - Connected Device Name(s) (multiple)	1) This field is required 2) May not be \geq than 17 characters 3) May not have duplicates within the TO or FROM Station 4) May not contain special characters except for an underscore "_" and a dash "-"	Alpha
TO STATION - Bus Number (PTI Bus Number)	1) This field is optional 2) This field must be between 1 - 99,999	Integer
TO STATION - Weather Zone / Weather Station (used for Dynamic Ratings)	1) This field is conditionally required if "Line Rating (Static or Dynamic)" = 'DYNAMIC' 2) Value must be from the following list: COAST, EAST, FAR_WEST, NORTH, NORTH_C, SOUTH_C, SOUTHERN, WEST, KABI, KAUS, KBRO, KCRP, KDFW, KGLS, KIAH, KJCT, KLRD, KLFK, KMAF, KMWL, KSJT, KSAT, KTYR, KVCT, KACT, KSPS, KINK, KPRX	Alpha
FROM STATION - ERCOT Station Code Mnemonic	1) This field is required 2) Must match ERCOT records (unless new) 3) Value must be ≤ 8 characters	Alpha
FROM STATION - Connected Device Name(s) (multiple)	1) This field is required 2) May not be $>$ than 17 characters	Alpha



	3) May not have duplicates within the TO or FROM Station 4) May not contain special characters except for an underscore " _ " and a dash "-"	
FROM STATION - Bus Number (PTI Bus Number)	1) This field is optional 2) This field must be between 1 - 99,999 3) Warn if left blank	Integer
FROM STATION - Weather Zone / Weather Station (used for Dynamic Ratings)	1) This field is conditionally required if "Line Rating (Static or Dynamic)" = 'DYNAMIC' 2) Value must be from the following list: COAST, EAST, FAR_WEST, NORTH, NORTH_C, SOUTH_C, SOUTHERN, WEST, KABI, KAUS, KBRO, KCRP, KDFW, KGLS, KIAH, KJCT, KLRD, KLFK, KMAF, KMWL, KSJT, KSAT, KTYR, KVCT, KACT, KSPS, KINK, KPRX	Alpha
Resistance in P.U. (100 MVA Base)	1) Field is required 2) Value must be ≥ 0.0001 3) If Line Data - Line Voltage Level = 69kV, value must be ≤ 1.5 If Line Data - Line Voltage Level = 138kV or 345kV, value must be ≤ 0.5 WARN if value is outside of these conditions	Float
Reactance in P.U. (100 MVA Base)	1) Field is required 2) Value must be ≥ 0.0001 If Line Data - Line Voltage Level = 69kV, value must be ≤ 1.0 If Line Data - Line Voltage Level = 138kV, value must be ≤ 0.1 If Line Data - Line Voltage Level = 345kV, value must be ≤ 0.05 WARN if value is outside of these conditions	Float
Charging Susceptance in PU (100 MVA Base)	1) Field is required 2) Value must be ≥ 0 If Line Data - Line Voltage Level = 69kV, value must be ≤ 0.3 If Line Data - Line Voltage Level = 138kV, value must be ≤ 0.5 If Line Data - Line Voltage Level = 345kV, value must be ≤ 1.75	Float
Type (overhead / underground)	1) Field is required 2) Value must be at from the following list: OVERHEAD, UNDERGROUND, BOTH	Alpha
Segment Length	1) Field is required 2) Value must > 0 3) Formula on Line Data - Segment Length: The formula to determine the length of a line based on the Reactance (X) and the Charging Susceptance (Chg) is $486 * \text{SQRT}(X_{\text{pu}} * \text{Chg}_{\text{pu}})$. 25% variation This is a warning	Float
Line Rating (Static or Dynamic)	1) Field is required 2) Field must be from the following list: STATIC, DYNAMIC	Alpha
Nominal (Static) - Continuous Rating	1) This field is required regardless of STATIC or DYNAMIC 2) Value must be \leq Nominal (Static) - 2-hr Emergency Rating	Integer



	<p>3) Value must be \leq Nominal (Static) - 15-min Rating</p> <p>4) Conditional Rule (if Line Rating (Static or Dynamic) = Dynamic): Value must be $\leq 20^{\circ}\text{F}$ - Continuous Rating AND value must be $\geq 115^{\circ}\text{F}$ Continuous Rating</p>	
Nominal (Static) - 2-hr Emergency Rating	<p>1) This field is required regardless of STATIC or DYNAMIC</p> <p>2) Value must be \geq Nominal (Static) - Continuous Rating</p> <p>3) Value must be \leq Nominal (Static) - 15-min Rating</p> <p>4) Conditional Rule (if Line Rating (Static or Dynamic) = Dynamic): Value must be $\leq 20^{\circ}\text{F}$ - 2-hr Emergency Rating AND value must be $\geq 115^{\circ}\text{F}$ 2-hr Emergency Rating</p>	Integer
Nominal (Static) - 15-min Rating	<p>1) This field is required regardless of STATIC or DYNAMIC</p> <p>2) Value must be \geq Nominal (Static) - Continuous Rating</p> <p>3) Value must be \geq Nominal (Static) - 2-hr Emergency Rating</p> <p>4) Conditional Rule (if Line Rating (Static or Dynamic) = Dynamic): Value must be $\leq 20^{\circ}\text{F}$ - 15-min Rating AND value must be $\geq 115^{\circ}\text{F}$ 15-min Rating</p>	Integer
20 °F - Continuous Rating - 115 °F Continuous Rating	<p>1) These field are conditionally required. If Line Rating (Static or Dynamic) = Dynamic this field is required</p> <p>2) Line Rating (Static or Dynamic) = Static, this field must be blank</p> <p>3) If required, these values must be \leq the subsequent dynamic rating. For example: 20°F - Continuous Rating $\geq 25^{\circ}\text{F}$ - Continuous Rating 25°F - Continuous Rating $\geq 30^{\circ}\text{F}$ - Continuous Rating</p> <p>4) If required, within each temp rating, the following must apply Continuous Rating \leq 2-hr Emergency Rating \leq 15-min rating</p>	Integer
20 °F - 2-hr Emergency Rating - 115 °F 2-hr Emergency Rating	<p>1) These field are conditionally required. If Line Rating (Static or Dynamic) = Dynamic this field is required</p> <p>2) Line Rating (Static or Dynamic) = Static, this field must be blank</p> <p>3) If required, these values must be \geq the subsequent dynamic rating. For example: 20°F - 2-hr Emergency Rating $\geq 25^{\circ}\text{F}$ - 2-hr Emergency Rating 25°F - 2-hr Emergency Rating $\geq 30^{\circ}\text{F}$ - 2-hr Emergency Rating</p> <p>4) If required, within each temp rating, the following must apply Continuous Rating \leq 2-hr Emergency Rating \leq 15-min rating</p>	Integer
20 °F - 15-min Rating - 115 °F 15-min Rating	<p>1) These field are conditionally required. If Line Rating (Static or Dynamic) = Dynamic this field is required</p> <p>2) Line Rating (Static or Dynamic) = Static, this</p>	Integer



	field must be blank 3) If required, these values must be \geq the subsequent dynamic rating. For example: 20 °F - 2-hr 15-min Rating \geq 25 °F - 15-min Rating 25 °F - 2-hr 15-min Rating \geq 30 °F - 15-min Rating 4) If required, within each temp rating, the following must apply Continuous Rating \leq 2-hr Emergency Rating \leq 15-min rating	
General	This tab is conditionally required if Private Network - Private Network? = 'Y'	N/A

13.0 Breaker / Switch Data

The Breaker and Switch Data tab is used for registering all breakers and switches. All Breakers and Switches registered here are those owned by the Resource Entity.

Each Breakers and Switches registered must use the name as it appears in the ERCOT model.

For directly connected devices, ERCOT requires at least 1 device, but no more than 10.

Breaker and Switch Business Rules / Basic Validations

Use this section to pre-validate the information entered into the RARF.

RARF DATA FIELD	Business Rules/Basic UI validations	Datatype
Description of Change	1) This field is conditionally Required - If there is a change to a tab, the change must be described.	Alpha
ERCOT Station Code Mnemonic	1) This field is required 2) Must match ERCOT records (unless new) 3) Must be \leq 8 characters	Alpha
Is this a Fault Isolating Device (e.g. Circuit Breaker)	1) This is a required field 2) Values must from the following list: 'Y', 'N'	Alpha
Switch Name	1) This field is required 2) Value may contain no special characters except an underscore "_" and a dash "-" 3) Must be \leq 14 characters	Alpha
Normal Operating Status (when in-service)	1) This field is required 2) Value must be from the following list: 'OPEN', 'CLOSED'	Alpha
Voltage Level	1) This field is required. 2) If the value \geq 69kv it must be 69, 138, or 345 3) The value may not exceed 345 4) The value must be > 0	Float
Side 1 / Side 2 - Directly connected device name(s)	1) This field is required 2) Value may contain no special characters except an underscore "_" and a dash "-" 3) Must be \leq 17 characters	Alpha

ERCOT Public

Resource Asset Registration Guide v4.03
Page 53 of 69



General	This tab is required	N/A
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14.0 Capacitor Reactor Data

The Capacitors Reactor Data tab is used for registering all capacitors and reactors. All Capacitor and Reactors registered here are those owned by the Resource Entity.

Each Capacitors Reactor registered must use the name as it appears in the ERCOT model.

Capacitors and Reactors Business Rules / Basic Validations

Use this section to pre-validate the information entered in the RARF.

RARF DATA FIELD	Business Rules/Basic UI validations	Datatype
Description of Change	1) This field is conditionally Required - If there is a change to a tab, the change must be described.	Alpha
ERCOT Station Code Mnemonic	1) This field is required 2) Must match ERCOT records (unless new) 3) Value must be <= 8 characters	Alpha
Capacitor or Reactor	1) This field is required 2) Value must be from the following list: 'C', 'R'	Alpha
Device Name	1) This field is required 2) Value may contain no special characters except an underscore "_" and a dash "-" 3) Must be <=14 characters	Alpha
Nominal MVAR	1) This field is required 2) Value must be > 0	Float
Voltage Level kV	1) This field is required. 2) If the value >= 69kv it must be 69,138, or 345 3) The value may not exceed 345 4) The value must be > 0	Float



PTI Bus Number	1) This field is optional 2) This field must be between 1 - 99,999	Float
Device Name(s) - that this reactive device is directly connected to	1) This field is optional 2) May not be > than 17 characters 3) May not contain special characters except for an underscore "_" and a dash "-"	Alpha
Automatic Voltage Regulation	1) This field is required 2) Value must be from the following list: 'Y', 'N'	Alpha
Voltage Level of Busbar being regulated	1) This field is conditionally required if Automatic Voltage Regulation = 'Y' 2) If the value >= 69kv it must be 69,138, or 345 3) The value may not exceed 345 4) The value must be > 0	Float
Desired Regulating voltage	1) This field is conditionally required if Automatic Voltage Regulation = 'Y' 2) The value may not exceed 345 3) The value must be > 0 4) The value must >= Minimum Regulating Voltage 5) The value must <=Maximum Regulating Voltage	Float
Minimum Regulating Voltage	1) This field is conditionally required if Automatic Voltage Regulation = 'Y' 2) The value may not exceed 345 3) The value must be > 0 4) The value must be <= Maximum Regulating Voltage 5) Warning if value exceeds 50% from Maximum Regulating Voltage	Float
Maximum Regulating Voltage	1) This field is conditionally required if Automatic Voltage Regulation = 'Y' 2) The value may not exceed 345 3) The value must be > 0 4) The value must be >= Minimum Regulating Voltage 5) Warning if value exceeds 50% from Minimum Regulating Voltage	Float

15.0 Transformers

GSU Transformers

Note that for associated units, this field is only for the GSU (Generator Step-Up) Transformer.



Some resources use multiple transformers for one unit and some have one transformer for multiple units. In order to accommodate this, the GSU section has been developed independent of units.

Ensure the proper unit(s) is(are) assigned to the transformer. A dropdown list is provided to supply the previously supplied unit name as identified on the General Information tab.

All Transformers

The Transformer Data tab is used for registering all transformers. All Transformer registered here are those owned by the Resource Entity.

There is only one Transformer data tab for all resource types.

Each Transformer registered must use the name as it appears in the ERCOT model.

Transformer Business Rules / Basic Validations

Use this section to pre-validate the information entered in the RARF.

RARF DATA FIELD	Business Rules/Basic UI validations	Datatype
Description of Change	1) This field is conditionally Required - If there is a change to a tab, the change must be described.	Alpha
ERCOT Station Name (Station Code or Station Mnemonic)	1) This field is required 2) Must match ERCOT records 3) Must be <= 8 characters	Alpha
Transformer Name	1) This field is required 2) Warn if >= 14 characters. First 14 characters must be unique 3) May not contain special characters except for an underscore "_" and a dash "-"	Alpha
Is this transformer in Master / Follower of Current Balancing configuration?	1) This field is required 2) Value must be in the following list: 'Y', 'N'	Alpha
Master Name (can be same as this transformer)	1) This field is conditionally required if Transformer Data - Is this transformer in Master / Follower of Current Balancing configuration? = 'Y' 2) Warn if >= 14 characters. First 14 characters must be unique 3) May not contain special characters except for an underscore "_" and a dash "-" 4) Either the Master Name or the Follower Name MUST = Transformer Data - Transformer Name	Alpha
Follower Name (can be same as this transformer)	1) This field is conditionally required if Transformer Data - Is this transformer in Master / Follower of Current Balancing configuration? = 'Y' 2) Warn if >= 14 characters. First 14 characters must be unique 3) May not contain special characters except for an underscore "_" and a dash "-" 4) Either the Master Name or the Follower Name MUST = Transformer Data - Transformer Name	Alpha



Generation Step-Up Transformer?	1) This field is required 2) Value must be in the following list: 'Y', 'N'	Alpha
Unit(s) associated with this transformer	1) This field is conditionally required - if Generation Step-up = 'Y', this is required 2) Value(s) must be <=17 characters 3) Warn if the unit name is not in the Unit Info - GEN or Unit Info - CC or Unit Info - Wind	Alpha
High Side Voltage Level (no-load)	1) This field is required 2) If the value >= 69kv it must be 69,138, or 345 3) The value may not exceed 345 4) The value must be > 0 5) The value must be >= Low Voltage Level (no-load)	Float
High Side Voltage Level (PTI)	1) This field is optional 2) This field must be between 1 - 99,999	Integer
High Side Voltage Connection - Wye or Delta	1) This field is required 2) Value must be of the following: 'Wye', 'Delta'	Alpha
High Side Voltage Connected devices (list on separate lines)	1) This field is required a) Error: if High Side Voltage >= 60kV and Low Side Voltage >1kV b) Warn: if High Side Voltage < 60kV and Low Side Voltage = 1kV 2) Warn if >= 17 characters 3) No special characters except an underscore or a dash	Alpha
High Side Manufactured Nominal Voltage	1) This field is required 2) If value > 60kV Accepted if value (using 5%) Deviates < 3.45 kV from 69 Deviates < 6.9 kV from 138 Deviates < 17.25 kV from 345 Warn if value (using >= 5% and <10%) Deviates >= 3.45 but deviates < 6.9 from 69 Deviates >= 6.9 but deviates < 13.8 from 138 Deviates >= 17.25 but deviates < 34.5 from 345 Error if value (using >=10%) Deviates >= 6.9 kV from 69 Deviates >= 13.8 kV from 138 Deviates >= 34.5 kV from 345 3) Warn if value > 345 4) The value must be > 0 5) High Side Manufactured Nominal Voltage >= Low Side Manufactured Nominal Voltage	Float
Low Side Voltage Level (no-load)	1) This field is required 2) If the value >= 69kv it must be 69,138, or 345 3) The value may not exceed 345 4) The value must be > 0 5) The value must be <= High Voltage Level (no-load) 6) If Generator Step-up Transformer = 'Y' AND Low Side Voltage Level (no-load) > 1kV AND Then the Low Side Voltage Level (no-load) must be equal to Unit Info - GEN / CC / WIND - Unit Generating Voltage	Float



Low Side Voltage Level (PTI)	1) This field is optional 2) This field must be between 1 - 99,999	Integer
Low Side Voltage Connected device(s) (list on separate lines)	1) This field is required a) Error: if High Side Voltage \geq 60kV and Low Side Voltage $>$ 1kV b) Warn: if High Side Voltage $<$ 60kV and Low Side Voltage = 1kV 2) Warn if \geq 17 characters. 3) No special characters except an underscore " " or a dash "-"	Alpha
Low Side Manufactured Nominal Voltage	1) This field is required 2) If the value \geq 69kv: Accepted if value (using 5%) Deviates $<$ 3.45 kV from 69 Deviates $<$ 6.9 kV from 138 Deviates $<$ 17.25 kV from 345 Warn if value (using \geq 5% and $<$ 10%) Deviates \geq 3.45 but deviates $<$ 6.9 from 69 Deviates \geq 6.9 but deviates $<$ 13.8 from 138 Deviates \geq 17.25 but deviates $<$ 34.5 from 345 Error if value (using \geq 10%) Deviates \geq 6.9 kV from 69 Deviates \geq 13.8 kV from 138 Deviates \geq 34.5 kV from 345 3) Warn if value $>$ 345 4) The value must be $>$ 0 5) High Side Manufactured Nominal Voltage \geq Low Side Manufactured Nominal Voltage	Float
Series Resistance (100 MVA Base)	1) This field is required 2) Value must be \geq 0	Float
Series Reactance (100 MVA Base)	1) This field is required 2) Warn if value $>$ 1. Error! Reactance (value) $>$ 1.0. Reactance should be expressed in terms of per unit (e.g. not percentage).	Float
Continuous Rating	1) This field is required 2) Value must be \leq 2-hr Emergency Rating 3) Value must be \leq 15-min Rating	Integer
2-hr Emergency Rating	1) This field is required 2) Value must be \geq Continuous Rating 3) Value must be \leq 15-min Rating	Integer
15-min Rating	1) This field is required 2) Value must be \geq Continuous Rating 3) Value must be \geq 2-hr Emergency Rating	Integer
Automatic Voltage Regulation	1) This field is required 2) Value must be from the following list: 'Y', 'N'	Alpha
Does Transformer have a Load Tap Changer?	1) This field is conditionally required if Automatic Voltage Regulation = 'Y' 2) Value must be from the following list: 'Y', 'N'	Alpha
Location of Tap Changer	1) This field is required 2) Value must be of the following: 'HIGH', 'LOW'	Alpha
Base kV of Regulated Side	1) This field is conditionally required if Automatic Voltage Regulation = 'Y' 2) If the value \geq 69kv it must be 69, 138, or 345	Float



	3) The value may not exceed 345 4) The value must be > 0 5) The value must be >= Low Voltage Level (no-load)	
Target kV of Regulated Side	1) This field is conditionally required if Automatic Voltage Regulation = 'Y' 2) Value must be > 0	Float
Acceptable Deviation of Target Voltage in Percent	1) This field is conditionally required if Automatic Voltage Regulation = 'Y' 2) Value must not exceed 50%	Percentage
Low Tap Settings - Tap position at Manufactured Nominal Voltage	1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap Second Condition: This field must be left blank if Low Voltage Level = 1 2) Note: this value may be negative	Integer
Low Tap Settings - Total Number of Tap Positions	1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap Second Condition: This field must be left blank if Low Voltage Level = 1 2) Value must be >= 2 3) Warn if value < 16 and "Automatic Voltage Regulation" = 'Y'	Integer
Low Tap Settings - Normal Tap Position	1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out. Note that it is valid for both, Low and High Tap settings to be filled out. Second Condition: This field must be left blank if Low Voltage Level = 1 2) Value must be >= Low Tap Settings - Lowest Tap Position 3) Value must be <= Low Tap Settings - Highest Tap Position 4) Note: this value may be negative	Integer
Low Tap Settings - Lowest Tap Position	1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both,	Integer



	<p>Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap</p> <p>Second Condition: This field must be left blank if Low Voltage Level = 1</p> <p>2) Value must be \leq Low Tap Settings - Highest Tap Position</p> <p>3) Note: this value may be negative</p>	
Low Tap Settings - Voltage at Lowest Tap Position	<p>1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap</p> <p>Second Condition: This field must be left blank if Low Voltage Level = 1</p> <p>2) Value must be \leq Low Tap Settings - Voltage at Highest Tap Position</p> <p>3) Value must be $<$ High Tap Settings - Voltage at Lowest Tap Position</p> <p>4) Value must be ≥ 0</p>	Float
Low Tap Settings - Highest Tap Position	<p>1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out. Note that it is valid for both, Low and High Tap settings to be filled out.</p> <p>Second Condition: This field must be left blank if Low Voltage Level = 1</p> <p>2) Value must be \geq Low Tap Settings - Low Tap Position</p> <p>3) Note: this value may be negative</p>	Integer
Low Tap Settings - Voltage at Highest Tap Position	<p>1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out. Note that it is valid for both, Low and High Tap settings to be filled out.</p> <p>Second Condition: This field may be left blank if Low Voltage Level = 1</p> <p>2) Value must be \geq Low Tap Settings - Voltage at Lowest Tap Position</p> <p>3) Value must be \leq High Tap Settings - Voltage at Highest Tap Position</p> <p>4) Value must be ≥ 0</p>	Float
Low Tap Settings – Size of each Voltage Step	<p>1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of</p>	Float



	<p>the Load Tap</p> <p>Second Condition: This field may be left blank if Low Voltage Level = 1</p> <p>2) Value must > 0</p> <p>3) Warn if < 0.002 * Low Side Voltage Level (no-load)</p> <p>4) Warn if > 0.05 * Low Side Voltage Level (no-load)</p>	
High Tap Settings - Tap position at Manufactured Nominal Voltage	<p>1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap</p> <p>2) Note: this value may be negative</p>	Integer
High Tap Settings - Total Number of Tap Positions	<p>1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap</p> <p>2) Value must be >= 2</p> <p>3) Warn if value < 16 and "Automatic Voltage Regulation" = 'Y'</p>	Integer
High Tap Settings - Normal Tap Position	<p>1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap</p> <p>2) Value must be >= High Tap Settings - LowestTap Position</p> <p>3) Value must be <= High Tap Settings - Highest Tap Position</p> <p>4) Note: this value may be negative</p>	Integer
High Tap Settings - Lowest Tap Position	<p>1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap</p>	Integer



	2) Value must be \leq High Tap Settings - Highest Tap Position 3) Note: this value may be negative	
High Tap Settings – Voltage at Lowest Tap Position	1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap 2) Value must be \leq High Tap Settings - Voltage at Highest Tap Position 3) Value must be $>$ Low Tap Settings - Voltage at Lowest Tap Position 4) Value must be ≥ 0	Float
High Tap Settings - Highest Tap Position	1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap 2) Value must be \geq Low Tap Position 3) Note: this value may be negative	Integer
High Tap Settings - Voltage at Highest Tap Position	1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap 2) Value must be \geq High Tap Settings - Voltage at Lowest Tap Position 3) Value must be $>$ Low Tap Settings - Voltage at Highest Tap Position 4) Value must be > 0	Float
High Tap Settings – Size of each Voltage Step	1) This field is conditionally required If "Does transformer have a loadtap changer?" = 'Y' then either Low Tap Settings or High Tap Settings must be filled out based on the Location of the Load Tap Changer (e.g. Load Tap is on the high side, high tap settings is now required). Note that it is valid for both, Low and High Tap settings to be filled out if there is a non-load tap on the opposite side of the Load Tap 2) Value must > 0 3) Warn if $< 0.002 * \text{High Side Voltage Level}$	Float



	(no-load) 4) Warn if > 0.05 * High Side Voltage Level (no-load)	
General	This tab is conditionally required if Private Network - Private Network? = 'Y'	N/A

16.0 Static Var Compensator

The Static Var Compensator Data tab is used for registering all Static Var Compensator. All Static Var Compensator registered here are those owned by the Resource Entity.

Each Static Var Compensator registered must use the name as it appears in the ERCOT model.

Static Var Compensator Business Rules / Basic Validations

Use this section to pre-validate the information entered in the RARF.

RARF DATA FIELD	Business Rules/Basic UI validations	Datatype
Description of Change	1) This field is conditionally Required - If there is a change to a tab, the change must be described.	Alpha
ERCOT Station Name (Station Code or Station Mnemonic)	1) This field is required 2) Must match ERCOT records (unless new) 3) Must be <= 8 characters	Alpha
SVC Name	1) This field is required 2) May not be > than 14 characters 3) May not contain special characters except for an underscore " _ " and a dash "-"	Alpha
Device Name(s) - that this reactive device is directly connected to	1) This field is optional 2) May not be > than 17 characters 3) May not contain special characters except for an underscore " _ " and a dash "-"	Alpha



SVC Base Voltage Level	1) This field is required 2) If the value $\geq 69\text{kv}$ it must be 69, 138, or 345 3) The value may not exceed 345 4) The value must be > 0	Float
Fixed MVAR (VAR injection at nominal voltage)	1) This field is required 2) Value must be > 0	Float
Minimum Admittance Limits (100 MVA Base)	1) This field is required 2) Value must be \leq Maximum Admittance	Float
Maximum Admittance Limits (100 MVA Base)	1) This field is required 2) Value must be \geq Minimum Admittance	Float
Minimum Steady State Reactive Power Limits	1) This field is required 2) Value must be \geq Maximum Steady State Reactive Power Limits	Float
Maximum Steady State Reactive Power Limits	1) This field is required 2) Value must be \geq Minimum Steady State Reactive Power Limits	Float
Minimum Threshold (post contingency) Reactive Power Limits	1) This field is required 2) Value must be \leq Maximum Threshold (post contingency) Reactive Power Limits	Float
Maximum Threshold (post contingency) Reactive Power Limits	1) This field is required 2) Value must be \geq Minimum Threshold (post contingency) Reactive Power Limits	Float



Minimum Voltage Threshold (100 MVA Base)	1) This field is required 2) Value must be \leq Maximum Voltage Threshold (100 MVA Base) 3) The value may not exceed 345 3) The value must be > 0 4) Warn if Max / Min exceed 50% of one another	Float
Maximum Voltage Threshold (100 MVA Base)	1) This field is required 2) Value must be \geq Minimum Voltage Threshold (100 MVA Base) 3) The value may not exceed 345 4) The value must be > 0 5) Warn if Max / Min exceed 50% of one another	Float

17.0 Series Device Data

The Series Device Data tab is used for registering all Series Devices. All Series Devices registered here are those owned by the Resource Entity.

Each Series Device registered must use the name as it appears in the ERCOT model.

Series Device Business Rules / Basic Validations

Use this section to pre-validate the information entered in the RARF.

RARF DATA FIELD	Business Rules/Basic UI validations	Datatype
Description of Change	1) This field is conditionally Required - If there is a change to a tab, the change must be described.	Alpha
Series Device Name	1) This field is required 2) Warn if ≥ 14 characters. First 14 characters must be unique 3) No special characters except and underscore	Alpha
ERCOT Station Name (Station Code or Station Mnemonic)	1) This field is required 2) Must match ERCOT records (unless new) 3) Must be ≤ 8 characters	Alpha
Voltage Level	1) This field is required 2) If the value ≥ 69 kv it must be 69,138, or 345 3) The value may not exceed 345 4) The value must be > 0	Float
Side 1 - Connected Switching Device Name(s)	1) This field is required 2) May not be $>$ than 17 characters 3) May not have duplicates within the TO or FROM Station 4) May not contain special characters except for an underscore "_" and a dash "-"	Alpha
Side 1 - Bus Number (PTI Bus Number)	1) This field is optional 2) This field must be between 1 - 99,999	Integer
Side 2 - Connected Switching Device Name(s)	1) This field is required 2) May not be $>$ than 17 characters 3) May not have duplicates within the TO or FROM Station 4) May not contain special characters except for an underscore "_" and a dash "-"	Alpha



Side 2 - Bus Number (PTI Bus Number)	1) This field is optional 2) This field must be between 1 - 99,999	Integer
Resistance	1) This value is required 2) Value must be > 0	Float
Reactance	1) This value is required 2) Value must be > 0	Float
Continuous Rating	1) This field is required 2) Value must be <= 2-hr Emergency Rating 3) Value must be <= 15-min Rating	Float
2-hr Emergency Rating	1) This field is required 2) Value must be >= Continuous Rating 3) Value must be <=15-min Rating	Float
15-min Rating	1) This field is required 2) Value must be >= Continuous Rating 3) Value must be >= 2-hr Emergency Rating	Float

18.0 Load Data

The Load Data tab is used for registering Load as it defined in this section. All Load registered here are those owned by the Resource Entity.

Each Load registered must use the name as it appears in the ERCOT model. For equivalent Loads, it may be necessary to work with ERCOT to determine the naming.

Loads which are connected on a Bus greater than or equal to 60kV need to be modeled individually

Loads connected at less than 60kV may be aggregated into an "equivalent load" at the 69kV Bus

Auxiliary and Site Service Load may be combined

Note: Auxiliary load is defined as that which is only present when the generator is running

Load Business Rules / Basic Validations

Use this section to pre-validate the information entered in the RARF.

RARF DATA FIELD	Business Rules/Basic UI validations	Datatype
Load Voltage Level	1) This field is required 2) Value must be >= 0 3) If the value >= 69kv it must be 69,138, or 345	Float
PTI Bus Number	1) This field is optional 2) This field must be between 1 - 99,999	Integer
Device Name(s) - that this load is physically connected to	1) This field is required 2) Warn if >= 17 characters. First 14 characters must be unique 3) No special characters except an underscore or a dash	Alpha
Average MW Load Under Normal Operations	1) This field is required 2) Value must be > 0	Float
Average MVAR Under Normal Operations	1) This field is required	Float



	2) Value must be > 0	
General	This tab is conditionally required if Private Network - Private Network? = 'Y'	N/A

19.0 Load Resources

Load Resources must complete the General Information tab as well as the two tabs discussed here.

19.1 Load Resource Information

ERCOT Confidential		RETURN TO MAP	
Load Resource Information Tab			
<i>This worksheet tab provides information for Load Resources. Please complete this section and select RETURN TO MAP</i>			
LOAD RESOURCES	Unit Details	Labels	Load Point #1
	Name of End Use Customer		
	Common Name for Load Resource		
	Physical Street Address for point of Delivery (POD)		
	Name of City for Point of Delivery (POD)		
	Is Load Netted From Generation at ERCOT Read Gensite?	Y/N	
	Is Load Behind a NOIE Settlement Meter Point?	Y/N	
	Load Resource Type (CLR/UFR/Interruptible)		
	If CLR, will CLR be Dynamically Scheduling?	Y/N	
	Dispatch Asset Code (provided by ERCOT)		
	Load Resource Effective Date		
	Load Resource Expiration Date		
	Substation Name for POD		
	Substation Code for POD		
	ESIID Station Name		
	ESIID Station Code		
	Transmission Bus POD (PTI Bus No)		
	Voltage Level of Telemetered load(s)	KV	
	Meter Reading Entity (TDSP)		
	Meter Reading Entity Duns Number		
	QSE Name		
	QSE Duns Number		
	ESI-ID assigned to meter		
	Wholesale Delivery Point?	Y/N	
	Notice Requirements to Interrupt		
	High Set Under-frequency Relay (UFR) Setting	Hz	
	Load Resource Control Device		
	If CLR, ability to operate as a UFR type Resource?	Y/N	
	ERCOT Load Zone		
	Maximum POD Total Load	MW	
	Summer Interruptible MW	MW	
	Winter Interruptible MW	MW	
High Reasonability Limit	MW		
Low Reasonability Limit	MW		
CLR High Reasonability Ramp Rate Limit	MW/min		
CLR Low Reasonability Ramp Rate Limit	MW/min		
Private Use Network?	Y/N		



19.2 Load Resource Parameters

ERCOT Confidential		RETURN TO MAP	
Load Resource Parameters			
Resource Entity authorizes OSE representing this Generation Resource to submit Resource Parameters on this page for operational purposes in accordance with Section 3.7.1 on behalf of Resource Entity.			
This worksheet tab provides information for Load Resources. Resource Parameters - Initial submittal by RE, update			
Please complete this section and select RETURN TO MAP			
Non-CLR Resource Parameters	Labels	TEST_LD1	
Minimum Interruption Time	hours		
Minimum Restoration Time	hours		
Max WEEKLY Deployments	hours		
Max Interruption Time	hours		
Max DAILY Deployments	hours		
Max Weekly Energy	MWh		
Minimum Notice Time	minutes		
CLR Resource Parameters	Labels	TEST_LD1	
Max Deployment Time	hours		
Max Weekly Energy	MW		

19.3 CLR Ramp Rates

CLRs must provide Ramp Rate Curves. For information on building the curves, see section 7.4.

LOAD RESOURCES	CLR - Normal Ramp Rate Curve			TEST_LD1	
	MW1	MW			
	Upward RampRate1	MW/min			
	Downward RampRate1	MW/min			
	MW2	MW			
	Upward RampRate2	MW/min			
	Downward RampRate2	MW/min			
	MW3	MW			
	Upward RampRate3	MW/min			
	Downward RampRate3	MW/min			
	MW4	MW			
	Upward RampRate4	MW/min			
	Downward RampRate4	MW/min			
	MW5	MW			
	Upward RampRate5	MW/min			
	Downward RampRate5	MW/min			
	MW6	MW			
	Upward RampRate6	MW/min			
	Downward RampRate6	MW/min			
	MW7	MW			
	Upward RampRate7	MW/min			
	Downward RampRate7	MW/min			
	MW8	MW			
	Upward RampRate8	MW/min			
	Downward RampRate8	MW/min			
	MW9	MW			
	Upward RampRate9	MW/min			
	Downward RampRate9	MW/min			
	MW10	MW			
	Upward RampRate10	MW/min			
	Downward RampRate10	MW/min			
CLR - Emergency Ramp Rate Curve		Labels	TEST_LD1		
MW1	MW				
Upward RampRate1	MW/min				
Downward RampRate1	MW/min				
MW2	MW				
Upward RampRate2	MW/min				
Downward RampRate2	MW/min				
MW3	MW				
Upward RampRate3	MW/min				
Downward RampRate3	MW/min				




20.0 Additional Information

A Resource Entity and its assets must be registered separately, using the forms provided on the ERCOT Resource Entities Registration and Qualification webpage.

<http://www.ercot.com/services/rq/re/>

Each RE must also be represented by a Qualified Scheduling Entity (QSE), which establishes a control interface with ERCOT. If questions arise related to the completion of this or any other registration form, please contact your designated ERCOT Account Manager or email Wholesale Client Services at NodalMarketTransition@ercot.com.

EXHIBIT D

	Operations Support Engineering
	New Generator Commissioning Checklist

Version			
No.	ERCOT Department	Revision Description	Date
1.1	Manager of Operations Support Engineering	Revision	11/06/2008
1.2	Wholesale Client Services	Added emphasis to initial energizing of interconnection	12/05/2008
1.3	Wholesale Client Services	Added field for QSE Agent	01/06/2009
1.4	Wholesale Client Services	Update telemetry requirement table	03/09/2009
1.5	Manager of Operations Support Engineering	Distinguish telemetry minimum for energizing interconnect	04/07/2009

Purpose/Scope


This checklist shall be performed in accordance with ERCOT Operating Guides 2.2.5, 3.1.3.1, 3.1.4., 3.1.4.1, 3.1.4.5 and 3.1.4.6 of the and ERCOT Protocols.6.5.7.

- The QSE and Resource Entity shall complete and submit the New Generator Commissioning Checklist for requesting to commission station power serving new Resource and for requesting approval for initial synchronization of the new Resource and Start-up Testing. Request to Commission Station Checklist (Attachment 1) is to be submitted by Resource Entity to ERCOT Wholesale Client Services at least 7 business days prior to effective date of request to energize station. Request for Initial Synchronization Checklist (Attachment 2) is to be submitted by QSE at least 7 business days prior to effective date of initial synchronization for new generating unit(s).
- Wholesale Client Services will distribute copies of the completed form to the ERCOT Operations Planning Staff (Attn: Administrative Assistant), Operations Engineering.
- The Operations Planning Staff will create a file for the generator and assign an Operations Engineer to confirm that all required information has been provided. (Any discrepancies or omissions will be reported via e-mail to the QSE's Client Services Representative for follow-up, correction and subsequent re-distribution.)

Procedure

The process of reaching approval for initial synchronization of new generation occurs in two steps. Attachment 1 and Attachment 2 checklists may be submitted complete together or separately.

STEP 1 (Request to Commission Station Checklist, Attachment 1): If no outstanding issues with SCADA data for station power or other issues pending ERCOT Operations Engineering sends "Approval of Initial Energize Date of New Generation

	Operations Support Engineering
	New Generator Commissioning Checklist

Interconnection" (via e-mail) to the Operations Administrative Assistant, the Client Services Representative, the Shift Supervisors and the Chief System Operator. This notification shall include the planned date the station will be energized. Client Services Representative notifies Resource Entity, TSP, and QSE of approval to energize interconnect.

STEP 2 (Request for Initial Synchronization Checklist, Attachment 2): If there are no outstanding issues with SCADA data or other issues pending for the entire generation station at the time approval is issued to energize interconnect (Attachment 1) then the QSE is cleared to coordinate first synchronization with ERCOT Control Room as per procedure. Otherwise, ERCOT Operations Engineering will send notification separate from Step 1 notification to Client Services Representative if outstanding issues have been satisfactorily addressed and approval to synchronize. Client Services Representative notifies QSE that the initial synchronization date is approved and reminds the QSE of day-ahead notice to ERCOT Shift Supervisor of first day the new generation will synchronize.

If outstanding issues remain and/or the QSE Checklist is not submitted at the time approval for station power is requested then approval for initial synchronization will remain pending. The QSE Checklist in Attachment 2 may then be submitted, or resubmitted with outstanding items resolved for ERCOT to issue approval to proceed with initial synchronization.


After approval of the initial synchronization date has been received from the Operations Engineer for the new unit start-up testing, the following procedures will be used to facilitate the process.

Day Ahead

- The QSE representing the new generating unit to be start-up tested by 1100 on the business day prior to the initial synchronization. The QSE must identify this unit as "testing".
- The QSE will enter the projected output of the new unit into their resource plan.
- The ERCOT Shift Supervisor will notify the Day Ahead Operator and the Transmission and Security Desk Operator.
- The ERCOT Day Ahead Desk Operator will notify the respective TO.


Operating Day

- On the day of the planned initial synchronization, the QSE will re-confirm, via telephone with the Shift Supervisor, plans for unit synchronization. New unit start ups are done in the "Test" mode.
- After the unit has been successfully synchronized to the ERCOT grid, all future unit start-up testing will be communicated by way of QSE resource schedules. If the QSE fails to schedule the output of the unit, then the QSE must notify the Shift Supervisor via the telephone of plans to continue start-up testing. The Shift Supervisor or his/her designee will write an "Information Only" VDI stating that

	Operations Support Engineering
	New Generator Commissioning Checklist

ERCOT has been notified by the QSE of the planned unit start-up testing for the Operating Day.

- Maximum capability and MVAR testing for the new unit will be planned in accordance with ERCOT procedures.

	Operations Support Engineering
	New Generator Commissioning Checklist

Attachment 1: Request to Commission Station Checklist

[RESOURCE ENTITY submits checklist to commission station]

RE Name: _____

Agent (optional): _____

Date form completed: _____

Proposed Station

Energize Date: _____

* Actual date contingent on completion of requirements and approval from ERCOT.

Primary contact for Station Commissioning (Contacts may be RE's Agent):

Primary Contact Name: _____

Primary Contact Telephone Number: _____

Primary Contact E-mail Address: _____

Gen Site Name: _____	TDSP: _____	ESI ID: _____
----------------------	-------------	---------------

Congestion Zone: _____ Transmission Voltage: _____

Special Protection Scheme (SPS) Yes ☐ No ☐

Can unit synchronously connect to another grid? Yes ☐ No ☐

Identify the QSE/TDSP responsible for sending ERCOT station telemetry: _____

QSE primary contact (may be QSE's Agent):

TDSP primary telemetry contact:

Name: _____	Name: _____
-------------	-------------

Telephone Number: _____	Telephone Number: _____
-------------------------	-------------------------

E-mail Address: _____	E-mail Address: _____
-----------------------	-----------------------

By signing below I attest that information provided on this form (Attachment 1) is true, correct and complete, and that any substantial changes in such information will be provided to the Electric Reliability Council of Texas (ERCOT) in a timely manner.


Signature: _____

(RE Authorized Representative)

Printed Name: _____

(RE Authorized Representative)

Date Signed: _____


	Operations Support Engineering
	New Generator Commissioning Checklist

The QSE and Resource Entity are required to remain in compliance with ERCOT Protocol and Operating Guide upon initial day the interconnect becomes operational. The QSE will comply with telemetry requirements and procedures for operation of station to new Resource.


- ☐ Generation facility is in an ERCOT Control Area and is being reported by that RE's QSE to the ERCOT ISO in the manner as specified in Section 3 of the ERCOT Operating Guides, or any applicable ERCOT agreement requiring information on generation.
- ☐ Unit is greater than 10MW per ERCOT Operating Guide No. 3.1.4.
- ☐ Station telemetry from the facility's interconnecting station is in place and operational as of _____ (date) to QSE and TDSP (Optional) required under ERCOT Operating Guide No. 3.1.3.1 and ERCOT Operating Guide Attachment 8a. Enter specific comments about status of station telemetry in comment box on telemetry checklist below.
- ☐ RE's QSE has reliable voice communications for station operations to new Generating Facility, ERCOT Control Area, and TDSP (Optional) ERCOT Operating Guide No. 3.1.3.1.
- ☐ Resource Entity has provided ERCOT the technical equipment data to be used in modeling studies per ERCOT Operating Guide No. 3.1.4. **Comments:** _____

Station Telemetry

	Data	Frequency	Mode	Reference/Comments
<input type="checkbox"/>	Station Switching Device status	10 sec	RTU/ICCP	Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision. (High side Typical TSP telemetry point; Low side typical QSE telemetry point) RE Comment:
<input type="checkbox"/>	Station Breaker status	10 sec	RTU/ICCP	Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision. (Typical QSE telemetry point) RE Comment:
<input type="checkbox"/>	Generating Unit High Side bus voltage	10 sec	RTU/ICCP	Protocol Section 6.5.7, Voltage Support Service, May be supplied by the TDSP. (Typical TDSP telemetry point) or Low Side voltage with appropriate transformer model may be substituted. (Typical QSE telemetry point) RE Comment:
<input type="checkbox"/>	Station Static Reactive Device(s) status	10 sec	RTU/ICCP	Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision. (Typical QSE telemetry point) RE Comment:

	Operations Support Engineering
	New Generator Commissioning Checklist

	Data	Frequency	Mode	Reference/Comments
<input type="checkbox"/>	Transmission Line Flow	10 sec	RTU/ICCP	Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision. (RE has confirmed that TSP is providing required points). RE Comment:

	Operations Support Engineering
	New Generator Commissioning Checklist

Attachment 2: Request for Initial Synchronization Checklist

[QSE submits checklist to request initial start-up]

QSE Name: _____

Agent (optional): _____

Date form completed: _____

* Proposed Initial Synchronization Date : _____

* Actual date contingent on completion of requirements and approval from ERCOT.

Primary and back-up contact personnel for Initial Synchronization (may be QSE's Agent):

Primary for Initial Synchronization

Contact Name: _____

Primary Contact Telephone Number: _____

Primary Contact E-mail Address: _____

Back-Up Contact Name: _____

Back-Up Contact Telephone Number: _____

Back-Up Contact E-mail Address: _____

*If the unit is Split Metered:

Identify the QSE responsible for coordinating the start-up testing: _____

Identify all of the QSE's that are sharing this unit: _____

Identify all of the ESI ID's that are related to this unit: _____

Projected Commercial Date (unit available for market and/or reliability commitment): _____

By signing below I attest that information provided on this form (Attachment 2) is true, correct and complete, and that any substantial changes in such information will be provided to the Electric Reliability Council of Texas (ERCOT) in a timely manner.

Signature: _____

(QSE Authorized Representative)

Printed Name: _____

(QSE Authorized Representative)

Date Signed: _____




Operations Support Engineering

New Generator Commissioning Checklist

The QSE and Resource Entity are required to remain in compliance with ERCOT Protocol and Operating Guide upon initial day the interconnect becomes operational. The QSE will comply with procedures for new unit start-up testing, with initial synchronization schedule communicated to ERCOT Shift Supervisor.

If the new unit does not successfully synchronize to the ERCOT Transmission System within 30 days, as per **Procedure Step 2** above, the QSE will notify its ERCOT Client Representative of corrective measures and expected timelines for successful unit synchronization and unit testing.


- ☐ Generation facility is in an ERCOT Control Area and is being reported by that QSE to the ERCOT ISO in the manner as specified in Section 3 of the ERCOT Operating Guides, or any applicable ERCOT agreement requiring information on generation.
- ☐ Telemetry from the facility (station and generation) is in place and operational as of _____ (date) to QSE and TDSP (Optional). Enter specific comments about status of telemetry in QSE comment box on telemetry checklist on next page.
- ☐ QSE telemetry is being provided to ERCOT ISO (This information is summarized in Attachment 2 QSE New Generator Telemetry Checklist and is provided to assist Market Participants in identifying the telemetry required under ERCOT Operating Guide No. 3.1.3.1 and ERCOT Operating Guide Attachment 8a).
- ☐ QSE has reliable voice communications with the Generating Facility, ERCOT Control Area, and TDSP (Optional) ERCOT Operating Guide No. 3.1.3.1.
- ☐ Generation facility has automatic voltage regulators (in Voltage Control Mode) (AVR) and power system stabilizers (PSS) in service as of _____ (date) per ERCOT Operating Guide No. 3.1.4.5. AVR and PSS performance tests will be reported ERCOT within 30-days after start of commercial operations. **Comments:** _____
- ☐ The QSE is able to dispatch the reactive output (VARS) of this generation facility to maintain adequate transmission voltage at the point of Interconnection. (ERCOT Operating Guide 2.10.4.1 and 2.10.4.2). **Describe process for VAR dispatch:** _____
- ☐ QSE has submitted generation facility machine characteristics and plant design to incorporate the under frequency load shedding philosophy and criteria of ERCOT Operating Guide No. 3.1.4.6.
- ☐ Generation facility protective relaying is in place and operational, necessary to protect equipment from abnormal conditions consistent with the Control Area protective relaying criteria as described in ERCOT Operating Guide No. 3.1.4.6. **Comments:** _____

	Operations Support Engineering
New Generator Commissioning Checklist	

New Generator Telemetry Checklist

	Data	Frequency	Mode	Reference/Comments
<input type="checkbox"/>	Real Time data accuracy			<p>Real Time data for reliability purposes must be accurate to within three percent (3%). This telemetry may be provided from relaying accuracy instrumentation transformers.</p> <p>QSE Comment:</p>
<input type="checkbox"/>	Generating Unit gross and net MW output	2 sec	RTU	<p>Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision. Net Generation is preferred. Otherwise, aux load should also be provided.</p> <p>QSE Comment:</p>
<input type="checkbox"/>	Generating Unit gross and net MVar output	10 sec	RTU/ICCP	<p>Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision. Net Generation is preferred. Otherwise, aux load should also be provided.</p> <p>QSE Comment:</p>
<input type="checkbox"/>	Switching Device status other than reported in Attachment 1	10 sec	RTU/ICCP	<p>Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision.</p> <p>QSE Comment:</p>
<input type="checkbox"/>	Breaker status other than reported in Attachment 1	10 sec	RTU/ICCP	<p>Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision.</p> <p>QSE Comment:</p>
<input type="checkbox"/>	Generating Unit High Operating Limit	10 sec	RTU/ICCP	<p>Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision.</p> <p>QSE Comment:</p>
<input type="checkbox"/>	Generating Unit Low Operating Limit	10 sec	RTU/ICCP	<p>Protocol Section 6.5.1.1, Requirement for Operating Period Data for System Reliability and Ancillary Service Provision.</p> <p>QSE Comment:</p>
<input type="checkbox"/>	Generating Unit Automatic Voltage Regulator status	10 sec	RTU/ICCP	<p>Protocol Section 6.5.7.2 QSE Responsibilities. Applies to units required to provide VSS.</p> <p>QSE Comment:</p>
<input type="checkbox"/>	Generating Unit Power System Stabilizer status			<p>Protocol Section 6.5.7.2 QSE Responsibilities. Applies to units required to provide VSS.</p> <p>QSE Comment:</p>

Wind-Generation Resource Only

	Operations Support Engineering
	New Generator Commissioning Checklist

	Additional Wind Resource Data	Frequency (sec)	Protocol Reference
<input type="checkbox"/>	Wind Speed (Miles per Hour)	10	6.5.11 (7)
<input type="checkbox"/>	Wind Direction (Degrees)	10	6.5.11 (7)
<input type="checkbox"/>	Temperature (Celsius)	10	6.5.11 (7)
<input type="checkbox"/>	Barometric Pressure (Millibars)	10	6.5.11 (7)

QSE Comment: _____

EXHIBIT E

From: Nodal Market Transition [mailto:NodalMarketTransition@ercot.com]

Sent: Friday, November 21, 2008 3:22 PM

To: Hayes, Brian; Freiman, Leslie

Cc: Daniel, Matthew; Hayes, Brian; Carmen, Travis; Nodal Market Transition; Middleton, Scott

Subject: Resource RARF Approval Notice - POST OAK WIND LLC- DUNS# 791082162

Resource Entities:

Your RARF submittal has passed all iterations of Nodal CIM business rules for Resource MMS and EMS parameters and is approved for loading into the Nodal CIM data base in December. We congratulate your staff for meeting and exceeding the time line in helping ERCOT reach the target for production quality data in time for the Critical Path CIM project.

Changes to Resource parameters you may need going forward are to be made using your last approved version and submitted on a TML Service Request as before by the Authorized Representative's digital certificate so ERCOT may properly document the change request.

For a revision initiated by the Resource Entity ERCOT will run an audit report upon receiving the updated RARF data to ensure that it is reviewed and validated against applicable business rules.

The next stage of RARF data submittals and validations ERCOT will initiate is planned for 2009 when the market will be transitioning to the single entry model.

For any assistance with resource registration please call or email your ERCOT Account Manager or email NodalMarketTransition@ercot.com.

Sincerely,

ERCOT Wholesale Client Services

Classification: ERCOT Confidential

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 9.0.702 / Virus Database: 270.14.58/2493 - Release Date: 11/10/09 01:38:00

EXHIBIT F

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 03, 2009
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Submitter's Information	
Name	Matt Daniel
E-mail Address	Matthew.Daniel@horizonwind.com
Company	Horizon Wind Energy LLC
Phone Number	713-265-0350
Cell Number	
Market Segment	Independent Generator

Comments

Horizon Wind Energy appreciates this opportunity to comment on PRR 830, Reactive Power Capability Requirement. Horizon supports reliability and efforts to increase reliability on the ERCOT System, but PRR 830 will not provide additional reliability benefits. No study has been done to determine that any existing generation needs to retrofit to accommodate a reliability situation on the grid and neither ERCOT, nor any other party providing comments, has demonstrated that any reliability problem exists with the Wind-powered Generation Resources (WGRs) now connected to the grid. Despite this, existing WGRs are being asked to install retrofits on operating generation at significant expense. For Horizon alone, the costs are estimated to be tens of millions of dollars.

WGRs have sited thousands of megawatts of capacity in the ERCOT market. That capacity has Reactive Power capability consistent with the existing ERCOT Protocols and other guidance. That capability has been reported in asset registration forms. When interconnection studies showed the need, WGRs have installed additional reactive equipment.

Some commenters argue that WGRs shift costs because they only provide half of the "rectangle." This is simply not true. First, the requirement in the Protocols is to comply with a Reactive Power standard of the triangle. Many generators, in fact all built before 1999 (conventional generators), avoid the rectangle requirement because they are exempted. The argument that WGRs are shifting costs is made by the same generators who are largely exempt from these requirements for the bulk of their generation fleet. Yet WGRs are the only Market Participants asked to undergo retrofits. In actuality, instead of shifting costs to other Market Participants, WGRs have paid more to support system reliability by going above the Protocol requirements when the TDSP stated that additional reactive capability was necessary.

PRR Comments

Wind power has lowered the price of power in ERCOT, to the benefit of most Market Participants, particularly Load Serving Entities (LSEs) and ultimately to the consumers. PRR 830 would increase system costs without any real justification. WGRs would be required to increase investment in projects that have been operating for years, which costs would need to be recovered through higher prices. Further, it is possible that WGRs that provide power to the system will need to be taken off-line for these retrofits to be done. Removing wind generation or making wind generation more expensive will serve to benefit only the generators that would not otherwise be dispatched if the wind generation were running—gas-fired generators. A policy of requiring retrofits also increases costs by increasing investor uncertainty about additional costs that may be imposed on existing assets and even more so on new projects.

If the target is to get to the “rectangle” ERCOT-wide, all exemptions should be removed from the rectangle requirement. However, in the instant situation, there is no demonstrated need for the rectangle. PRR 830 also attempts to insert into the Protocols the requirement that Reactive Power capability be provided using more expensive dynamic equipment, instead of static devices that many WGRs now use. No study supports such action by ERCOT or such investment of potentially hundreds of millions of dollars by one segment of the generation market.

ERCOT has known the capability of WGRs in the ERCOT market for years. WGRs have supplied Generation Asset Registration Forms (“GARFs”), and Resource Asset Registration Forms (“RARFs”) that clearly demonstrate the capability in the shape of a triangle and not the rectangle. Until recently, the Resource Asset Registration Guide even demonstrated by pictorial that the minimum requirement is the triangle, not the rectangle.

Despite claims to the contrary, ERCOT’s current interpretation of the Reactive Power requirements in the Protocols remains in dispute. It is the subject of an appeal active at the Public Utility Commission of Texas (PUCT). PUCT Docket 36482, Appeal of Competitive Wind Generators Regarding the Electric Reliability Council of Texas’ Interpretation of the Reactive Power Protocols, demonstrates that a serious controversy remains about required Reactive Power capability. The docket was initiated when a group of WGR owners (the Competitive Wind Generators) appealed ERCOT’s November 2008 Legal Interpretation that the Protocols require all Generation Resources that are not otherwise exempt to provide the same amount of Reactive Power that they are capable of at their rated output at any level of output. This puts Generation Resources that had been approved for interconnection without that capability (except those exempted or grandfathered by the Protocols already) at risk of penalties for not complying with Protocol standards. For some Resources, the exposure would be three years of penalties, potentially levied on every wind turbine in WGR.

Throughout the appeal, ERCOT steadfastly maintained that the requirement had always been clear, and that WGRs should retrofit even without some demonstration of need. However, every Standard Generation Interconnection Agreement (SGIA), by contract in the form approved by the PUCT, requires that “unless exempt, the TSP shall timely request ISO and all regulatory approvals necessary to carry out its responsibilities.” Moreover, before each of these WGRs, that had submitted GARFs or RARFs, depending on the timing, was energized, ERCOT specifically approved interconnection checklists, which include demonstration of Reactive Power capabilities prior to energization. As a System Operator, ERCOT knew exactly what the

PRR Comments

requirements were and exactly what the WGRs were connecting to the grid. To now state years later that the standard applicable to these WGRs, that have invested billions in the ERCOT market based on the rules in place at the time, is somehow different and that these WGRs are causing system reliability issues can mean only one of two things. Either 1) ERCOT did not pay attention to its own requirements in the Protocols and what it was connecting to the grid; or 2) ERCOT knew the standards were right and the WGRs were compliant, hence the compliance letters that WGRs met the standards.

What has changed between now and then? As discussed at the PRS meeting in response to the question by the Independent Market Monitor, the modeling for Competitive Renewable Energy Zone (CREZ) transmission evidently assumed that all WGRs were meeting a different standard than that in the Protocols—the full dynamic rectangle standard that ERCOT now claims all WGRs must meet. There is still no evidence that this standard is required to accommodate CREZ generation. However, ERCOT's response has not been to change the model, but to change the requirements so that ERCOT itself can state that it has complied with North American Electric Reliability Corporation (NERC_ requirements relating to planning.

ERCOT's description of PRR 830 says, in part: "This PRR clarifies the Reactive Power capability requirement for all Generation Resources, including existing WGRs". If ERCOT's interpretation of Reactive Power capability requirements in the Protocols is indeed accurate, there should be no need to clarify the Protocols that ERCOT says are already clear. Leaving that aside, the reality on the ground proves that the Protocols have not been interpreted in practice by WGRs, ERCOT or Transmission and/or Distribution Service Providers (TDSPs) in the way ERCOT reads them now and is attempting to change them through PRR 830. Thousands of megawatts of wind resource capacity have interconnected with the ERCOT Transmission Grid without the capability that is supposedly clearly required by Protocols.

Paragraphs (3) and (4) of Protocol Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, are explicit about which Generation Resources are exempt from completely meeting the Reactive Power capability requirement. Since the end date of that exemption, over 40 WGRs with approximately 7,000 MW of capacity have interconnected with the ERCOT Transmission Grid. The vast majority of these WGRs do not meet ERCOT's interpretation of the required Reactive Power capability. This fact can be verified by reviewing the asset registration forms that ERCOT accepted from these WGRs, and from the results of an informal survey ERCOT undertook in the last half of 2008 of WGR capabilities and procedures. It is hard to comprehend how so many projects could be interconnected in derogation of ERCOT's interpretation of the Reactive Power requirements, particularly if such interconnections would create reliability problems—which has not been shown in actuality, only discussed hypothetically in the comments of ERCOT and Calpine.

As attendees of the October 22nd PRS meeting were reminded, Reactive Power is a local service; it does not travel well. Requiring all WGRs to install more equipment simply because the requirements are re-interpreted would only increase costs—long after the investment in the Texas market has been financed. There is no demonstrated nexus between the imposition of these extra costs and the improvement in system safety or reliability.

PRR Comments

A broader concern is that PRR 830 continues efforts to require retrofits without justification. The retrofit provisions in PRR 830 obviously hurt WGRs that have located in the ERCOT market—particularly given that the ERCOT interpretation of dynamic rectangle was not feasible by any wind turbine on the market at the time the Protocol language was drafted. Attempts to substantively change standards on a going-forward basis, as has always been the case in ERCOT, should be based on actual studies demonstrating need and/or benefits for the market. However, requiring retrofits from WGRs that met the ERCOT standards in effect at the time, and singling out one new generation technology on which the standards have been changed, while continuing to exempt older technologies, raises fairness issues and frustrates the investment-backed expectation of those generators that answered the call to invest in the ERCOT market.

The impact of WGRs on the ERCOT Transmission Grid has been to lower power prices. This result is not unique to ERCOT. Other regions with significant wind capacity are saving money, too. The impacts may be greater in ERCOT, however, given the installed generation fleet. Those impacts have been widely reported. Results of analysis by Bernstein Research showing that increased wind capacity in ERCOT has reduced power prices have appeared in a variety of publications, including a Wall Street Journal Blog¹ and Coal Power magazine². The following excerpt summarizes the expected impact of lower power costs in general terms. For 2008 wind generation is calculated to have reduced the annual average price per MWh by \$2.00.

“In ERCOT, the growth in wind generation is expected to push gas off the margin during certain off-peak hours and, during the hours when gas plants are operating, to reduce the marginal cost of supply by curtailing the hours run by higher cost combustion turbines.”³

It goes without saying that consumers benefit from lower prices. It's equally clear that this benefit comes by displacing high cost generation. As more wind capacity is installed, consumers will benefit while competing generators will see lower revenue. PRR 830 would shift this equation by imposing additional costs on both future and existing WGRs. The true impact analysis of PRR 830 is that it will raise prices in the ERCOT market, diminishing the benefits of wind generation the Texas Legislature and the PUCT have worked to achieve.

PRR 830 should be rejected.

¹ “Will Wind Power Blow Texas Generators Away?” posted on Wall Street Journal’s Environmental Capital Blog, August 10, 2009.
<http://blogs.wsj.com/environmentalcapital/2009/08/10/blown-away-wind-power-makes-electricity-cheaper-in-texas/>

² “Texas Wind Boom Cutting into Fossil Generator Profits” in Coal Power magazine, October 8, 2009
http://www.coalpowermag.com/ops_and_maintenance/223.html

³ P. 4, Bernstein Commodities & Power: The Impact of Wind on Power Prices and Coal and Gas Consumption, September 4, 2009

PRR Comments

Revised Proposed Protocol Language

None.

EXHIBIT G

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	October 8, 2009
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Submitter's Information	
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Cell Number	
Market Segment	Independent Generator

Comments

Horizon Wind Energy LLC appreciates the opportunity to offer comments on PRR830, Reactive Power Capability Requirement. Horizon believes that Market Participants have the responsibility to provide capabilities required by the market rules, and has ensured that our Wind-powered Generation Resources (WGRs) fulfill that responsibility.

The introductory comments for PRR830 say it is a clarification of Reactive Power requirements and is intended to be prospective, even a cursory review shows that it goes far beyond clarification. In addition to redefining the terms for Reactive Power service and adding new definitions for existing terms, it imposes new requirements on existing generation that can only be accomplished through significant capital investment in retrofits. This re-write of Reactive Power capability requirements occurs at the same time that the Public Utility Commission of Texas (PUCT) is hearing an appeal of an ERCOT Protocol Interpretation regarding the requirements for Reactive Power capability.

PRR830 broadly re-defines Reactive Power capability requirements for Generation Resources interconnected with the ERCOT Transmission Grid. For example, it changes the concept of Unit Reactive Limit (URL) and adds the requirement that all Reactive Power capability be dynamic. By doing so, it imposes new requirements on WGRs and requires retrofits to the majority of operating WGRs. These new requirements are contrary to existing Protocols and practice, and are proposed without any demonstration of need.

At the time the current Protocols were adopted, the technology for WGRs to perform as ERCOT interprets them did not exist. Only one vendor had even announced that their turbines could do so, as was pointed out in the discussions around their adoption. Clearly imposing a requirement now to reach back will penalize existing WGRs that invested in the market based on the market

PRR Comments

rules at the time. They will have to make substantial investments to implement these new Reactive Power requirements, without any study showing that doing so will improve system reliability.

If the true intent is to level the playing field with regard to Reactive Power capability, this PRR does not accomplish that objective. Instead it singles out one group, WGRs, to which this retroactive standard is applied. The current Reactive Power protocols exempt conventional generation pre-1999 from the Reactive Power requirements, and this PRR only seeks to place the retroactive “rectangle” requirements on WGRs, and not other types of generation to which the retroactive provisions could also be applied if the purpose was to make the playing field level—albeit at significant cost to those conventional generators as well.

Reconsideration of Reactive Power capability required by the ERCOT System, and of the most reliable and cost-effective way to provide it, will be a lengthy project, and should be a separate effort from this PRR as part of a study process—however Horizon does not support the retroactive application of Reactive Power requirements or other standards to existing generation once the capital investment has been made and the generator has no way to recover tens of millions of dollars in new, unanticipated capital outlays.

The background relating to Reactive Power is significant. WGRs have given ERCOT their Resource Asset Registration Forms (RARF & GARF) for years demonstrating compliance with the Reactive Power standards in the shape of the “cone.” The RARF example clearly demonstrates what the minimum requirement is, and that is the “cone” as can be seen in the pictorial that accompanies it.

WGRs developed their projects on the understanding that ERCOT required, at most, Reactive Power be provided as shown by the “cone” plot, consistent with the rest of the country. However, PRR830 was precipitated by a new interpretation issued by ERCOT as part of its ERCOT Protocol Interpretation issued November 13, 2008 (Interpretation), which was also subsequently withdrawn as a result of defects in the adoption of the Interpretation. This matter is the subject of a contested case before the PUCT. The PUCT will decide the interpretation of the Protocols as applied to existing generation and has indicated its willingness to do so by twice refusing to grant ERCOT’s Motions to Dismiss. Instead of embarking on a lengthy debate about re-defining Reactive Power capability requirements as applied to existing WGRs in the consideration of PRR830, Horizon recommends limiting this discussion to clearly defining what new WGRs need to provide. This will remove financial concerns for operating and prospective wind projects, that otherwise may have to make costly retrofits or install unnecessary equipment.

Reactive Power capability requirements for ERCOT are clear from Protocols and other binding documents. Those requirements are the maximum Reactive Power performance required in FERC Order 661A: WGRs are to maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the point of interconnection. All WGRs must maintain at least this capability, using static and/or dynamic reactive equipment, as they decide is most cost-effective. WGRs should only be required to provide additional Reactive Power capability if needed for system reliability, as determined by the Transmission Service Provider (TSP) conducting the

PRR Comments

interconnection study. Review of the Protocols and of Other Binding Documents show consistent support for this requirement. Examples from those documents are provided below.

Existing WGRs interconnected with the ERCOT Transmission Grid with the understanding of Reactive Power requirements as described above. Their capabilities were clearly reported in their Interconnection Agreements and Registration Forms. The additional retroactive requirements PRR830 would impose have not been shown to be needed by any study. For all these reasons, in addition to the costly retrofits PRR830 would impose, Horizon recommends rejection of PRR830.

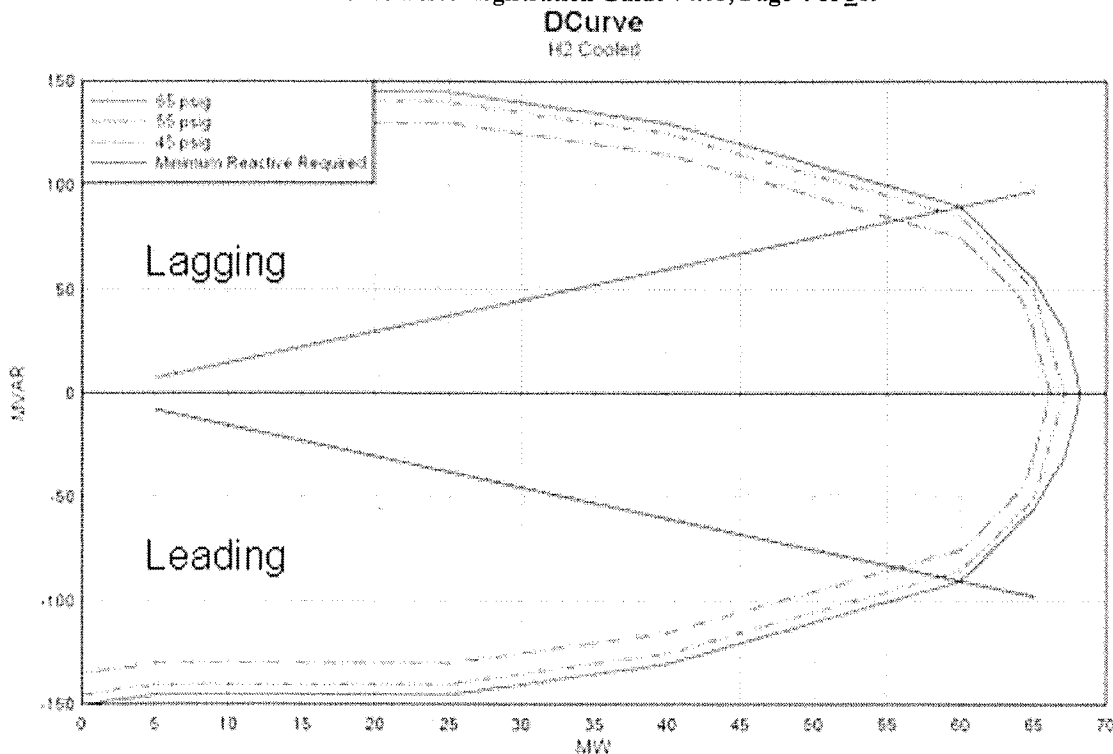
The current Protocols are clear that URL refers to Reactive Power produced when a Resource is operating at its rated capability, and that the required reactive capability varies with the Resource's real power production. At full output, a Resource must be capable of providing reactive power per its URL. There is no confusion there. The Protocols also say: "In no event shall the Reactive Power available be less than the required installed reactive capability multiplied by the *ratio* of the lower active power output to the generating unit's continuous rated active power output..." (emphasis added). There should be no confusion that the Protocols intend for Reactive Power capability to vary with output.

This clear meaning is supported by ERCOT's actions and in Other Binding Documents. WGRs have clearly and repeatedly communicated their Reactive Power capability through the interconnection process, the asset registration process, the synchronization approval process, ERCOT surveys, and in response to request letters from ERCOT.

ERCOT's Resource Asset Registration Guide, effective March 10, 2009, reflects the Protocol requirement that the "Minimum Reactive Required" vary with a Resource's output. The chart reproduced below appears in version 4.03 of the Resource Asset Registration Guide, published two months after ERCOT issued its Reactive Power interpretation. WGRs registering their assets clearly indicated that their Reactive Power capability varies with power production.

PRR Comments

Resource Asset Registration Guide v4.03, Page 4 of 569



From the letters ERCOT sent on June 5, 2009, it appears that many, if not all, WGRs registered their assets indicating that their Reactive Power capability varies with power production. ERCOT sanctioned their interconnection while understanding that their Reactive Power varied with real power production. This understanding is reflected in a draft revision to ERCOT's Generation Interconnection or Change Request Procedure, offered for comments in February 2007, which includes the language quoted below. It would accommodate actual WGR Reactive Power capability and provides that Reactive Power can be provided using either static or dynamic equipment.

4.7 Special Requirements for Wind Generation

4.7.1 Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the point of interconnection as defined in the SGIA. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by ERCOT and the TSP. The GE or PGC shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient

PRR Comments

dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system.¹

There is still no requirement to provide Reactive Power using dynamic equipment in ERCOT's New Generator Commissioning Checklist. The version effective since April 07, 2009 includes a requirement for each Generation Resource to telemeter the status of its "Station Static Reactive Device(s)" status. Clearly ERCOT accepts that Generation Resources could reliably meet their Reactive Power capability requirements with static devices.

Revised Proposed Protocol Language

None.

¹

http://www.ercot.com/content/meetings/ros/keydocs/2007/0215/06._ERCOTGenerationInterconnectOrChangeRequestProcedures0214.doc

EXHIBIT H

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	September 15, 2009
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Submitter's Information	
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Cell Number	
Market Segment	Independent Generator

Comments

Horizon does not agree with the changes proposed in Protocol Revision Request (PRR) 830, Reactive Power Capability Requirement. The PRR as drafted would require significant retrofitting by wind generators that have been providing service to the ERCOT market for years without justification. It would impose additional capital expenditures for existing generation many years after these assets have been financed. The substantial retrofit obligations to be placed on wind developers are tantamount to enforcement of and retroactive application of the ERCOT interpretation of Reactive Power capability requirements that has been withdrawn. Such requirements placed on a single segment of the generation market harms the investment-backed expectations of wind developers like Horizon who have invested hundreds of millions of dollars in the ERCOT market. PRR830 in its current form should be rejected.

The proposed language attempts to remove all Protocol language that conflicts with the legal interpretation ERCOT issued in its notice, M-D111308-01 Legal, issued November 13, 2008, and replace it with language supporting ERCOT's interpretation. This raises questions about the meaning of the deleted language. PRR830 also requires Wind powered Generation Resources (WGRs) to retrofit their equipment to comply with the new requirements in which the expense would be, for individual wind developers, in the tens of millions of dollars. Significantly, ERCOT has performed no studies that demonstrate that these large expenditures need to be made for any reason and has not shown reliability events that would require costly retrofits to existing generation.

The language proposed in PRR830 goes beyond removing Protocol language that conflicts with ERCOT's interpretation; it is contrary to ERCOT's introductory remarks, in that it is retrospective, not prospective. It would require Wind Generation Resources

PRR Comments

that commenced operation on or after February 16, 2004 and have a signed Interconnection Agreement on or before November 1, 2009 to take necessary actions to comply with ERCOT's interpretation, under a mitigation plan that meets ERCOT approval. There is no basis for this requirement. As discussed by the ERCOT Board in taking up Operating Guide Revision Request, (OGRR) 208, Voltage Ride-Through (VRT) Requirement, ERCOT should study whether there is a need for requirements that burden existing generation by retroactive application of new standards. It is also unclear whether reactive power requirements of the level intended by PRR830 will be at all useful to the market as the system is clearly functioning without these requirements, and the investment in retrofits may in fact be wasted capital investment. This is particularly troubling given that most projects are financed through a variety of means ultimately relying on the value of the asset and based on the capital investment associated with construction. These new and substantial capital outlays cannot be "added" into the financing years later.

There may be, in the future, situations when Market Participants need to provide additional services other than those originally contemplated -- including additional Reactive Power above required capability. Protocols now provide that conventional generation will do so -- for compensation. However, the key is that such additional expenditures must be compensated in a market such that there is certainty and that investment backed expectations are met. This is not the case with PRR830. Although it singles out a specific technology for retrofits, this requirement is not supported by studies or independent reviews.

WGRs in general and Horizon, in particular, have been willing to modify their equipment and operating procedures when needed for system reliability. Examples include:

- Changing control systems to limit ramp rates in response to ERCOT Dispatch Instructions.
- Revising operating procedures to use ERCOT's Wind-powered Generation Resource Production Potential (WGRPP) forecast for their Day Ahead schedule instead of WGR's own forecasts.
- PRR811, Real Time Production Potential, which is likely to be approved, would require WGRs to provide their best estimate of production output at all times, in addition to its Resource Plan.

These changes do not reach the level of significance for unrecoverable cost that ERCOT is now asking one segment of the market to bear through PRR830. ERCOT has not shown the need for a change in the reactive requirement for WGRs and any changes to the Reactive Power requirements should truly be prospective in nature, not creating substantially increased costs for existing generation.

Revised Proposed Protocol Language

None.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 10, 2009
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Submitter's Information	
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Cell Number	
Market Segment	Investor Owned Utility (IOU)

Comments

Oncor Electric Delivery Company LLC is very pleased to support ERCOT's independence and objectivity in maintaining reliability in operations and planning activities. Oncor supports ERCOT's efforts to maintain system reliability with PRR830 and provides the following material and attached documents.

For the bulk power system to operate reliably, it must be designed and operated based on the following principles:

- * The total generation (MW & Mvar) at any moment must be kept equal to total electricity consumption and losses on the system
- * The electricity is allowed to flow through the transmission system in accordance with physical laws and cannot be directed to flow through specific lines
- * The system must be designed with reserve capacity in generation (MW & Mvar) and transmission to allow for uninterrupted service when contingencies occur

Voltage, a pressure-like quantity, is a measure of the electromotive force necessary to maintain a flow of electricity on a transmission line. Voltage fluctuations can occur due to variations in electricity demand, lack of reactive reserve and to failures on transmission equipment. Constraints on the maximum voltage levels are set by the design of the transmission line and station equipment. If the maximum

PRR Comments

is exceeded, short circuits (faults), radio interference, and noise may occur. Also, transformers and other equipment at stations and/or customer facilities may be damaged or destroyed. Minimum voltage constraints also exist based on the power requirements of the customers and lack of reactive reserve. Low voltages cause inadequate operation of equipment and may damage motors.

Voltage on a transmission line tends to "drop" from the sending end to the receiving end and varies based upon the flow. The voltage drop along the AC line is almost directly proportional to reactive power flows and line reactance (impedance). The line reactance increases with the length of the line. Capacitors and inductive reactors are installed, as needed, on lines and in stations to, in part; control the amount of voltage drop or rise. This is important because voltage levels and current levels determine the power that can be delivered to the customers.

A variety of reactive power (Mvar) producing equipment exists. They can generally be broken down into two categories; "Dynamic Resources" and "Static Resources". The total production of reactive power must equal customer demand plus losses under normal, fault and contingency conditions.

Small Mvar production shortages will result in degradation of grid voltage, while larger Mvar production shortages lead to severe low voltage or collapse. Over production Mvar results in high voltage with possible long term damage to grid facilities, generation equipment and customer facilities. Reactive power must be constantly produced/absorbed locally and cannot be transported over long distances. Reactive energy (Mvar) cannot be transmitted as far as real energy (MW). This is primarily due to the bulk electric transmission line impedances which have a naturally large X to R ratio usually in the range of 5 to 25.

High voltage transmission lines are a local source of shunt reactive energy (line charging). This local reactive energy source is similar to a fixed static capacitor connected to each end of the line. However, reactive Mvar losses on heavily loaded transmission lines often exceed the local static reactive energy produced by line charging. Large X to R ratios produces significant difference in MW losses compared to Mvar losses. Due to this X to R ratio Mvar losses are typically 5 to 25 times higher than MW losses and are constantly varying.

Generators, static var compensators (SVCs), static compensators (STATCOMs), other Flexible AC Transmission Systems (FACTS) and synchronous condensers provide dynamic reactive power with various time

PRR Comments

responses to quickly changing system conditions.

Under low voltage conditions, static capacitors used in stations (and line charging) do not produce maximum reactive power as reliably as dynamic self excited power equipment because capacitor reactive power output depends on substation voltage. Capacitor reactive power output changes in proportion to the square of voltage magnitude. For example if substation voltage declines from 100% to 90% of nominal voltage, static reactive power output declines from 100% of capability to 81%. Low voltage also increases Mvar needed by motor loads further degrading the voltage.

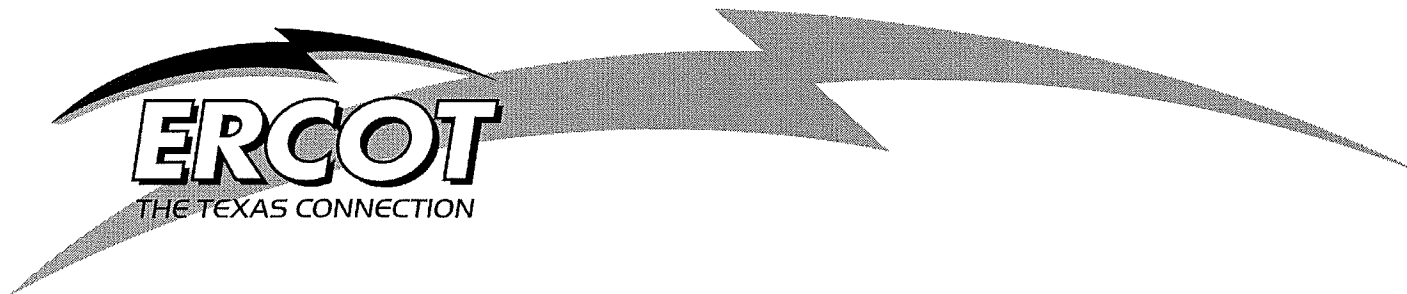
Dynamic reactive resources are used to adapt to rapidly changing conditions on the transmission system, such as faults, sudden loss of generators or transmission facilities. In contrast switched static devices are typically used to adapt to slowly changing system conditions such as daily and seasonal load cycles and changes to scheduled transactions.

Static capacitor resources have lower capital cost than dynamic devices, and from a systems point of view, static capacitors are used to provide normal or intact-system voltage support. Locating static capacitors and dynamic reactive devices near to reactive load/losses, increases their effectiveness. Dynamic reactive resources are used to adapt to rapidly changing conditions on the transmission system, such as sudden loss of generators, faults or transmission facilities.

An appropriate combination of both static and dynamic resources is needed to ensure reliable operation of the transmission system under normal and changing conditions.

Revised Proposed Protocol Language

None proposed



GENERATION INTERCONNECTION OR CHANGE REQUEST PROCEDURE

August, 2004

ERCOT
System Planning, Transmission Services
2705 West Lake Drive
Taylor, Texas 76574-2136
Main Office Phone (512) 248-3000

PURPOSE

The primary purpose of this procedure is to facilitate the interconnection of new and changes to existing generating units/plants to/in the Electric Reliability Council of Texas, Inc. (ERCOT) transmission system. Through the review of all interconnection or change requests, the following objectives will be accomplished:

- a) Identify electric system security concerns with interconnecting new or changed generation
- b) Increase communications between the Generating Entity (GE), Power Generation Company (PGC), Transmission Service Providers (TSP) and ERCOT
- c) Provide information on future capacity additions for use in reviewing projected total ERCOT capability, demand and reserve
- d) Provide accurate/appropriate data to help identify possible future transmission constraints, maintain reliability of the ERCOT System and propose related transmission projects

INTRODUCTION

A GE or PGC requesting transmission interconnection for new generation, adding additional generating capacity (more than 10 MW within a year) at an existing plant or changing the connection of an existing plant must submit an application to ERCOT. The application shall include information necessary to allow timely development, design, and implementation of electric system enhancements needed to serve the generation entity requirements. The information must include sufficient detail for use in establishing transfer capabilities, operating limits (including stability) and planning margins to provide both reliability and operating efficiency, designing future system facility additions, and facilitating coordinated planning. Applicable ERCOT and North American Electric Reliability Council (NERC) standards, protocols, guides and/or procedures for accurate system representation and modeling shall be followed.

The Public Utility Commission of Texas (PUCT) Substantive Rules (§25.191) require a TSP to build facilities to interconnect a new generating plant. The rules indicate that the interconnection planning will include transmission line interconnection and grid upgrades. The TSPs shall provide transmission service including the construction of the transmission line and upgrading the transmission grid within reasonable efforts considering economics and good utility practice.

The building of interconnection facilities and/or grid upgrades may or may not require a Certificate of Convenience and Necessity (CCN), depending upon the circumstances specific to the individual project, and are addressed in the appropriate sections of the PUCT rules. The generation owner should identify expected markets, and ERCOT along with the TSPs would identify known transmission constraints that impair the generator's ability to reach those markets (without employing the congestion management system). In many instances, additional transmission lines may be needed to enable the generator to reach the desired markets. When ERCOT identifies specific transmission expansions that will facilitate the competitive market while mitigating constraints, ERCOT will develop proposed transmission additions using the ERCOT Power System Planning Charter and Processes. ERCOT's evaluation of need in the regional planning process is important, but the PUCT (via the CCN process) will ultimately decide whether the transmission line should be built.

Both new transmission line construction and some line reconstruction require the approval of the PUCT, granted in the form of a CCN. The present PUCT rules allow the PUCT up to 12 months for processing a CCN. The need to use a consultant to route future transmission lines and the TSP to hold public meetings also adds around 12 months to the time required to certificate and build a new transmission line. In most new transmission projects, the acquisition of right-of-way and construction will take 10 to 18 months after a CCN is granted by the PUCT. Therefore, if the GE or PGC desires full transfer capability when generation is first available for

transfer to the grid, it is recommended that firm commitments be made by the GE or PGC at least three years ahead of required in-service dates for the related transmission line projects. Moreover, the GE or PGC should recognize that some projects might require commitments four to eight years in advance of system needs.

STUDY TIME TABLE

Every interconnection may be different and unique to the particular project. A timetable for studies will be developed and included in the study scope. Major improvements to the transmission system resulting from interconnection requests should be identified early in the process so project validity can be considered before going ahead with extensive studies. Adjustments to the completion date of review may be necessary for the study scope. If adjustments are necessary for the study scope, ERCOT shall provide notice as soon as practicable to both the GE and the TSP indicating the revised expected completion date. Some of these procedures may be done in parallel with others; for example, in some cases, the Facilities Study can be initiated upon completion of the Steady State Study, although the results of the Short Circuit Study and Stability Study may change the scope of the study. The TSP and the GE are encouraged to optimize the process to reduce the time necessary for the studies. The timely completion of all studies is dependent upon the availability of relevant data and appropriate study assumptions. The GE should ensure that ERCOT and the TSPs performing the studies receive all required data in order to establish study models that provide meaningful results and recommendations for interconnection.

Sample Study Time Table (calendar days):

Security Screening Study – ERCOT Staff

Review of Request, Fee and Acknowledgement	1 to 7 days
Performs Steady State Security Screening Study	3 to 90 days

GE or PGC Agrees to Proceed, Model Fee, Deposit and Proof of Site Control Received

180-day time limit after completion of Security Screening Study

Full Interconnection Study – TSPs and ERCOT Staff

Notify and Set Up Meeting	1 to 14 days
Propose Study Scope (at or after meeting)	1 to 14 days
Complete Study Scope and Sign Study Agreement	60-day time limit to go forward
Perform Full Interconnection Study	
Steady State & Transfer Analysis Study	10 to 90 days
System Protection Analysis	10 to 30 days, after Steady State Study
Dynamics Analysis	10 to 90 days, after System Protection
Facilities Study	10 to 90 days
Study Report Review	5 to 15 days after completion of study

Complete Interconnection Agreement with TSP

180-day time limit after completion of Full Interconnect Study

Typical Time

90 to 270 days

Total Range of Possible Time

52 to 440 days

FEE SCHEDULE

ERCOT Security Screening Study and Full Interconnection Study Fees are charged to entities filing generation interconnection requests to add new or additional generation capacity to the ERCOT System. These fees are based on the total plant capacity associated with the request because the capacity determines the amount of work necessary to complete the study. The ERCOT Security Screening Study fee is a nonrefundable fee and ranges from \$1,000 to \$5,000 per study as shown below. Generation Interconnection Requests are for each individual interconnection location, in-service date, and total plant capacity at this interconnection location.

ERCOT Security Screening Study Fee

Total Capacity	Fee
10 MW to 74 MW	\$1,000 Not Refundable
75 MW to 149 MW	\$2,000 Not Refundable
150 MW to 249 MW	\$3,000 Not Refundable
250 MW to 499 MW	\$4,000 Not Refundable
500 MW and above	\$5,000 Not Refundable

The ERCOT Full Interconnection Study Fee consists of two parts. The first part of the fee is a charge of \$15 per megawatt of total capacity (nonrefundable) which is used to develop stability models for generation units and to continually update the current models as new equipment changes are made. Providing this modeling fee to ERCOT **does not release** the GE or PGC from the obligation to provide accurate/appropriate stability models and data (including load) for their plant.

The second part of the fee is a deposit of \$15,000 or \$30,000 based upon total plant capacity, from which ERCOT will fund the study. Any unused portion of the deposit will be returned. The TSP will invoice the GE or PGC for any additional work that is necessary and creates charges exceeding the amount of the deposit, and ERCOT will refund any portion of the deposit not used to perform the study.

Both fees along with proof of site control must be received at ERCOT within 180 days after completion of the security screening study before a full interconnection study is started.

ERCOT Full Interconnection Study Fees

Total Capacity	Fee
10 MW to 149 MW	\$15 per MW of total capacity, not refundable \$15,000 deposit
150 MW and above	\$15 per MW of total capacity, not refundable \$30,000 deposit

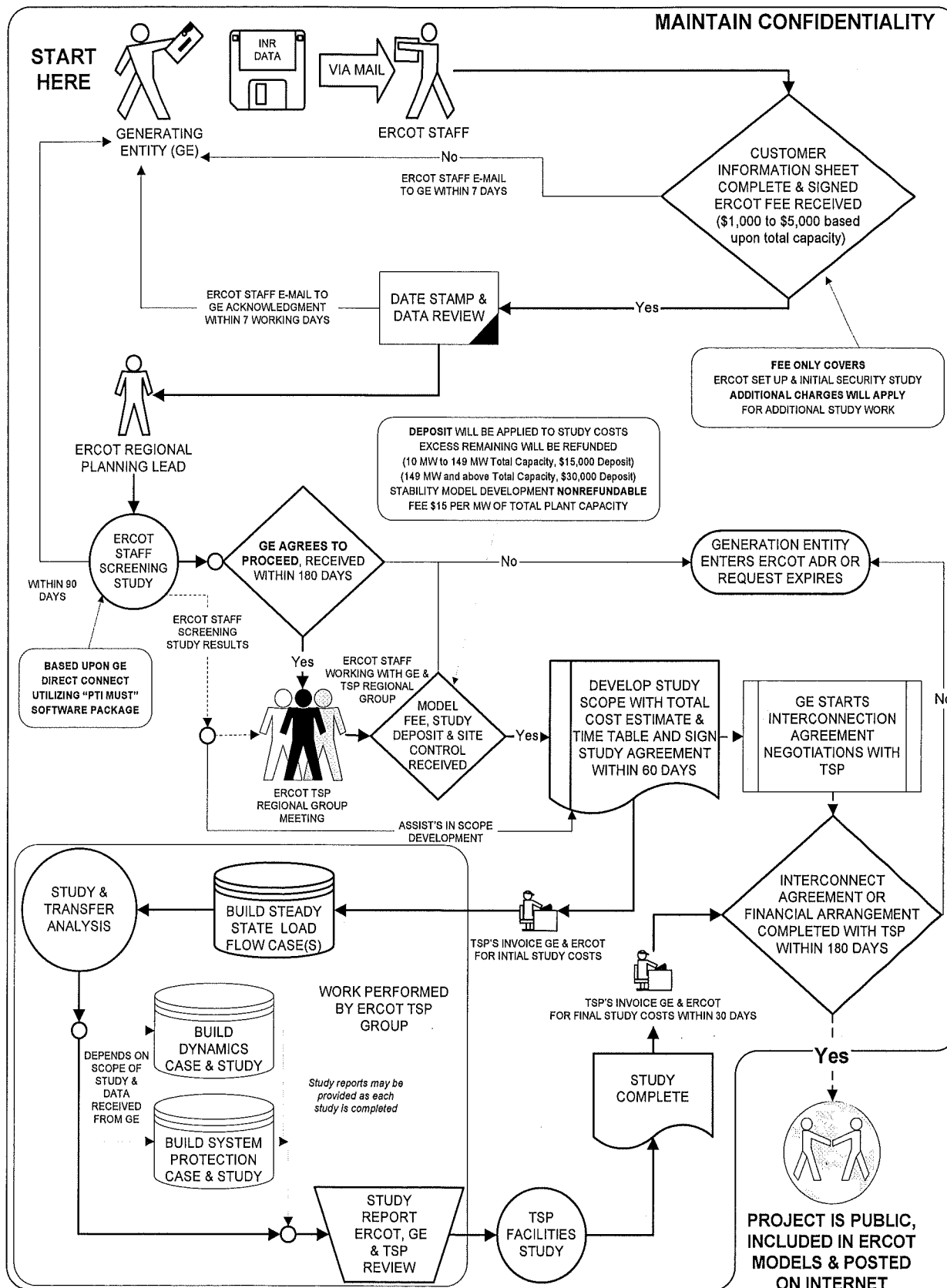
INTERCONNECTION AGREEMENTS

ERCOT is the proper place to submit the request for generation interconnection. However, the negotiation of an interconnection agreement shall be conducted directly between the GE and TSP. ERCOT does not arrange interconnection agreements.

Municipals and/or coops developing generation projects do not require interconnection agreements to connect to their transmission systems. Generation interconnection requests will remain confidential until an interconnection agreement or financial agreement for transmission construction is completed with a transmission owner. An official letter from a municipal utility or electric cooperative will also serve as a public

commitment. At that time, the generation project will be regarded as a confirmed project and will be posted on the ERCOT Internet website along with copies of generation interconnection impact studies and related proposed transmission projects.

ERCOT Generation Interconnection Process



ERCOT AND TSP PROCESS

After receiving an interconnection request and the associated security screening study fee (reference "Fee Schedule" in document) and preliminary data, ERCOT will date stamp the request. This date stamp is not a reservation of transmission capacity. ERCOT will acknowledge the request via email and notify the GE or PGC of missing data for the security screening study within seven days. ERCOT staff will then perform a steady state security screening study (including power flow and transfer studies) in the in-service year to determine the feasibility of the site for interconnection selected by the GE or PGC. This study will indicate the level at which the generator can expect to operate simultaneously with other known generation in the area before significant transmission additions may be required.

Based upon the security screening study, ERCOT will make a preliminary estimate of future transmission additions needed to effect full transfer of the new generation. This information will be presented to the GE or PGC requesting interconnection or change to the total output capability. ERCOT will also inform the GE or PGC about any basic system additions required for security and reliability. Based on this information, the GE or PGC can decide whether it wants to request interconnection or withdraw the application. If the GE or PGC decides to go forward at the named site, ERCOT will then initiate a full interconnection study in coordination with the transmission service providers in the appropriate regional planning group.

Unless ERCOT receives notice from the GE or PGC of its decision to go forward with the proposed project, ERCOT will not initiate a full interconnection study. Such notice must be received by ERCOT within 180 days after completion of the security screening study. If such notice is not received within 180 days, the request for interconnection will be considered cancelled and no longer valid. If the GE or PGC wishes to proceed after 180 days, they must begin the process again starting with a new security screening study.

When notice is received from the GE or PGC to go forward with a full interconnection study, ERCOT will schedule a meeting with the study group made up of only ERCOT Staff and TSPs in the respective Regional Planning Group. At this meeting, the project will be presented and general discussion of the study required will be proposed with general timelines. Deposit and cost requirements will also be determined at this meeting.

All TSPs within the appropriate regional planning group shall be part of the study group usually with the primary interconnecting TSP as facilitator of the study. All studies, data and related information shall be communicated to this whole group and ERCOT in performance of this work. The TSPs are most aware of the actual physical circumstances in the project area that can support or counter the interconnection or change in generation. The assistance of more than one TSP may be required in areas where transmission facilities are provided by multiple entities. ERCOT will maintain the lead role in this study and may include additional steady state, transient stability, system protection and facilities analysis.

Before a full interconnection study starts, the GE or PGC must submit to ERCOT the model fee (Reference "Fee Schedule" in document), deposit (if needed) and proof of site control. The GE or PGC must demonstrate proof of site control and maintain control of the site on which the generator is to be constructed. The applicant must demonstrate, through an affiliated company, through a trustee or directly in its name that: (a) it is the owner in fee simple of the real property to be utilized by the facilities for which new interconnection is sought; or (b) that it holds a valid written leasehold interest in the real property to be utilized by the facilities for which new interconnection is sought; or (c) that it holds a valid written option to purchase or obtain a leasehold interest in the real property to be utilized by the facilities for which new interconnection is sought; or (d) that it holds a duly executed written contract to purchase or obtain a leasehold interest in the real property to be utilized by the facilities for which new interconnection is sought. Site control must be maintained

throughout the duration of the study until the establishment of an Interconnection Agreement. Otherwise, the request for interconnection will be deemed withdrawn as of the date of loss of site control, unless the applicant can show within 30 days that it has re-established site control or has established control of a new site which would not result in the material modification of any study requested under these procedures.

The model fee is \$15 per megawatt of total capacity, nonrefundable, and is used to develop stability models for generation units and to continually update the current models as new equipment changes are made. Provision of this modeling fee to ERCOT **does not release** the GE or PGC from the obligation to provide accurate/appropriate stability models and data (including load) for their plant.

The deposit will be applied toward study costs. The TSP will invoice the GE or PGC for any study costs exceeding the amount of the deposit, and it will refund any remaining funds not used to perform in the study.

The GE or PGC and TSPs must complete (reach agreement on) the study scope within 60 days after the full interconnection study meeting. The agreement shall include assumptions, timetable, study cost estimate(s) and determination of requirements for interconnection. If the GE or PGC does not agree to a study scope within 60 days, the request for interconnection will be considered cancelled and no longer valid. If the GE or PGC wishes to proceed after such a cancellation, they must begin the process again starting with a new security screening study. The study scope developed may be minimal, very detailed or a phased study. The ERCOT security screening study and other preliminary studies provided by the GE or PGC shall be considered when developing the study scope. These studies may reduce the work and/or the time necessary for the full interconnection studies. The full interconnection study can be phased/separated in several sections with notice to proceed from the GE required for each section. This can limit the GE's costs if the project is not viable at the selected location.

The generation entity requesting interconnection is responsible for all costs of the full interconnection study. The study deposit (if needed) will be used to make payments to the TSPs. TSP costs greater than the deposit amount should be directly billed to the GE. A payment methodology and cancellation provision should be included in the full interconnection study agreement. If the GE or PGC cancels the generating project during the study, they are required to immediately notify ERCOT and all the TSPs in the study group. **The GE or PGC is responsible for all costs associated with any work performed or non-cancelable commitments made prior to the termination date.**

When the full interconnection study is completed, the GE and study group shall examine the results and append any comments within ten working days. The final study report shall be provided to the GE and all TSPs in the study group. When an interconnection agreement is completed or a financial arrangement with a TSP for transmission construction is effected within 180 days of completion of the full interconnection study, the project will be regarded as a confirmed project.

If the GE or PGC does not complete an interconnection agreement or a financial arrangement with a TSP for transmission construction is not completed within 180 days after the full interconnection study, the request for interconnection will be considered cancelled and no longer valid. If the GE wishes to proceed after the request has been deemed invalid, it must begin the process again starting with a new security screening study.

Generation interconnection requests will remain confidential until an interconnection agreement with a TSP or financial agreement for transmission construction is completed. An official letter from a municipal utility or electric cooperative will also serve as a public commitment. At that time, the generation project will be

regarded as a confirmed project and will be posted on the ERCOT Internet website along with copies of generation interconnection impact studies and related proposed transmission projects.

GENERATION PLANT DESCRIPTION & DATA REQUIREMENTS

The acquisition of data to realistically simulate the electrical behavior of system components is a fundamental requirement for the development of a reliable interconnected transmission system, accurate studies, the prevention of outages and protection of generation equipment. Therefore, the GE or PGC is required to submit specific information regarding the electrical characteristics of their proposed facilities with their request. Failure to supply the required data will result in delay of the study, and may adversely influence reliability or result in damage to generation equipment. Ongoing data updates and reviews are necessary throughout the service life of the plant.

The most current facility data or expected performance data should be submitted to ERCOT with the initial study request. Data submitted for stability models shall be compatible with ERCOT standard models (Shaw/PTI PSS/E and Powertech Labs Inc TSAT, VSAT and SSAT). If there is no compatible model(s), the GE or PGC is required to work with a consultant and/or software vendor to develop and supply accurate/appropriate models along with associated data. It is recommended that generation owners and developers encourage manufacturers and software vendors to work together to develop/maintain these important models. ERCOT recommends wind generation owners and/or developers join the modeling efforts of the Utility Wind Interest Group (UWIG, www.uwig.org).

Prior to start of construction, the GE or PGC shall inform ERCOT and TSP of any significant design changes in the generators or main power transformers to ensure compatibility with the transmission system.

Prior to commercial operation of a facility, the GE or PGC shall supplement the initial data submissions with any and all as-built facility data or as-tested performance data which differs from the initial submissions or, alternatively, written confirmation that no such differences exist.

Subsequent to commercial operation of a new facility and during continuing operation of existing facilities, the GE shall provide ERCOT and the TSP with any data changes made appropriate by equipment replacement, repair, or adjustment. The GE shall provide such data not later than 60 days after the date of the actual change in equipment characteristics. This requirement also applies to all future owners of a project/plant throughout the service life of the plant.

Each request should include the following information or best estimate about the generating facility when submitting a request to ERCOT.

- ✓ REQUIRED FOR SECURITY SCREENING STUDY
 - Signed Generation Entity Information Sheet (included with procedure)
 - Generation Summary (MS Excel Workbook)
- ✓ REQUIRED FOR FULL INTERCONNECTION STUDY
 - Any and All Updates to the Data Above
 - Detailed Generation Information - By Unit For Each Unit
 - Generator Data For Transient Stability Studies – By Unit For Each Unit
 - Electrical network drawing including all transformers, capacitors and electrical equipment
 - Generator Step-Up Or Unit Main Power Transformer(s) Data

- ✓ REQUIRED BY COMMERCIAL OPERATION DATE AND WHENEVER CHANGES ARE MADE
 - Subsynchronous Resonance (SSR) Data – By Unit For Each Unit
 - May be needed to support studies in full interconnect study
 - Any and All Updates to the Data Above

GENERATION ENTITY POWER SYSTEM STABILIZER REQUIREMENTS

Several studies of the ERCOT transmission system have indicated that, with the addition of new generation, the transmission system will be utilized at or near its maximum capability. Several recent studies have identified dynamic stability and small signal stability oscillations that can be mitigated by applying PSS at existing and new generation sites. The GE or PGC shall install a PSS on each new generating unit added unless specifically exempted from this requirement by ERCOT. All PSS on existing units shall be kept in-service and maintained, whenever possible, throughout the service life of the plant.

Maintenance and periodic tuning of the stabilizer and excitation system is the only way to sustain the benefits of the PSS. It may be necessary to re-tune the stabilizer/exciter when the voltage regulation systems (including generator field windings) are modified and/or local transmission system changes are made. The PSS and excitation system should also be tested periodically; the longest interval between tests should be five years. A poorly tuned PSS and excitation system will adversely affect system stability and may result in oscillations. Continuing oscillations could result in separation of the transmission system, loss of generation and/or damage to generation units. PSS settings should not be changed without performing proper and accurate tuning studies. Periodically, the TAC Reliability Operations Subcommittee Dynamics Working Group will perform studies to determine if PSS setting changes are necessary.

Generation owners and transmission service providers shall work jointly to prevent these possible adverse conditions by communicating changes in a timely manner.

GENERATION STABILITY DATA FORMS

In order to perform stability (transient and voltage) analyses, unit stability information and data will be required by the full interconnection study group. Updates will be also necessary after start of commercial operation or when any changes/updates are made during the life of the plant. Provision of valid complete data for stability studies are the responsibility of the GE or PGC. Typical data is permissible for security studies, but valid actual data must be provided prior to interconnection. Four sets of forms have been developed to aid the requester in providing this information. These forms are provided with the procedures as separate files included in the downloaded zip-compressed file. These forms represent models currently in common use in ERCOT. If an appropriate model is not represented therein, the GE or PGC should contact the study leader to obtain forms for other models. If no appropriate model exists, the GE or PGC must provide both an accurate/appropriate model and the associated data in the appropriate format. Accurate/appropriate information and test data about generator step up transformers, all generator data including data for stability studies (transient, voltage, etc...) and subsynchronous resonance (SSR) data shall be provided to ERCOT and interconnected TSP before the generation goes into commercial operation.

EXCMODEL.PDF – Exciter Model Forms

GENMODEL.PDF – Generator Model Forms

GOVMODEL.PDF – Governor Model Forms

STABMODL.PDF – Stabilizer Model and Excitation Limiter Forms

GENERATION ENTITY REACTIVE POWER REQUIREMENTS

Power system voltage control and stability involves all parties connected to the electric system including generation, transmission, distribution and load. Voltage is closely associated with other aspects of power system steady state and dynamic performance. Voltage control, power factor correction (reactive power compensation) and management, generator rotor angle (synchronous) stability, protective relaying, and control center operations all influence voltage stability.

ERCOT's overriding concern regarding application of reactive power requirements is the security of the complete power system, maintaining service to load and preventing damage to equipment (generation and transmission). In some cases, proper reactive controls may be required to keep a plant in service. Failures, collapse, and blackouts of the complete power delivery system must be avoided. Economic system operation is of secondary importance during emergency conditions but is very important during normal conditions. In power system design and operation, there should be a balance between economy and security. To obtain optimal benefits from the complete power system, a good voltage profile achieved by controlling reactive compensation (including power factor correction) must be maintained at all times.

Large interconnected power systems are exposed to many disturbances that threaten security. Recent requirements for more intensive use of available generation and transmission have magnified the possible effects of such disturbances. Many of these disturbances directly affect voltage and stability (including unit stability).

Voltage stability is directly related to the ability of a power system to maintain acceptable voltages at all places in the system under normal and contingent conditions. A power system enters a state of voltage instability when a disturbance causes a progressive uncontrolled variations in voltage. Voltage collapse is the result of irreversible voltage instability and results in localized or system-wide load interruption. Voltage security is the ability of a system not only to operate stably under normal conditions, but also to remain stable following any reasonably foreseeable contingency or adverse system change as defined in the ERCOT Planning Criteria.

Inadequate reactive power support from generation units, transmission lines, and load power factor correction equipment leads to voltage instability or voltage collapse. This scenario has resulted in several major system failures in recent years. The voltage control and instability phenomenon is not new to power system managers, operators, engineers, and researchers. It is well recognized in radial distribution systems. Most of the early development of the major transmission network faced the classical generator machine angle stability problem limiting transactions. Innovations in both analytical techniques and stabilizing measures made it possible to maximize the power transfer capabilities of the transmission system. The result is increased transfers of power over long transmission lines, and increased awareness of voltage control a major concern in transmission system operations.

An electric system becomes voltage unstable when a disturbance (sudden increase in load, loss of generation, system change) causes voltage to drop quickly or drift downward, and operators and automatic system controls cannot or fail to halt the decay. The voltage decay may take only a few seconds or 10 to 20 minutes. If the decay continues unabated, voltage collapse and load interruption will occur.

During the period of voltage decay, many automatic and manual controls in the electric system and within customer load devices may come into play. These include operation of generator field and exciter protective devices, actions of plant operators (e.g., voltage regulator set point reduction to reduce generator reactive loading), actions of system operators (e.g., adjustment of load tap changers [LTCs]), operation of distribution transformer LTCs and regulators, operation of voltage-controlled shunt capacitor banks, operation of

thermostatically controlled loads, manual control of loads, and others. The relatively slow actions and interactions of such devices following disturbances affecting voltage have caused this period of voltage decay to be called a period of "slow dynamics."

If voltages reach a level at which torque on the most marginal motor on the system drops below load torque, that motor may stall, causing voltage to drop further and other motors to stall in cascade fashion. The collapse may be followed by loss of some load and voltage recovery or, alternately, tripping of lines and/or generators and a complete shutdown (blackout) of the affected area.

Voltage security has been defined as the ability of a system to maintain voltage stability within specified limits following defined first and/or second contingencies. A system may also be deemed voltage secure only if voltages at customer service points remain within an acceptable band. However, having voltage within tolerances at customer service points does not necessarily ensure a secure system. A system may enter a state of voltage instability with voltages at or close to nominal levels.

Generator reactive capability is commonly derived from the generator real and reactive capability curves supplied by the manufacturer. Reactive power generation limits derived in this manner can be overly optimistic because heating or auxiliary bus voltage limits may be encountered before the generator reaches its maximum sustained reactive power capability. Manufacturer-provided design data also may not accurately reflect the characteristics of operational field equipment because settings can drift and components deteriorate over time. Field personnel may also change equipment settings (to resolve specific local problems) and the changes may not be communicated to personnel responsible for developing a system-modeling database and conducting system assessments. It is important to know the actual reactive power limits, control settings, and response times of generation equipment and to represent this information accurately in the system-modeling data that is supplied to those entities responsible for the reliability of the interconnected transmission systems.

The following standards were reviewed and approved by the ERCOT Technical Advisory Committee on August 6, 2003. They are currently being incorporated to the ERCOT Protocols and Operating Guides.

Application

- All generating units (including self-serve generating units) that have a gross generating unit rating greater than 20 MVA or those units connected to the same transmission bus that have gross generating unit ratings aggregating to greater than 20 MVA, that supply power to the ERCOT transmission grid, and that were not in operation prior to Board approval of this standard shall meet all of the requirements of this Standard.
- Any such generating units in operation earlier than the ERCOT Board approval date for this Standard shall meet the requirements of Standards applicable to that generating unit prior to the Board approval date for this Standard, and shall meet all of the requirements of this Standard except the Installed Capability Requirements. Previously applicable Standards include the Interim Standards approved by the ERCOT Board, the Standards enumerated in the Protocols Section 6.5.7, and such other Standards outlined in interconnection requirements and Operating Guides.
- Upon submission by a Generation Resource to ERCOT of a specific proposal for requirements to substitute for those of the applicable Standard, ERCOT shall either approve such alternative requirements or provide the submitter an explanation of its objections to the proposal. Alternative requirements may include supplying additional static and/or dynamic reactive power capability as necessary to meet the area's reactive power requirements. Pending changes to PUCT Rules, an induction generator may elect to contribute (to what or whom?) to be credited to TCOS in lieu of meeting the Installed Capability Requirements contained herein. In addition, ERCOT shall apply previous standards to new generating units connected within 15

months after Board approval whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to Board approval based upon previous standards.

Installed Capability Requirements

- Power Factor Requirements
 - Generating units to which this Standard applies **shall have and maintain an overexcited (lagging) power factor capability, of 0.95 or less and an under-excited (leading) power factor capability of 0.95 or less. Both capabilities shall be determined at the generating unit's maximum net power output to be supplied to the transmission grid and at the transmission system voltage profile established by ERCOT, and both shall be measured at the point of interconnection to the TDSP.** *(please note: not measured at generator unit terminals)*
 - Upon request to and with approval from ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these Power Factor Requirements only. For any unit so aggregated, specific power factor requirements based upon the reactive power contribution of that unit to the total reactive power obligation of the aggregation will be assigned to that unit and shall become that unit's required installed reactive capability at the generating unit's maximum net active power output.
 - No generating unit equipment replacement or modification shall reduce the reactive capability of the generating unit below the level required of that generating unit prior to the replacement/modification, unless specifically approved by ERCOT.
- Other Installed Capability Requirements
 - Generating units to which this Standard applies shall have and maintain the following capability:
 - Over-excitation limiters shall be provided and coordinated with the thermal capability of the generator field winding and protective relays in order to permit short-term reactive capability that allows at least 80% of the unit design standard (ANSI C50.13-1989), as follows:

Time (seconds)	10	30	60	120
Field Voltage %	208	146	125	112

After allowing temporary field current overload, the limiter shall operate through the automatic AC voltage regulator to reduce field current to the continuous rating. Return to normal AC voltage regulation after current reduction shall be automatic. The over-excitation limiter shall be coordinated with the over-excitation protection so that over-excitation protection only operates for failure of the voltage regulator/limiter.
 - Under-excitation limiters shall be provided and coordinated with loss-of-field protection to eliminate unnecessary generating unit disconnection resulting from operator error or equipment misoperation.

Operating Requirements

- All generating units shall maintain the transmission voltage at the point of interconnection to the transmission grid as directed by ERCOT within the operating reactive power capability of the unit(s).
- At all times a generating unit is on line, the required installed reactive capability must be available for utilization at the generating unit's continuous rated active power output, and reactive power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the reactive power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any reactive power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a Transmission Operator designated by ERCOT.

- Each generating unit shall be operated with any automatic voltage regulator (AVR) set to regulate generator terminal voltage and any Power System Stabilizers (PSS) in use, whenever possible, unless specifically permitted to operate otherwise by ERCOT. If the service status of a PSS is changed, it shall be reported to ERCOT as soon as practicable.
- Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.

Information Supply Requirements

- Unit AVR and PSS modeling information required in the ERCOT Planning Criteria shall be determined from actual unit testing described in the Operating Guides. Within 30 days of ERCOT's request, the results of the latest test performed shall be supplied to ERCOT and the TSP.
- When the operating mode of a generating unit's AVR or PSS is changed while the unit is operating, the QSE shall promptly inform ERCOT. The QSE shall also supply AVR or PSS status logs to ERCOT upon request.
- Within 30 days of ERCOT's request, Generation Resources shall provide ERCOT with the operating characteristics of any generating unit's equipment protective relay system or controls that may respond to temporary excursions in voltage with actions that could lead to tripping of the generating unit.
- Any short-term inability of a generating unit to meet its reactive capability requirements shall be immediately reported to ERCOT and the Transmission Operator.
- ERCOT and the TSP shall be notified of any anticipated equipment changes that affect the reactive capability of an operating generating unit no less than 60 days prior to implementation of the changes, and any such changes that decrease the reactive capability of the generating unit below the required level must be approved by ERCOT prior to implementation.
- High reactive loading and reactive oscillations on generation units should be immediately communicated to the QSE, the Transmission Operator, and ERCOT.
- The tripping off line of a generating unit due to voltage or reactive problems should be immediately reported to ERCOT, the Transmission Operator, and the QSE.

Generator And QSE Compliance Monitoring

- Generation Resources shall conduct generating unit reactive capability tests as specified in ERCOT Protocols and Operating Guides. Test results shall be reported to ERCOT which shall forward them to the TSPs. If reactive output of the generating units is limited by transmission system conditions during the tests, this shall be noted on the test report.
- Failure of a generating unit to provide either leading or lagging reactive up to the required capability of the unit upon request from a Transmission Operator or ERCOT may, at the discretion of ERCOT, be reported to the ERCOT Compliance Office, except under Force Majeure conditions or ERCOT-permitted operation of the generating unit.
- If a Generating Resource fails to maintain transmission system voltage at the point of interconnection with the TSP within 2% of the scheduled voltage while operating at less than the maximum reactive capability of the generating unit, ERCOT may, at its discretion, report this to the ERCOT Compliance Office, except under Force Majeure conditions or ERCOT-permitted operation of the generating unit.
- The ERCOT Compliance Office will investigate alleged non-compliance and Force Majeure conditions using ERCOT Compliance Office Procedures. The ERCOT Compliance Office will use its Compliance Procedures to address confirmed non-compliance situations. The ERCOT Compliance Office will advise the Generation Resource, its QSE, ERCOT and the TSP planning and operating staffs of the results of such investigations.

GE HARMONICS REQUIREMENTS

PUCT Substantive Rule Power Quality

(c) Harmonics. In 60-Hertz electric power systems, a harmonic is a sinusoidal component of the composite 60 Hertz wave having a frequency that is an integral multiple of the fundamental frequency. "Excessive harmonics," in this subsection, shall mean levels of current or voltage waveform distortion at the point of common coupling between the electric utility and the customer exceeding the levels recommended in the IEEE standard referenced in paragraph (1) of this section. Each electric utility shall assist every customer affected with problems caused by excessive harmonics and customers affected in exceptional cases as described in paragraph (5) of this section.

(1) Applicable standards. In addressing harmonics problems, the electric utility and the customer shall implement to the extent reasonably practicable, and in conformance with prudent operation, the practices outlined in IEEE Standard 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard, to the extent not inconsistent with law, including state and federal statutes, orders, and regulations, and applicable municipal regulations.

(2) Investigation. If a utility receives notice that a customer is experiencing problems caused by harmonics, or if an electric utility otherwise becomes aware of harmonics conditions adversely affecting a customer, the electric utility shall determine whether the condition constitutes excessive harmonics. If so, the electric utility shall investigate and determine the cause of the excessive harmonics.

(3) Excessive harmonics created by customer. If an electric utility determines that a customer has created excessive harmonics that causes or are reasonably likely to cause another customer to receive unsafe, unreliable or inadequate electric service, the electric utility shall provide written notice to the customer creating excessive harmonics. The notice shall state that the utility has determined that the customer has created an excessive harmonics condition and that the utility has (identified?) explained (to whom?) the source and consequences of the harmonics problem. The notice shall give the customer two options to cure the problem.

- (A) The electric utility may cure the problem by working on the customer's electric facilities at a mutually agreeable time and assess the repair costs to the customer.
- (B) The customer may elect to cure the problem at its option and its cost, but the remedy must occur within a reasonable time specified in the notice.
- (4) Failure of the customer to remedy the problem. In the event the customer refuses to allow the electric utility to remedy the problem and does not stop creating excessive harmonics within the time specified, the electric utility may disconnect the customer's service. The electric utility shall then remedy the excessive harmonics condition, or the electric utility may determine that the customer has remedied the condition within the time specified (if disconnection has occurred, this determination should not be possible since disconnection would have been inappropriate). Before disconnecting pursuant to this subsection, the electric utility must provide written notice of its intent to disconnect at least five working days before doing so.. The electric utility may disconnect the customer five working days after providing the notice, unless the customer grants the electric utility access to its electric facilities or ceases creating excessive harmonics.
- (5) Excessive harmonics created by an electric utility or third party. If an electric utility determines that its operation or facilities, or the operations or facilities of a third party other than a customer, created excessive harmonics that causes or is reasonably likely to cause a customer to receive unsafe, unreliable or inadequate electric service, the electric utility shall remedy the excessive harmonics condition at the earliest practical date.
- (6) Excessive total harmonic distortion (THD) created by two or more harmonic sources within IEEE 519 limits. If, in its investigation of a harmonics problem, an electric utility determines that two or more customers' harmonic inputs to the transmission (and/or distribution?) system are individually within IEEE 519 limits but the sum of the inputs exceeds the IEEE 519 limits, the utility may require each customer to reduce its harmonic levels below the limits specified in IEEE 519 to achieve a THD level within acceptable limits..

GENERATION INTERCONNECTION STUDY GUIDELINES

Each generation resource which constitutes a separate generation interconnection will be an individual study analyzed separately from all other such requests unless additional studies are specified and agreed to by the GE in the study scope.

With the concurrence of ERCOT, the GE may specify any reasonable allocation of the resource output among load serving entities (LSE) in the study cases. Absent such specification by the GE, ERCOT, for study purposes, will assume the output is used to displace proportionately unspecified generation resources in ERCOT. ERCOT will determine how to treat any output remaining after displacement on a case-by-case basis (e.g., ERCOT could proportionally increase all ERCOT loads in an aggregate amount to balance the resource's output).

Simulation of the future transmission grid is necessary to develop these studies. Such simulation, however, requires several types of forecasted information that is supplied by the ERCOT transmission customers. Diversified station load forecasts are derived from the customers' total system load forecasts and undiversified station load forecasts. The customers' distribution requirements, including new substations as well as the load forecasts mentioned, are all communicated to ERCOT through the Annual Load Data Request (ALDR) process.

The performance criteria used in evaluating system security includes the NERC Planning Standards and the ERCOT Planning Criteria.

The study process begins with computer modeling of the generation and transmission facilities and loads under normal conditions. Contingency conditions that are reasonably anticipated are also modeled. To maintain adequate service and minimize interruptions of service during facility outages, model simulations are used to identify adverse results and examine the effectiveness of various alternatives in alleviating those adverse results.

The effectiveness of each grid configuration and facility change must be evaluated under a variety of possible operating environments because future loads and operating conditions cannot be predicted with certainty. As a result, repeated simulations are often required. In addition, alternatives considered for future installation may affect other alternatives so that several different combinations must be evaluated, thereby increasing the number of simulations required.

Once feasible alternatives have been identified, the process is continued by preparing a preliminary cost comparison of those alternatives. In comparing these costs to determine the most favorable alternative, the short-range and long-range effectiveness of each alternative must be considered from both a cost and reliability standpoint. Consideration is also given to operating flexibility and compatibility with future plans. ERCOT along with the TSPs will propose the most effective transmission additions to the GE.

To define the additional transmission facilities necessary to reliably accommodate the addition of the generation resource that is the subject of the request, the guidelines below shall be used unless otherwise directed by ERCOT.

Steady-State Analyses (load flow, power flow, transfer analysis)

Approved ERCOT Steady State Working Group (SSWG) Base Cases shall be used as the starting point for the creation of study base cases. Any non-existing transmission facility expected to significantly affect the study results and not already determined by ERCOT to be necessary shall be removed. In addition, ERCOT may direct that resources proposed in other prior Generation Interconnection Requests be included in the study base cases as it deems appropriate.

Using the study base cases, the study group shall perform contingency analyses as outlined in the ERCOT Planning Criteria (includes NERC Planning Standards) and identify any additional transmission facilities necessary to ensure that expected system performance conforms to the standards in that criteria. Transmission facility additions that are infeasible due to time constraints or other reasons will not be studied. All facilities necessary to accommodate the proposed generation will be identified and studied. Those facilities that cannot be completed in time to accommodate the generation will be identified and communicated to the generation entity along with likely limitations of generation output.

Loss-of-generation analyses shall assume that the lost generation will be replaced from all remaining ERCOT units in proportion to their nominal capacity (i.e., inertial response) and respecting generation limits.

Each member of the study group is responsible for analyses of any contingency outages anticipated to result in study criteria violations, regardless of which TSP owns the facilities involved. The results of each member's analysis will be shared within the study group, and those TSPs that have facilities involved in ERCOT Planning Criteria violations will be responsible for attempting to verify the validity of the anticipated violations for the study group.

Transient Analyses (unit stability, voltage, subsynchronous resonance)

Transient stability studies will be performed when stability concerns exist. In the performance of such studies, all existing or committed generation in the area of study will normally be represented at full net output, including resources for which Planned Service has not been requested. Any resulting increase in generation will be balanced as addressed in the study scope. The study group, ERCOT, and the GE shall define the study scope.

Stability study base cases shall be formed from the latest available approved ERCOT SSWG Base Cases that are consistent with the most recently approved ERCOT DWG Stability Data Base. The initial transmission configuration in the area of study included in a stability study base case should be identical to that used in the steady-state studies of the same period. Typical transient stability studies include critical clearing time analyses. In such analyses, the number of cycles for which a transmission line can sustain a fault without causing loss of synchronism of any of the generators is compared to the response of the protection systems

Any generation resource in a stability study base case for which data is not available in the most recently approved ERCOT Stability Data Base, or for which data is not otherwise provided to ERCOT and ERCOT SSWG, will be removed from the case and a corresponding reduction to the load in the LSE utilizing such resource will be uniformly applied.

Stability studies shall be performed in accordance with requirements of the ERCOT Planning Criteria and shall identify additional transmission facilities or other actions necessary to ensure conformance to that standard.

Other types of analyses, such as voltage stability or subsynchronous resonance studies, will be identified and defined in the study scope, if and as warranted.

System Protection (short circuit)

The study scope will specify where short circuit fault duties will be calculated and documented. ERCOT along with the TSP shall determine whether the interconnection of the generating plant and associated transmission system modifications will cause any transmission facility to violate the TSP short circuit criteria. ERCOT along with the TSP shall then determine what system improvements, if any, are necessary to address such violations. ERCOT along with the TSP shall also determine the available fault currents at the interconnection substation for relay setting purposes

CONFIDENTIALITY

Generation interconnection information and data are considered proprietary and market sensitive information. They are considered protected information and should not be publicly released until appropriate authorization has been received, an interconnection agreement is completed, or a financial arrangement for transmission construction is completed. To preserve the integrity of the marketplace, it is essential that such proprietary and market sensitive information not be disclosed to other market participants. This information will not be made public until transmission providers' reviews are completed. To insure that such data, documents and/or information continues to remain confidential, the following guidelines shall apply.

Confidentiality Guidelines

Transmission Service Providers (TSPs) shall keep any data, documents and/or information provided by ERCOT and the generation entity (GE) confidential and will not disclose it to anyone outside the TSP organization and the TSP's appointed officials except at the written direction of the GE, and only to those TSP employees and/or TSP appointed officials who require its review to accomplish the goals of this procedure. Information and data

shall be provided only to the TSPs appointed officials and those individuals within the TSP who need to act on it.

1. The TSP will not copy, by mechanical reproduction, in writing or in any other form, any of the data, documents and/or information provided for dispersion within the TSP unless copying is performed by one of the employees or officials allowed to receive the information or their assistants. Any documents provided and/or copied by the TSP will be dispersed to the TSP employees in a secure manner.
2. The TSP shall keep the data, documents and/or information in a safe and secure manner at all times. .
3. The TSP shall destroy, in a confidential manner, the data, documents and/or information provided at the time the data, documents and/or information are no longer needed.
4. The data and information shall not be stored or posted on any unsecured computer network, Intranet or Internet. Data should only be shared between the TSP's officials or individuals within the TSP who need it to perform studies; review study results or negotiate an Interconnection Agreement.
5. Generation project data and information should not be discussed at any open meeting (TSP, ERCOT, etc)
6. Generation projects shall not be discussed outside of the work environment or with any other TSP not included in the study group. Informal discussion within TSP companies is discouraged.
7. TSPs shall not discuss or disclose information about generation projects to outside parties even if the project has been publicly announced, unless authorized by the GE to do so.
8. TSPs should include all generation projects under construction and may include all known generation projects in an area in their studies. General information should be provided to the GE (other local GEs?) if it has significant impact on the study results. But specific project information (net amounts, number of units, type of units, fuel type, generating company, specific location, etc) shall NOT be included in the study report or discussed with generating customers.
9. The use of email addresses and email exploder lists for sending information should be limited to TSPs and the GE only. The "open" regional planning email lists should not be used except for public projects.

When an interconnection agreement or a financial arrangement for transmission construction is completed with a TSP, the project will be regarded as a confirmed project and will become public. At this time, ERCOT and TSP will add the project to ERCOT databases and impact studies will be posted.

A failure by the TSP to observe these guidelines is not to be construed as a waiver by ERCOT of the confidential nature of the information.

SUBMITTING YOUR REQUEST TO ERCOT

Address To Submit Request

All interconnection requests should be sent to the following address:

**GENERATION INTERCONNECTION REQUEST
ERCOT
2705 WEST LAKE DRIVE
TAYLOR, TEXAS 76574-2136**

to clearly identify the application and ensure timely processing of the request, GENERATION INTERCONNECTION REQUEST should be the first line of the address.

The request for service and complete data must be received in writing at ERCOT. Facsimile (FAX) and Internet email or other electronic request for interconnection will not be accepted. This is necessary to maintain a fair and consistent date and time stamp.

Request Fees

To cover ERCOT costs, fees should be included with the request. **Checks** should be made payable to **Electric Reliability Council of Texas, Inc.**

Minimum Data Submission For Studies

ERCOT suggests data gathering begin as soon as equipment is selected. The following data shall be collected from the equipment manufacturer and provided to ERCOT. In order to perform studies the following information is needed:

Security Screening Study

- Generation Entity Information Sheet Complete and Signed
- Generation Summary Sheet

Full Interconnection Study

- Any Updates to All the Above Information
- Detailed Generation Information - By Unit For Each Unit
- Generator Data For Transient Stability Studies By Unit For Each Unit
- Electrical network drawing(s) including all transformers, capacitors and electrical equipment
- Generator Step-Up Or Unit Main Power Transformer Data

Commercial Service

- Subsynchronous Resonance (SSR) Data – By Unit For Each Unit
- Any and All Updates to the Above Information

Naming Convention

To facilitate reliable communication between ERCOT, eligible customers and transmission providers, all interconnection requests will be named by ERCOT according to the following convention:

YRINRXXXX

where: YR Calendar Year the Generation is Oline (03, 04, 05)
 INR Indicates Interconnection Request
 XXXX Sequence Number beginning with 1

ERCOT will assign a name and send an acknowledgment in response to each request. All correspondence relating to a specific request should refer to this application name.

Applications for generation interconnection will be date and time stamped when the application is received at ERCOT. This date and time stamp is not a reservation of transmission capacity, either planned or unplanned.

Questions

Any questions concerning the Generation Interconnection Procedure should be directed to GINR@ercot.com.

**GENERATION ENTITY INFORMATION SHEET – PLEASE PRINT CLEARLY
FORM MUST BE SIGNED AND SUBMITTED WITH REQUEST**

Transmission Customer (Generating Entity): _____

Contact Person (Requester): _____

Title: _____

Company: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Company Internal Mail Code(s): _____

Telephone Number: (_____) _____

Facsimile (FAX) Number: (_____) _____

Internet email Address: _____

Requested Transmission Energization Date (MM/DD/YYYY): _____

Generation In Service (MM/DD/YYYY): start _____ through _____

_____ : (generating entity) is, or will be upon commencement of service, an eligible customer. An eligible customer is any of the following: the transmission provider (for all uses of its transmission system) and any electric utility, federal power marketing agency, exempt wholesale generator, qualifying facility, or power marketer. An eligible customer may designate an agent to represent it in arranging for interconnection.

Accurate/appropriate information and test data about generator step up transformers, all generator data including data for stability studies (transient, voltage, etc...) and subsynchronous resonance (SSR) data will be provided to ERCOT and interconnected TSP before the generation goes into commercial operation. I understand that all of this data will become public and added to the ERCOT databases (including power flow base cases, stability, system protection, CDR, etc...) when an interconnection agreement is completed or a financial arrangement for transmission construction is completed with a TSP. This data shall be reviewed and updated when the plant goes into commercial operation. In addition, any updates to this information will be provided within 60 days to ERCOT and transmission provider as changes or upgrades are made during the life of the plant. This requirement also applies to all future owners of this project/plant.

The generating entity and any future owners of the plant agrees to comply with these data requirements along with all applicable ERCOT & NERC requirements, including, without limitation, those contained in the ERCOT Protocols and ERCOT Operating Guides. It is understood and agreed that such requirements are subject to change from time to time, and such changes shall automatically become applicable based upon the effective date of the approved change.

Authorized Signature, _____

Date: _____

(Name printed or typed)

By: _____



Reactive Discussion

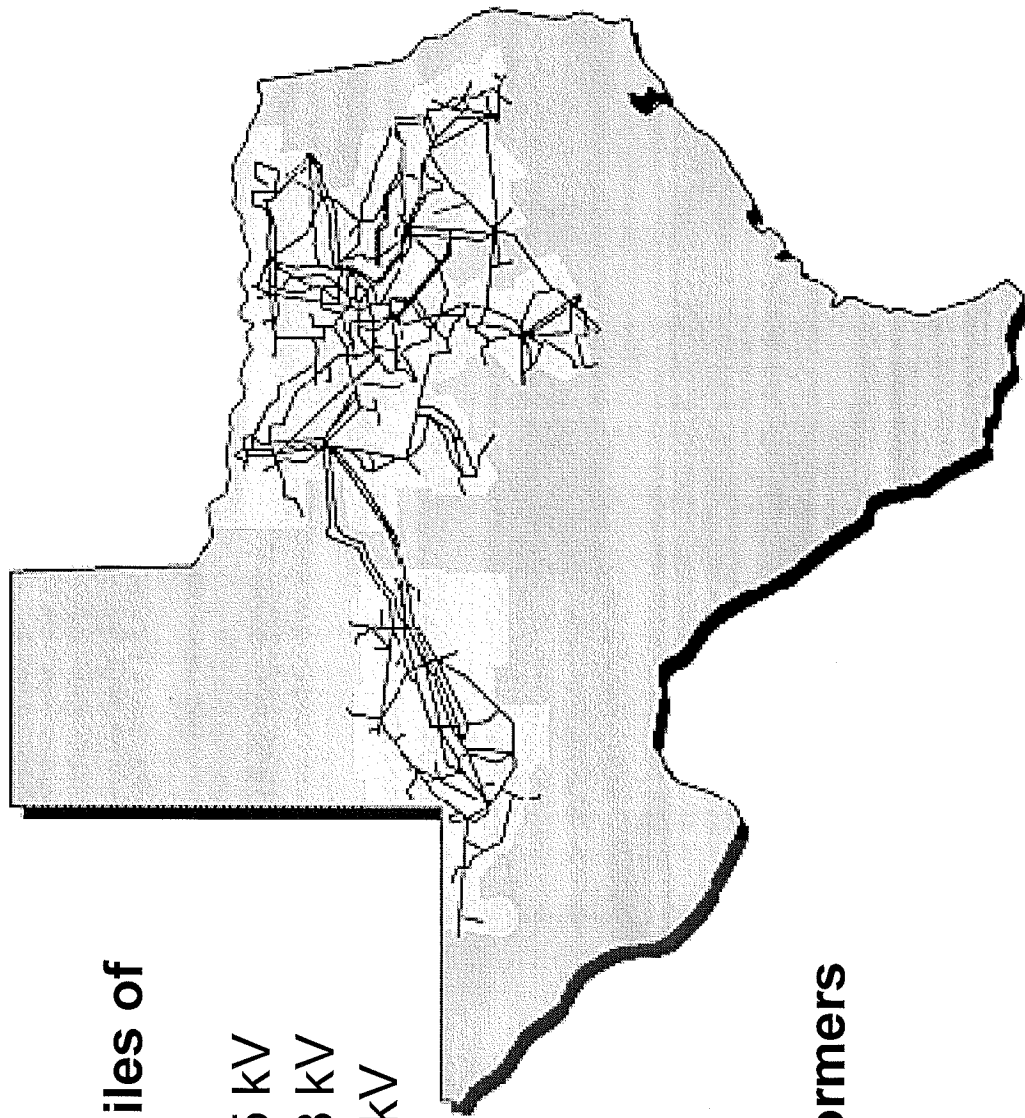
Kenneth A. Donohoo, P.E.
Director, System Planning
Distribution and Transmission
Oncor Electric Delivery Company LLC

**Presentation to ERCOT ROS
October 15, 2009
Austin, TX**

ONCOR SYSTEM



- Wires Only Company
- Innovative Solutions
- Agility in Execution
- More than 14,900 circuit miles of Transmission including:
 - 5,044 circuit miles of 345 kV
 - 6,916 circuit miles of 138 kV
 - 2,946 circuit miles of 69 kV
- More than 970 Stations
- More than 1,550 Power Transformers
- More than 6,000 Breakers
- More than 180 Autotransformers
- Significant Load Serving Distribution System



RELIABILITY REQUIREMENTS



- **Planning Standards and Criteria**
 - Normal Condition
 - First Contingency Condition
 - Second Contingency Condition, with adjustment
- **Operations Constraints**
 - Maintenance and construction feasibility
 - Complexity
 - Outages and clearances
 - Constantly changing

TYPES OF PROBLEMS



- **Thermal Overload**

- Loading on an element is too high to allow needed dissipation of heat, resulting in damage (substation equipment and cable) or clearance violations (lines).

- **Voltage Problems**

- Voltage either cannot be stabilized (voltage collapse) following a contingency event, or it cannot be maintained within a band acceptable to avoid potential damage to customer or utility equipment. Low voltage rather than high voltage, is the more common problem, by far.

- **Stability**

- Synchronism cannot be maintained between generators, either because of a contingency event (transient instability), or because a deficiency in system damping causes oscillations which continue to grow (dynamic instability).

TEMPORARY SOLUTIONS CONSIDERED



- **Thermal**
 - Add temperature monitoring to allow real-time dynamic rating
 - Add a Special Protection System to reduce generation or reconfigure network
 - Create a Remedial Action Plan which directs specific operator actions
- **Voltage**
 - Change transformer taps
 - Replace remote generation with local generation
 - Maintain extra reactive reserve
- **Stability**
 - Add Special Protection System that trips some units to save others
 - Adjust operations to maintain dynamic reactive reserve

PERMANENT SOLUTIONS CONSIDERED



- **Thermal**

- Increase thermal capability of the overloaded element
 - Reconductor lines
 - Rebuild lines
 - Raise line voltage
 - Increase line clearance
 - Add cooling to transformers
- Redirect excess flow onto unconstrained parallel path(s)
 - Increase impedance of overloaded path (switchable thermal equipment, series reactors, FACTS devices)
 - Decrease impedance of parallel path(s) (series capacitors)
 - Build new parallel path(s)
 - Add phase-shifting transformer(s) (change phase angle)

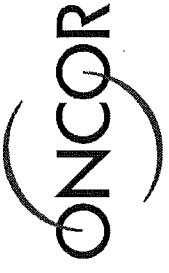
PERMANENT SOLUTIONS CONSIDERED



- **Voltage**

- Increase reactive power support in areas of depressed voltage
 - Improve load power factor
 - Add distribution feeder capacitors
 - Add substation (distribution or transmission) capacitors
 - Add dynamic reactive device (STATCOM, FACTS device) (synchronous condenser option rare)
- Decrease reactive power losses in the network
 - Add series capacitors to lines
 - Add Static Synchronous Series Compensator (SSSC, FACTS device) to lines
 - Add Superconducting Magnetic Energy Storage (SMES) device

PERMANENT SOLUTIONS CONSIDERED



- **Stability**
 - Minimize fault duration (trip breakers quickly)
 - Add independent pole fault clearing
 - Decrease impedance of network by adding or upgrading lines
 - Install fast generation excitation systems (usually new generating units only, difficult to retrofit)
 - Use FACTS devices to boost voltage during faults, decrease line impedance, or provide damping through the modulation of reactive power flow
 - Add power system stabilizer(s) to increase damping of oscillations

REACTIVE COMPENSATION



Voltage control has been problematic in West Texas due to varying load, generation and transmission topology conditions.

Distance from large load centers adds additional complexity and challenges operations.

Appropriate dynamic/static and series/shunt reactive devices should be included to handle possible operating conditions. Plan should not be limited to account for unidentified operating conditions (additional reactive reserve).

Generally, we include shunt reactors to compensate for about 30% line charging.

We apply series reactors to redirect flows.

Actual reactive design to meet ERCOT reactive standard varies by location, study and actual operating conditions.

REACTIVE CAPABILITY TESTING



ERCOT Protocols:

- **6.10.3.5:**
 - generator must conduct reactive tests
 - testing required on "initial qualification" Planning Standards and Criteria

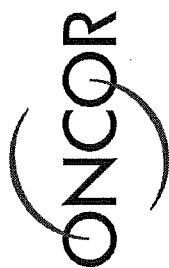
REACTIVE CAPABILITY TESTING



ERCOT Operating Guides:

- **3.1.4.3.1:**
 - Reactive capability curve (CURL) must be supplied by Generator to ERCOT
- **3.1.4.3.2:**
 - Non-coordinated Testing...QSE must schedule reactive verification tests with ERCOT
- **3.1.4.3.3:**
 - Coordinated testing: discusses testing
- **3.1.4.3.4:**
 - ERCOT implementation: ...ERCOT to review results of tests. Reactive tests to be reviewed by ERCOT to determine if they fall within 90% of CURL curve.
- **3.1.4.3.5:**
 - Enforcement of Unit Reactive Capability Testing....details of enforcement of reactive testing can be found on Compliance Template on ERCOT Compliance Web Page.

REACTIVE CAPABILITY TESTING



ERCOT Procedure:

- Go to Services, Registration & Qualification, Resource Entities...
- New gen commissioning checklist...Operating Day....gen should make plans for MVAR testing
- RARF Guide, section 7.3 and 7.4 says gen to provide reactive curve data points and perform reactive testing.

ERCOT VOLTAGE AND REACTIVE REQUIREMENTS AND COMPLIANCE MONITORING

(TAC Approved – August 6, 2003)

GENERATOR AND QSE REQUIREMENTS

Application

- All generating units (including self-serve generating units) that have a gross generating unit rating greater than 20 MVA or those units connected to the same transmission bus that have gross generating unit ratings aggregating to greater than 20 MVA, that supply power to the ERCOT transmission grid, and that were not in operation prior to Board approval of this standard shall meet all of the requirements of this Standard.
- Any such generating units in operation earlier than the ERCOT Board approval date for this Standard shall meet the requirements of Standards applicable to that generating unit prior to the Board approval date for this Standard, and shall also meet all of the requirements of this Standard except the Installed Capability Requirements. Previously applicable Standards include the Interim Standards approved by the ERCOT Board, the Standards enumerated in the Protocols Section 6.5.7, and such other Standards outlined in interconnection requirements and Operating Guides.
- Upon submission by a Generation Resource to ERCOT of a specific proposal for requirements to substitute for those of the applicable Standard, ERCOT shall either approve such alternative requirements or provide the submitter an explanation of its objections to the proposal. Alternative requirements may include supplying additional static and/or dynamic reactive power capability as necessary to meet the area's reactive power requirements. Pending changes to PUCT Rules, an induction generator may elect to make a contribution to be credited to TCOS in lieu of meeting the Installed Capability Requirements contained herein. Also, ERCOT shall apply previous standards to new generating units connected within 15 months after Board approval whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to Board approval based upon previous standards.

Installed Capability Requirements

- Power Factor Requirements
 - Generating unit installations to which this Standard applies shall have and maintain an overexcited (lagging) power factor capability, of 0.95 or less and an under-excited (leading) power factor capability of 0.95 or less, both determined at the generating unit's maximum net power to be supplied to the transmission grid and at the transmission system voltage profile established by ERCOT, and both measured at the point of interconnection to the TDSP.
 - Upon request to and with the approval of ERCOT, multiple generating units connected to the same transmission bus may be treated as a single generating unit for the purposes of these Power Factor Requirements only. For any unit so aggregated, specific power factor requirements based upon the reactive power contribution of that unit to the total reactive power obligation of the aggregation will be assigned to that unit and shall become that unit's required installed reactive capability at the generating unit's maximum net active power output.
 - No generating unit equipment replacement or modification shall reduce the reactive capability of the generating unit below the requirements to be met by that generating unit prior to the replacement/modification, unless specifically approved by ERCOT.
- Other Installed Capability Requirements
 - Generating unit installations to which this Standard applies shall have and maintain the following capability:
 - Over-excitation limiters shall be provided and coordinated with the thermal capability of the generator field winding and protective relays in order to permit short-term reactive capability that allows at least 80% of the unit design standard (ANSI C50.13-1989), as follows:

Time (seconds)	10	30	60	120
Field Voltage %	208	146	125	112

After allowing temporary field current overload, the limiter shall operate through the automatic AC voltage regulator to reduce field current to the continuous rating. Return to normal AC voltage regulation after current reduction shall be automatic. The over-excitation limiter shall be coordinated with the over-excitation protection so that over-excitation protection only operates for failure of the voltage regulator/limiter.

- Under-excitation limiters shall be provided and coordinated with loss-of-field protection to eliminate unnecessary generating unit disconnection as a result of operator error or equipment misoperation.

Operating Requirements

- All generating units shall maintain the transmission voltage at the point of interconnection to the transmission grid as directed by ERCOT within the operating reactive power capability of the unit(s).
- At all times a generating unit is on line, the required installed reactive capability must be available for utilization at the generating unit's continuous rated active power output, and reactive power up to the unit's operating capability must be available for utilization at lower active power output levels. In no event shall the reactive power available be less than the required installed reactive capability multiplied by the ratio of the lower active power output to the generating unit's continuous rated active power output, and any reactive power available for utilization must be fully deployed to support system voltage upon request by ERCOT, or a Transmission Operator designated by ERCOT.
- Each generating unit shall be operated with any automatic voltage regulator (AVR) set to regulate generator terminal voltage and any power system stabilizers (PSS) in use unless specifically permitted to operate otherwise by ERCOT.
- Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.

Information Supply Requirements

- Unit AVR and PSS modeling information required in the ERCOT Planning Criteria shall be determined from actual unit testing described in the Operating Guides. Within 30 days of ERCOT's request, the results of the latest test performed shall be supplied to ERCOT and the TSP.
- When the operating mode of a generating unit's AVR or PSS is changed while the unit is operating, the QSE shall promptly inform ERCOT. The QSE shall also supply AVR or PSS status logs to ERCOT upon request.
- Within 30 days of ERCOT's request, Generation Resources shall provide ERCOT with the operating characteristics of any generating unit's equipment protective relay system or controls that may respond to temporary excursions in voltage with actions that could lead to tripping of the generating unit.
- Any short-term inability of a generating unit to meet its reactive capability requirements shall be immediately reported to ERCOT and the Transmission Operator.
- ERCOT and the TSP shall be notified of any equipment changes that affect the reactive capability of an operating generating unit no less than 60 days prior to implementation of the changes, and any such changes that decrease the reactive capability of the generating unit below the required level must be approved by ERCOT prior to implementation.
- High reactive loading and reactive oscillations on generation units should be immediately communicated to the QSE, the Transmission Operator, and ERCOT.
- The tripping off line of a generating unit due to voltage or reactive problems should be immediately reported to ERCOT, the Transmission Operator, and the QSE.

GENERATOR AND QSE COMPLIANCE MONITORING

- Generation Resources shall conduct generating unit reactive capability tests as specified in ERCOT Protocols and Operating Guides. Test results shall be reported to ERCOT who shall forward them to the TSPs. If reactive output of the generating units is limited by transmission system conditions during the tests, this shall be noted on the test report.
- Failure of a generating unit to provide either leading or lagging reactive up to the required capability of the unit upon request from a Transmission Operator or ERCOT may, at the discretion of ERCOT, be reported to the ERCOT Compliance Office, except under Force Majeure conditions or ERCOT-permitted operation of the generating unit.

- If a Generating Resource fails to maintain transmission system voltage at the point of interconnection with the TSP within 2% of the scheduled voltage while operating at less than the maximum reactive capability of the generating unit, ERCOT may, at its discretion, report this to the ERCOT Compliance Office, except under Force Majeure conditions or ERCOT-permitted operation of the generating unit.
- The ERCOT Compliance Office will investigate claims of alleged non-compliance and Force Majeure conditions using ERCOT Compliance Office Procedures. The ERCOT Compliance Office will use its Compliance Procedures to address confirmed non-compliance situations. The ERCOT Compliance Office will advise the Generation Resource, its QSE, ERCOT and the TSP planning and operating staffs of the results of such investigations.

TDSP REQUIREMENTS

Application

- Each TSP and DSP must meet the requirements specified herein, or at their option, meet alternative requirements specifically approved by ERCOT. Such alternative requirements may include requirements for aggregated groups of facilities.
- This Standard is not intended to apply to retail customers (including any load served by an REP or load not served from the ERCOT transmission grid), since their reactive power supply requirements are addressed in other documents, including tariffs.

Installed Capability Requirements

- Sufficient static reactive power capability shall be installed by a DSP in substations and on the distribution voltage system to maintain at least a 0.97 lagging power factor for the maximum net active power supplied from a substation transformer at its distribution voltage terminals to the distribution voltage system. For any substation transformer serving multiple DSPs, this power factor requirement shall be applied to each DSP individually for its portion of the total load served.
- Assuming optimal use of all other required installed reactive power capability, ERCOT (Regional Planning Groups or Transmission Planning) shall determine and demonstrate the need for any additional static and/or dynamic reactive power capability necessary to ensure compliance with the ERCOT Planning Criteria, and ERCOT (Transmission Planning) shall establish responsibility for any associated facility additions among ERCOT TSPs.
- The ERCOT Planning Criteria shall require voltage stability margin sufficient to maintain post-transient voltage stability within a defined importing (load) area under the following study conditions:
 - Peak load conditions, with import to the area increased by 5% of the forecasted area load, and NERC Category A or B operating conditions (see NERC Table I in ERCOT Planning Criteria); and
 - Peak load conditions, with import to the area increased by 2.5% of the forecasted area load, and NERC Category C operating conditions;

Operating Requirements

- The operation of all reactive power devices under the control of a Transmission Operator or a QSE will be coordinated under the direction of ERCOT to maintain transmission voltage levels established by ERCOT. Static reactive devices will be managed to ensure that adequate dynamic reactive reserves are maintained at all times.
- The Transmission Operator, under ERCOT direction, is responsible for monitoring and ensuring that all generator dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed reactive capability requirements

Information Supply Requirements

- Any short-term inability to meet these minimum reactive requirements shall be immediately reported to ERCOT by way of the Transmission Operator.

- Any long-term changes to the reactive capability must be provided by the facility owner to ERCOT, as-planned at least 30 days prior to implementation and as-built no later than 30 days after implementation, as changes or upgrades are made during the life of the reactive power facilities.

TDSP COMPLIANCE MONITORING

DSP compliance monitoring

- Annually, ERCOT will review DSP power factors using the actual summer load and power factor information included in the Annual Load Data Request (ALDR) to assess whether DSPs comply with these requirements. All DSP substations whose annual peak load has exceeded 10 MW shall have and maintain watt/var metering sufficient to monitor compliance; otherwise, DSPs will not be required to install additional metering to determine compliance. At times selected by ERCOT, ERCOT will require manual power factor measurement at substations and points of interconnection that do not have power factor metering. ERCOT will endeavor to provide DSPs sufficient notice to perform the manual measurements. Such requests shall be limited to four times per calendar year for each DSP substation or point of interconnection where power factor measurements are not available.
- If actual conditions indicate probable non-compliance, ERCOT will require power factor measurements at the time of its choice while providing sufficient notice to perform the measurements.
- The ERCOT Compliance Office will investigate claims of alleged non-compliance using ERCOT Compliance Procedures. The ERCOT Compliance Office will use its Compliance Procedures to address confirmed non-compliance situations. The ERCOT Compliance Office will advise ERCOT and TSP planning and operating staffs of the results of such investigations.

TSP compliance monitoring

- For monitoring of compliance of the TSP's planned facilities to the ERCOT Planning Criteria performance requirements, a self-certification process with random audits (similar to compliance to NERC Planning Standards), in conjunction with work performed in the ERCOT Regional Planning Groups, shall be used. If a TSP fails to maintain transmission system voltage within 2% of the scheduled voltage while reactive sources under its direct control are not fully utilized, ERCOT may, at its discretion, report this to the ERCOT Compliance Office, except under Force Majeure conditions.
- The ERCOT Compliance Office will investigate claims of alleged non-compliance using ERCOT Compliance Procedures. The ERCOT Compliance Office will use its Compliance Procedures to address confirmed non-compliance situations. The ERCOT Compliance Office will advise ERCOT and TSP planning and operating staffs of the results of such investigations.

ERCOT REQUIREMENTS

- ERCOT shall specify voltage levels that are to be maintained on the transmission system.
- For any market participant's failure to meet the requirements of this Standard, ERCOT shall notify the participant in writing of such failure and, upon a request from the participant, explain whether and why the failure must be corrected.
- ERCOT (Regional Planning Groups or Transmission Planning) shall determine and demonstrate the need for any static and/or dynamic reactive power capability in excess of the explicit requirements of this Standard that is necessary to ensure compliance with the ERCOT Planning Criteria, and ERCOT (Transmission Planning) shall establish specific DSP and/or TSP responsibility for any associated facility additions.
- ERCOT shall consider specific stakeholder proposals for alternate requirements and, upon approval by ERCOT, post a description of such alternative requirements and any associated compliance monitoring procedures on a secured ERCOT website.

PRR Position Statement

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 10, 2009
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Submitter's Information	
Name	John Houston, TAC Advocate
E-mail Address	
Company	CenterPoint Energy Houston Electric
Phone Number	
Cell Number	
Market Segment	

Comments

John Houston, Vice President of Transmission and Substation Operations for CenterPoint Energy Houston Electric, has agreed to serve as the Technical Advisory Committee ("TAC") Advocate for the appeal of PRR 830. Due to business meetings in Washington D.C., Mr. Houston was not contacted until late in the day on Monday, November 9, 2009; therefore, Mr. Houston has not had adequate time to prepare documents to submit to the Board of the Electric Reliability Council of Texas ("ERCOT Board") by the deadline of Tuesday, November 10, 2009. Mr. Houston will submit more complete documents prior to the ERCOT Board's consideration. The following information is submitted in support of the TAC approval of PRR 830.

The issues raised in PRR 830 have been adequately vetted through the stakeholder process and it passed each vote with overwhelming approval rates. At the October 12, 2009, Reliability and Operations Subcommittee ("ROS") meeting, at least two hours were spent on presentations and consideration of comments. The vote passed with 5.5 in favor, 2.0 opposed, and two abstentions. As the ERCOT Board is aware, ROS "is responsible to review operations of ERCOT in relation to system security, operating guides application, and emergency operations." At the October 19, 2009, Protocol Revision Subcommittee meeting, several hours were also spent in consideration of the issues raised by various interested persons. The vote passed with 5.889 in favor, 1.111 opposed, and five abstentions. Another thorough vetting occurred at the November 5, 2009, TAC meeting. The PRR was approved with a vote of 23 in favor, one opposed, and six abstentions.

PRR 830 was proposed by ERCOT Staff. PRR 830 clarifies the reactive power capability requirement applicable to generators. Reactive power requirements are fundamentally a reliability concern to ensure voltage stability is maintained on the ERCOT network. ERCOT requirements relating to reactive power capability were originally developed by ROS and

PRR Position Statement

approved by TAC. The requirements are based upon an equitable and workable approach that recognizes ensuring voltage stability requires reactive power performance from three entities: generators, loads, and transmission owners. Generators and loads have a fixed reactive power requirement and transmission owners supply whatever additional reactive power is needed based upon engineering analyses. For generators, the fixed performance requirement is to provide and maintain reactive power (MVAR) capability based on 0.95 power factor or less calculated at the unit's maximum real power (MW) capability throughout the range of the unit's real power output. The generator reactive power requirement does not vary based on need determined by engineering analysis. For example, engineering analysis performed at various times have determined the Dallas-Fort Worth metroplex and the greater Houston area required significant reactive resources, both static and dynamic, to ensure voltage stability is maintained. The identified need is not met by requiring additional reactive capability from generators located in such areas because, as previously noted, the philosophy behind the ERCOT requirements is that generators have a fixed requirement. Instead, the additional reactive resources are provided by the transmission owners that have the variable requirement based on need identified through engineering analysis.

The overwhelming majority of the members of ROS, PRS, and TAC support PRR 830 due to reliability concerns for the electric transmission grid within ERCOT as well as concerns that all generators within ERCOT are treated equitably. The ERCOT transmission system was designed and built upon the criteria that all generators would provide the specified requirement for reactive power. PRR 830 clarifies the reactive requirement for generators to ensure that the system is operated in the manner in which it was planned and built. The majority of the ROS, PRS, and TAC members agree that PRR 830, as proposed by ERCOT, is a well-reasoned, flexible, and fair approach consistent with the reliability requirements understood and implemented by the majority of industry participants.

Lastly, the issues raised in PRR 830 do not need further study. As previously noted, generators have a fixed reactive capability requirement. The requirements for generators are not determined based on study and do not increase or decrease based on need identified by a different studies performed at different times over the life of the generating units. Instead, studies are performed to identify the variable transmission owner requirements.

MEMORANDUM

To: Board of Directors

From: Kent Saathoff, Vice President of System Planning & Grid Operations

Date: November 10, 2009

RE: November 17, 2009 Board Agenda Item XX – ERCOT ISO's Position Statement regarding TAC Approval of PRR830 and NextEra Energy Resource's Appeal

Greetings:

Protocol Revision Request (PRR) 830, *Reactive Power Capability Requirement*, has been approved overwhelmingly at the Reliability Operations Subcommittee (ROS), the Protocol Revision Subcommittee (PRS), and the Technical Advisory Committee (TAC) and should now be approved by the ERCOT Board of Directors (ERCOT Board). This PRR will preserve important reliability requirements, maintain parity among Generation Resources, reduce uplift of costs to Load, and at the same time it will grant major concessions to Wind-powered Generation Resources (WGRs), both in the form of increased flexibility regarding alternative means of compliance to the existing Protocols and in the form of an entire year to bring substandard equipment into compliance. Pursuant to Section 8.3.3 of the ERCOT Board Policies and Procedures, Electric Reliability Council of Texas, Inc. (ERCOT ISO) submits this Position Statement encouraging the ERCOT Board to approve PRR830 as recommended by TAC and to reject NextEra Energy Resource's appeal as without merit.

ERCOT ISO proposed PRR830 after providing an interpretation of the existing Protocols (which was subsequently withdrawn) and determining that a majority of the WGRs were unable to meet the Reactive Power requirements under Section 6.5.7.1(2) of the ERCOT Protocols. Wind-powered Generation Entities have questioned the interpretation and responded that they were in compliance with the existing Protocols when ERCOT ISO requested a mitigation plan from them that would enable them to meet the Protocol requirement. ERCOT ISO drafted and proposed PRR830 to provide a framework and a pathway to compliance for existing WGRs. PRR830 is consistent with Section 6.5.7.1(6) of the Protocols which allows participants to propose alternative designs for meeting the 0.95 lead/lag rectangle requirement. These alternative designs can include static and/or dynamic reactive devices. The PRR also allows the stakeholder groups which drafted the existing Protocol requirements to consider the issue and decide whether ERCOT ISO's view is consistent with the understanding of the majority of stakeholders. As previously noted, the overwhelming majority of all three stakeholder groups that reviewed ERCOT ISO's proposal (ROS, PRS, and TAC) agree with the language proposed by ERCOT.

Wind-powered Generation Entities have argued that because PRR830 clarifies the existing Protocol requirements, the existing requirements were ambiguous and therefore should not be applied to certain WGRs who did not understand the requirements. The stakeholder groups that reviewed PRR830 heard and rejected such arguments. The existing Protocol requirements were developed through the stakeholder process, with multiple opportunities for parties to propose clarifications, and have been in place for several years without allegations being made that the requirements were ambiguous. Generation Entities have understood and complied with the requirements. For those WGRs that do not currently comply, there are workable and equitable ways to comply without a complete retrofit of the WGRs. Specifically, WGRs can install reactive resources at the Point of Interconnection to meet the requirement or pay a contribution-in-aid-of construction to Transmission Service Providers (TSPs) to offset the incremental cost paid by TSPs (who have the variable Reactive Power requirement) attributable to the generator's non-compliance, so that Consumers paying transmission rates are held harmless. The ERCOT Protocols also has a provision for generators that cannot meet the exact requirements to propose alternatives for ERCOT ISO to review and consider. In short, the majority of the ROS, PRS, and TAC agree that PRR830, as proposed by ERCOT ISO, is a well-reasoned, flexible, and fair approach consistent with the reliability requirements understood and implemented by the majority of industry participants.

ERCOT ISO believes that PRR830 addresses several key reliability and policy issues that the ERCOT Board should take into consideration.

Reliability of the ERCOT Transmission Grid. First and foremost, PRR830 emphasizes the importance of Reactive Power support in maintaining the reliability of the ERCOT Transmission Grid. ERCOT ISO believes that without the required Reactive Power support with the appropriate characteristics, the ERCOT Transmission Grid could face difficulties in maintaining required voltage levels and potentially voltage collapse. PRR830 ensures the reliability of the ERCOT Transmission Grid by allowing existing WGRs to meet the 0.95 lead/lag rectangle requirement through a combination of the WGR's Unit Reactive Limit (URL) and/or automatically switchable static and/or dynamic VAR capable devices. These existing WGRs have until December 31, 2010 to add necessary equipment in order to meet the Reactive Power capability requirement that was established in 2004. Thus, PRR830 offers a path to compliance for existing WGRs that are presently not meeting the longstanding 0.95 lead/lag rectangle requirement at the Point of Interconnection based solely on their URL.

Second, PRR830 emphasizes the importance of dynamic Reactive Power support going forward. Any new WGRs (with signed SGIA's after December 1, 2009) and all other Generation Resources must meet the 0.95 lead/lag rectangle requirement through a combination of the Generation Resource's URL (which is dynamic capability) and/or dynamic VAR capable devices. The ERCOT Transmission Grid operates in a dynamic environment, meaning that it is constantly changing to meet the demands and changing topology of the system. Requiring

dynamic devices for voltage support ensures that the stability of the ERCOT Transmission Grid is maintained during Real Time events. PRR830 accomplishes this objective by requiring full dynamic capability for all Generation Resources in the ERCOT Region, whether conventional or renewable.

Parity Among Generation Resources. NextEra's appeal of PRR830 requires that the ERCOT Board consider whether existing WGRs should be given special treatment by exempting them from the Reactive Power rectangle requirement. With the exception of certain older generators, all Generation Resources have been required to provide equal Reactive Power support through either the inherent characteristics of their generation or through supplemental equipment. This requirement has existed in the ERCOT Protocols since 2004 and in other key documents, such as the Generation Interconnection Procedures, since 1999. The current language of the Protocols requires that all Generation Resources are required *to have and maintain* a URL with a power factor capability of 0.95 lead/lag *both determined at the generating unit's maximum net power*. This capability must be dynamic and is determined at the Generation Resource's max output to the transmission system, and it must be maintained at all output levels.

From an ERCOT Planning perspective, ERCOT ISO assumes that all Generation Resources comply with this rectangle requirement when conducting long-term system planning studies. This assumption was used in the initial Competitive Renewable Energy Zones (CREZ) studies and is being used for the full CREZ Reactive Power studies (that are currently underway) which includes the integration of 18,000 MWs of wind onto the ERCOT Transmission Grid. Should the WGRs succeed in avoiding their Reactive Power requirements, the reliability assumptions underlying ERCOT ISO's planning studies will not be valid. Furthermore, ERCOT ISO believes that having a common, minimum set of standards for all Generation Resources levels the playing field and enables all Generation Resources to compete on an equal basis. PRR830 accomplishes this objective by keeping in place the same standard for all Generation Resources in the ERCOT Region.

Cost Responsibility. NextEra's appeal of PRR830 requires that the ERCOT Board consider the cost responsibility of who ultimately pays for Reactive Power support in the ERCOT Region. Again, ERCOT ISO believes that the current Protocol language requires all Generation Resources to provide Reactive Power support based upon the rectangle requirement. There are no exceptions to this requirement except for the exemptions noted in other paragraphs of Section 6.5.7.1 (pre September 1, 1999 Generation Resources and renewable Generation Resources in operation before February 17, 2004). Thus, Generation Resources pay for this required level of Reactive Power support in the ERCOT Region.

On the other hand, acceptance of NextEra's appeal of PRR830 would place the cost of full Reactive Power support on conventional Generation Resources and Consumers. From an ERCOT Operations perspective, it is suboptimal not to have the same Reactive Power support

from all units, and ERCOT has experienced events that may not have occurred had all WGRs been capable of providing full Reactive Power support. Nevertheless, ERCOT ISO can maintain reliability with operational tools despite the additional complexity. However, a reduction in reactive reserves may make it more difficult to allow needed maintenance outages or take optimal operational actions when ERCOT's options are limited by voltage issues that could have been avoided with full Reactive Power capability. Moreover, there are cost issues. ERCOT ISO may have to bring on conventional Generation Resources who are able to provide full Reactive Power support, deny Resource or transmission outages, or open lines in order to maintain overall reliability of the ERCOT Transmission Grid. These actions will have cost impacts on other Market Participants and will be a direct result of not holding existing WGRs to the same Reactive Power requirements as conventional Generation Resources. Furthermore, if this requirement is not met, it will require ERCOT ISO to change its assumptions in the full CREZ Reactive Power studies to compensate for existing WGRs not providing full Reactive Power (the rectangle requirement). As such, the CREZ Reactive Power study results may show voltage issues which would require that TSPs provide that Reactive Power support with additional equipment on their systems. These types of upgrades will be included in the Transmission Cost of Service (TCOS), which is paid by Consumers. The needs of the system are constantly changing and a decision to allow the existing WGRs an exemption of the requirement may affect who pays in the future for Reactive Support.

For these reasons stated above, ERCOT ISO respectfully requests that the ERCOT Board reject NextEra's appeal and approve PRR830 as recommended by TAC.

I look forward to discussing this issue with you. Please let me know if you have any questions in the meantime.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	11/10/2009
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Submitter's Information	
Name	Walter J. Reid
E-mail Address	w.j.reid@ieee.org
Company	Wind Coalition
Phone Number	512-335-0664
Cell Number	512-335-0664
Market Segment	N/A

Comments

Please see PowerPoint presentation named 830PRR-37 Wind Coalition 111709 Board Presentation 111009.ppt.

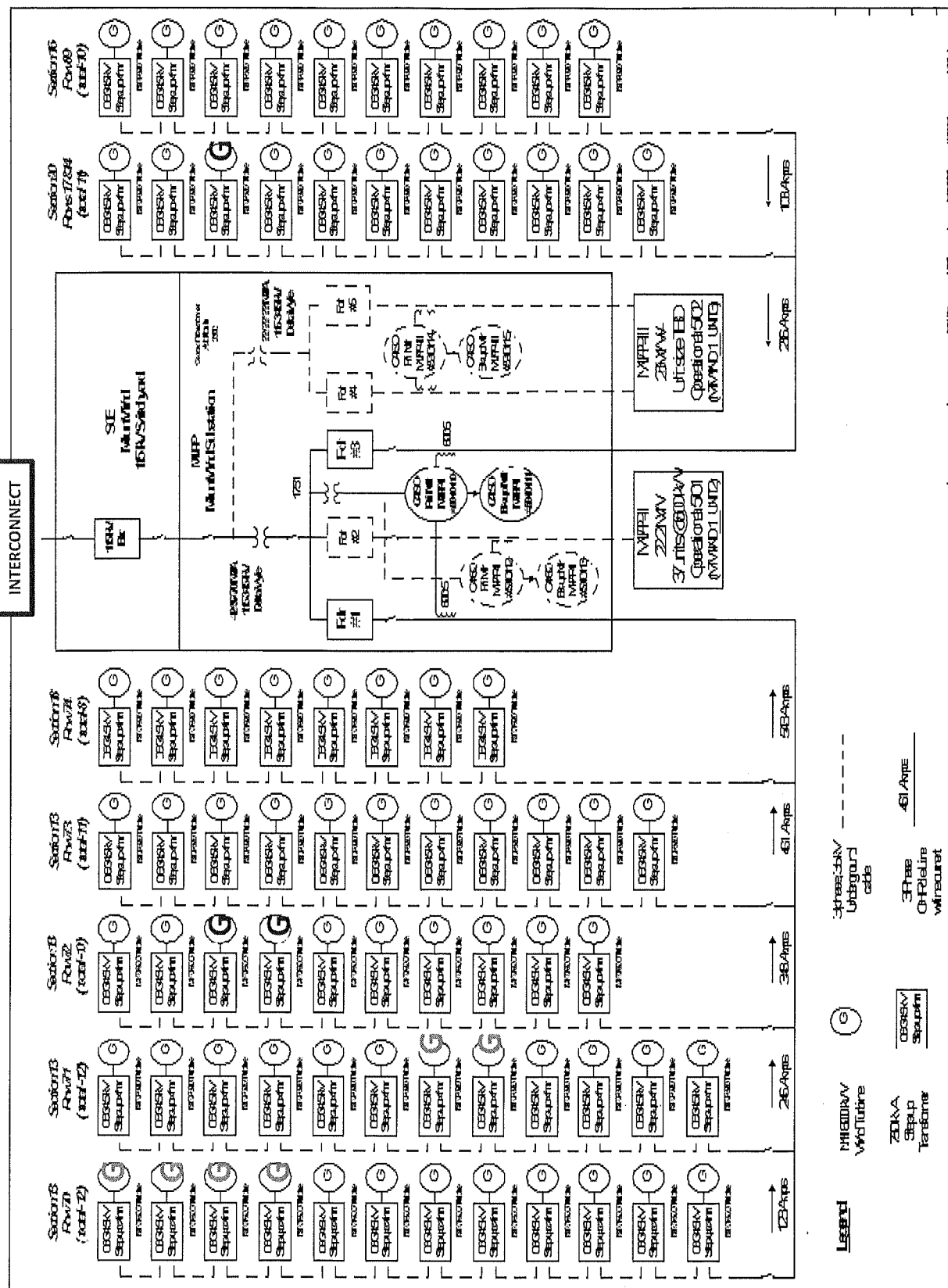
PRR 830 ISSUES

•“VIRTUAL” UNITS DO NOT MAKE SENSE

“VIRTUAL” UNITS

DO NOT MAKE SENSE

- NEW WGR DEFINITION CREATES AGGREGATIONS OF ACTUAL WIND-POWERED TURBINES OF THE SAME TYPE FOR MODELING PURPOSES
 - THE WIND COALITION SUPPORTS THE MODELING
 - BUT THE REDEFINITION WILL MAKE WGRs “UNITS” FOR ALL PURPOSES
 - NO METER POINT
 - ALL PROTOCOL AND GUIDE PROVISIONS APPLYING TO “UNITS” AND TO “RESOURCES” NOW APPLY TO THIS VIRTUAL POINT



MODELING DATA MUST BE PROVIDED

- THE WIND COALITION STRONGLY SUPPORTS SUPPLYING THE NEEDED MODELING DATA
- ALTERNATIVE WORDING HAS BEEN PROVIDED
 - PROVIDES 100% OF THE DATA PROPOSED BY ERCOT
 - DOES NOT REQUIRE THE REDEFINITION OF “WGR”

Appeal of PRR 830

John Houston

Designated TAC Advocate

PRR 830 Procedural History

- Proposed by ERCOT Staff to clarify reactive power requirements applicable to generators and provide a framework for non-compliant wind generators to comply
- At 9/17 meeting, PRS tabled consideration by unanimous vote to allow ROS to review and provide comments or a recommendation
- After consideration of multiple comments and extensive discussion at 10/15 meeting, ROS voted to recommend approval
- After consideration of additional comments and extensive discussion at 10/22 meeting, PRS voted to recommend approval
- After consideration of additional comments and extensive discussion at 11/5 meeting, TAC voted to approve

ERCOT Reactive Power Requirements

- Existing Protocol vetted through the stakeholder process in 2003 and 2004 with multiple opportunities for comment and changes
- Requirements have been in place for several years
- Requirements for generators and loads are fixed; i.e., the requirements do not increase or decrease as needs vary over time
- Incremental needs identified by engineering analysis to ensure remaining voltage stability requirements are provided by transmission owners

Applicability to Existing Generators

- Because PRR 830 was proposed to clarify, not change, the existing requirements, TAC and other stakeholder groups heard and rejected arguments that the clarification in PRR 830 should not apply to certain existing generators because the existing requirements were ambiguous
- PRR 830 does not affect pending ADR or PUC proceedings because it is not applicable to past compliance, but will become effective upon approval
- PRR 830 provides the means and time frame for non-compliant WGRs to fairly and equitably comply without a complete retrofit of certain existing units through installation of reactive resources, paying a contribution-in-aid-of-construction, or submittal of alternative proposals

Need for Studies to Determine Need

- TAC and other stakeholder groups heard and rejected arguments that studies should be performed to determine whether compliance with the requirements is needed for reliability, including consideration of a presentation by Siemens PTL and NextEra to ROS on this subject
- As previously noted, the requirements for generators are fixed – they do not vary over time as system needs change
- Taking the fixed capability of generators and loads as inputs, transmission planning studies are performed periodically to assess incremental reactive power needs that are then provided by transmission owners
- This approach is fair and workable

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 17, 2009
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Submitter's Information	
Name	Michael Hutson
E-mail Address	michael.hutson@res-americas.com
Company	RES America Developments Inc.
Phone Number	303 439 4708
Cell Number	
Market Segment	Independent Generator

Comments

RES America Developments Inc. (RES Americas) presents these comments regarding PRR830, Reactive Power Capability Requirement. RES Americas respectfully requests that the ERCOT Board of Director does not approve PRR830 as proposed for the reasons stated below.

PRR830 will require Generation Resources to be able to provide a level of Reactive Power in what is commonly referred to as the 'rectangle' response. This is beyond the existing requirement where Reactive Power output required is proportional to the MW output of the resource, referred to as the 'triangle' response. While the interpretation of the existing Protocol is subject to debate, there are currently operational Generation Resources that provide Reactive Power under the triangle response.

Implementation of the Reactive Power requirements in PRR830 will force some existing Generation Resources to retrofit operational equipment with supplemental Reactive Power devices, the additional cost of which is borne by the Generation Resource. To date, the necessity to increase the Reactive Power requirement beyond the triangle response has not been addressed through any technical assessment. The expectation that Generation Resources should willingly adopt the additional burden of Reactive Power requirements proposed in PRR830 without any proof of necessity is highly unreasonable. RES Americas believes a technical study should be performed to investigate whether i) Reactive Power capability as provided by the triangular Reactive Power response is inadequate to maintain system reliability; and ii) the Reactive Power requirements proposed in PRR830 are necessary to maintain system reliability. This study should assess the impact and necessity of PRR830 application on both existing and future Generation Resources.

PRR Comments

Implementation of PRR830 will place retroactive requirements on Generation Resources currently in operation. In many of these cases, these projects were financed under certain criteria and are bound by binding power purchase agreements. In this case, retroactive upgrades impose additional capital costs not accounted for at the time financial arrangements for the project were finalized. Subsequently, Generation Resources may not have the ability to recover the additional capital for retroactive upgrades while maintaining economically practical operating costs. Placing this financial burden on established Generation Resources is unreasonable.

Reactive Power deployment would be more efficiently realized by the Transmission Service Provider (TSP) than Generation Resources. If requirements for Reactive Power are such that system reliability is at risk of being compromised, these Reactive Power requirements should be the responsibility of and under control of TSPs.

RES Americas understands that Reactive Power is needed for reliable operation of an electrical network and understand there should be some requirement for Generation Resources to be partially responsible for its provision and believe this is sufficient as provided by the triangle Reactive Power requirement. However, Reactive Power requirements as proposed in PRR830, and the subsequent economic impacts, are unreasonable in the absence of technical evidence supporting this requirement. It is requested that the ERCOT Board of Directors does not approve PRR830.

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	11/17/2009
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Submitter's Information	
Name	Robert L. Sims
E-mail Address	robert.sims@aes.com
Company	AES Corporation
Phone Number	(858) 573-2054
Cell Number	(619) 992-8381
Market Segment	Independent Generator

Comments

Please see PowerPoint presentation named 830PRR-39 AES Board Presentation 111709.ppt.

FERC Order 661A

Issued December 12, 2005

“Interconnection Requirements for a Wind Generator Plant”

- **In 2005 & 2006 a considerable amount of work was performed by a large and broad group of grid operators and stakeholders to determine the Interconnection Requirements for Wind Generators.**
- **This work lead to FERC Issuing Order 661A and Exhibit G to the FERC Large Generator Interconnection Agreement and is now the required standard in most areas of the USA.**



FERC Order 661A

December 12, 2005

“Interconnection Requirements for a Wind Generator Plant”

Work Chronology:

- **July 2003** - FERC issues Order 2003 Standardizing the interconnection process, requirements, and agreement for all Large Generators over 20 MW (or 20 MW in aggregate) “LGIA”
- **March 2004** – As a result of stakeholder comments FERC Issues Order 2003A. This amendment recognizes that electrical machine technology differences affect interconnection requirements and provides a blank Exhibit G for the interconnection requirements for Wind Generators to be completed by stakeholders
- **September 2004** – FERC hosts a technical conference on the requirements for the interconnection of Wind Generators. The conference is broadly attended by industry stakeholders and sets the ground work for standardized interconnection requirements for wind turbines.

FERC Order 661A

December 12, 2005

“Interconnection Requirements for a Wind Generator Plant”

➤ December 2004 – NERC creates the Wind Generation Task Force to “*Review the bulk electric system reliability implications/concerns of wind generation.*” The Task Force has a broad membership of transmission and control area operators as well as generators. The group begins a series of regular working meetings.

July 2005 – FERC Issues Order 661 “Interconnection Requirements for a Wind Generator Plant.” The Order defines the technical requirements including Low Voltage Ride Through (LVRT), Power Factor, and SCADA Communications to be included in Exhibit G of the Standardized Large Generator Interconnection Agreement (LGIA).

July 2005 – NERC Requests a rehearing on 661 based on the work of the Wind Generation Task Force, NERC’s issues primarily relate to the LVRT requirements. FERC orders interested parties to come to an agreement for a revised requirement.

December 2005 – FERC Issues Final Order 661A and Exhibit G
“Interconnection Requirements for a Wind Generator Plant”



FERC Order 661A

December 12, 2005

“Interconnection Requirements for a Wind Generator Plant”

Parties that participated and filed comments in FERC 661 & 661A:

AEP - American Electric Power System

American Superconductor - American Superconductor Corporation

American Transmission - American Transmission Company, LLC

AWEA - American Wind Energy Association

BPA - Bonneville Power Administration

CenterPoint – CenterPoint Energy Houston Electric, LLC

CPUC - California Public Utilities Commission

EEL - Edison Electric Institute

Exelon - Exelon Corporation

FirstEnergy – FirstEnergy Companies

Fertilizer Institute – The Fertilizer Institute

FPL Energy – FPL Energy, LLC

Gamesa – Gamesa Energy USA, Inc

GE – General Electric

Great River - Great River Energy



FERC Order 661A

December 12, 2005

“Interconnection Requirements for a Wind Generator Plant”

Parties that participated and filed comments in FERC 661 & 661A:

Innovation – Innovation Investments, LLC
ISO New England – ISO New England Inc
LADWP - Los Angeles Department of Water and Power
LIPA - Long Island Power Authority and LIPA
Midwest ISO - Midwest Independent Transmission System Operator, Inc.
Midwest ISO TOs - Midwest ISO Transmission Owners
Midwest Reliability Organization – Midwest Reliability Organization
Montana-Dakota Utilities – Montana-Dakota Utilities
NARUC - National Association of Regulatory Utility Commissioners
National Grid– National Grid USA
NERC - North America Electric Reliability Council
Nevada Power - Nevada Power Company/Sierra Pacific Power Company
New York PSC - New York State Public Service Commission
NRECA/APPA - National Rural Electric Cooperative Association and the



FERC Order 661A
December 12, 2005
“Interconnection Requirements for a Wind Generator Plant”

Parties that participated and filed comments in FERC 661 & 661A:

NYISO - New York Independent Transmission System Operator, Inc.
NUSCo - Northeast Utilities Service Company
NorthWestern Energy – NorthWestern Energy
Ohio Consumers’ Council- The Office of the Ohio Consumers’ Council
PacifiCorp/PPM Energy – PacifiCorp and PPM Energy, Inc
PJM - PJM Interconnection, LLC
SoCal Edison - Southern California Edison Company
Southern – Southern Company Services, Inc.
Tucson Electric - Tucson Electric Power
Western - Western Area Power Administration
Xcel - Xcel Energy Services, Inc.
Zilkha - Zilkha Renewable Energy, LLC



**FERC Order 661A
December 12, 2005**

“Interconnection Requirements for a Wind Generator Plant”

FERC 661A Power Factor Requirements:

“A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider’s System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability”

**FERC Order 661A
December 12, 2005
“Interconnection Requirements for a Wind Generator Plant”**

ERCOT is now asking for a higher level of reactive support than required by FERC and NERC under the Standardized Large Generator Interconnection Agreement and standard across most of the US power system, without any technical basis or studies to demonstrate the need for a higher standard.

Board Action Report

PRR Number	830	PRR Title	Reactive Power Capability Requirement
Timeline	Urgent	Action	Approved
Date of Decision	November 17, 2009		
Effective Date	December 1, 2009		
Priority and Rank Assigned	Not applicable.		
Protocol Section(s) Requiring Revision	2.1, Definitions 2.2, Acronyms 6.5.7, Voltage Support Service 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability 6.7.6, Deployment of Voltage Support Service		
Revision Description	<p>This Protocol Revision Request (PRR) clarifies the Reactive Power capability requirement for all Generation Resources, including existing Wind-powered Generation Resources (WGRs) who are not able to meet the 0.95 lead/lag requirement with the Generation Resource's Unit Reactive Limit (URL).</p> <p>WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before December 1, 2009 may meet the Reactive Power requirements through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices.</p>		
Reason for Revision	Clarification of Reactive Power capability requirements on a going-forward basis and path to compliance for certain WGRs that are not able to meet the 0.95 lead/lag requirement at the Point of Interconnection (POI) based on the Generation Resource's URL.		
Overall Market Benefit	Provides additional clarity to the reactive requirements for wind generation.		
Overall Market Impact	Unknown.		
Consumer Impact	None.		
Credit Impacts	ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed PRR830 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.		
Relevance to Nodal Market	Yes. The Reactive Power capability requirements exist in Nodal as well.		

Board Action Report

Nodal Protocol Sections Requiring Revision	2.1, Definitions 2.2, Acronyms and Abbreviations 3.15, Voltage Support 6.5.7.7, Voltage Support Service
Procedural History	<ul style="list-style-type: none"> ➤ On 9/08/09, PRR830, a preliminary Impact Analysis, and CEO Revision Request Review were posted. ➤ On 9/10/09, PRR830 was granted Urgent status via a PRS e-mail vote. ➤ On 9/15/09, Horizon Wind Energy LLC comments were posted. ➤ On 9/17/09, PRS considered PRR830. ➤ On 9/28/09, Calpine comments were posted. ➤ On 10/7/09, Iberdrola Renewables comments were posted. ➤ On 10/8/09, a second set of Horizon Wind Energy LLC comments were posted. ➤ On 10/8/09, LCRA comments were posted. ➤ On 10/19/09, ROS comments were posted. ➤ On 10/21/09, Wind Coalition comments were posted. ➤ On 10/22/09, Vestas comments were posted. ➤ On 10/22/09, PRS again considered PRR830. ➤ On 10/22/09, NextEra Energy Resources comments were posted. ➤ On 10/26/09, the Impact Analysis was posted. ➤ On 10/28/09, a second set of Calpine comments were posted. ➤ On 10/29/09, Oncor comments were posted. ➤ On 10/29/09, ERCOT comments were posted. ➤ On 10/30/09, AEP comments were posted. ➤ On 11/2/09, Invenergy comments were posted. ➤ On 11/3/09, a second set NextEra Energy Resources comments were posted. ➤ On 11/3/09, a third set of Horizon Wind Energy LLC comments were posted. ➤ On 11/4/09, a second set of Vestas comments were posted. ➤ On 11/5/09, TAC considered PRR830. ➤ On 11/6/09, the NextEra Energy Resources appeal was posted. ➤ On 11/10/09, the NextEra Energy Resources appeal supporting documents were posted. ➤ On 11/10/09, a second set of AEP comments were posted. ➤ On 11/10/09, AES comments were posted. ➤ On 11/10/09, the Horizon position statement was posted. ➤ On 11/10/09, a second set of ONCOR comments were posted. ➤ On 11/10/09, the TAC Advocate position statement was posted. ➤ On 11/10/09, an ERCOT ISO position statement was posted. ➤ On 11/10/09, the TAC Advocate supporting document was posted. ➤ On 11/10/09, a second set of Wind Coalition comments were

Board Action Report

	<p>posted.</p> <ul style="list-style-type: none"> ➤ On 11/17/09, RES America Developments comments were posted. ➤ On 11/17/09, a second set of AES comments were posted. ➤ On 11/17/09, the ERCOT Board considered PRR830. ➤ On 11/20/09, the NextEra Energy Resources ERCOT Board presentation was posted.
PRS Decision	<p>On 9/17/09, PRS unanimously voted to table PRR830 for one month and to encourage ROS to provide comments on PRR830. All Market Segments were present for the vote.</p> <p>On 10/22/09, PRS voted to recommend approval of PRR830 as endorsed by ROS. The motion passed via roll call vote. All Market Segments were present for the vote.</p>
Summary of PRS Discussion	<p>On 9/17/09, there was discussion regarding the appeal currently at the Public Utility Commission of Texas (PUCT) which stemmed from an ERCOT interpretation of the current Protocols regarding Reactive Power. It was debated whether or not the proposed content of PRR830 was being addressed in the contested case.</p> <p>On 10/22/09, ERCOT Staff explained that PRR830 is not intended to change the philosophy of the Protocols. ERCOT Staff also provided clarification of the proposed change to the WGR definition, and noted that dynamic devices will be required going forward, but that existing WGRs can meet the requirement with static devices. There was also discussion regarding the use of the "cone" versus the "rectangle" for Reactive Power capability and that having differing requirements makes planning difficult and may pose fairness and grid stability issues. Some Market Participants expressed concerns that requirements of PRR830 would impose costs to retrofit existing units and that studies should be performed to demonstrate need.</p>
TAC Decision	<p>On 11/5/09, TAC voted to recommend approval of PRR830 as recommended by PRS in the 10/22/09 PRS Recommendation Report and as amended by the 10/29/09 ERCOT comments. All Market Segments were present for the vote.</p>
Summary of TAC Discussion	<p>On 11/5/09, TAC reviewed PRR830 comments. A Market Participant proposed including language that allowed a hybrid solution to meet Reactive Power capability requirements. ERCOT Staff explained that paragraph (6) of Section 6.5.7.1 allows Market Participants to submit alternative proposals to ERCOT for meeting the requirement, which could include a hybrid solution.</p> <p>Some Market Participants opined that changing the definition of WGR would have repercussions not only where "WGR" is used in the Protocols or market guides, but could also create complications in instances where the terms "generator," "Resource," or "unit" are</p>

Board Action Report

	<p>used. ERCOT Staff contended that the definition change is needed in order to ensure that ERCOT has an accurate representation of each WGR's Reactive Power capability.</p> <p>Questions were raised regarding ERCOT's acceptance of the "triangle" that was provided in the Resource Asset Registration Forms (RARFs). ERCOT Staff explained that the RARFs should provide an accurate representation of what a unit is physically capable of doing and should not be taken as a substitute for the requirements in the Protocols, which require the "rectangle".</p> <p>Some Market Participants expressed concern regarding retrofits to existing units. It was stated that in the past, most rules that would impose cost on existing units were implemented on a prospective basis unless there was a demonstrated need, and it was argued that at this point, there has been no evidence provided indicating that there is a need to retrofit. Others countered that if generators are not operating in the "rectangle" as the current system was designed that it is a reliability issue versus a cost issue since the risk of a voltage collapse increases as you increase capacity not operating within the "rectangle."</p>
Board Decision	On 11/17/09, the ERCOT Board approved PRR830 as recommended by TAC in the 11/5/09 TAC Recommendation Report and rejected the NextEra Energy Resources appeal.

Quantitative Impacts and Benefits		
Assumptions	1	
	2	
	3	
	4	
Market Cost		Impact Area Monetary Impact
	1	
	2	
	3	
Market Benefit		Impact Area Monetary Impact
	1	<i>Clarifies the reactive requirements for wind generation.</i>
	2	
	3	
Additional Qualitative Information	1	
	2	
	3	
	4	
Other Comments	1	
	2	
	3	

Board Action Report

	4	
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Sponsor	
Name	John Dumas
E-mail Address	jdumas@ercot.com
Company	ERCOT
Phone Number	(512) 248-3195
Cell Number	
Market Segment	N/A

Market Rules Staff Contact	
Name	Sandra Tindall
E-Mail Address	stindall@ercot.com
Phone Number	512-248-3867

Comments Received	
Comment Author	Comment Summary
Horizon Wind Energy LLC 091509	Recommended that PRR830 be rejected as submitted.
Calpine 092809	Supported approval of PRR830.
Iberdrola Renewables 100709	Suggested existing Protocol language is clear. Proposed additional revisions only as an alternative to the ERCOT proposed changes.
Horizon Wind Energy LLC 100809	Opined that PRR830 is contrary to existing Protocols, and is proposed without demonstration of need. Commented that PRR830 re-defines Reactive Power capability requirements for Generation Resources interconnected with the ERCOT Transmission Grid, imposing new requirements on WGRs and requiring retrofits to the majority of operating WGRs.
LCRA 100809	Proposed clarifying language which would allow Resources to start at lower voltage levels. Also proposed changes related to establishing Reactive Power requirements.
ROS 101909	Endorsed PRR830 as submitted.
Wind Coalition 102109	Provided alternative language to the definition of a WGR and the subsequent changes that are intended to improve the modeling of wind-powered generation reactive capabilities.
Vestas 102209	Stated that if PRR830 is adopted as proposed, it may unnecessarily increase the costs of WGRs in Texas with no improvements in reliability. Suggested that hybrid systems that have the effective

Board Action Report

	performance of a fully dynamic system should be allowed.
NextEra Energy Resources 102209	Recommended that PRS reject PRR830 and instead recommended that PRR835 be approved.
Calpine 102809	Responded to NextEra's 10/22/09 comments and supported ERCOT's efforts to maintain system reliability and the fairness found in PRR830.
Oncor 102909	Supported ERCOT's efforts to maintain system reliability with PRR830.
ERCOT 102909	Provided comments to support the need for the WGR definition change. Also proposed additional language changes which revised the effective date in both the Revision Description and in paragraph (2) of Section 6.5.7.1 to December 1, 2009 and provided administrative edits and clarification to proposed language revisions.
AEP 103009	Supported the passage of PRR830.
Invenergy 110209	Proposed the addition of paragraph (12) to Section 6.5.7.1 to clarify the requirements and approximated the treatment afforded to other types of Generation Resources that have multiple turbines behind the same POI such as combined cycle units
NextEra Energy Resources 110309	Incorporated concepts and specific amendments proposed in comments submitted by LCRA (10/08/09), The Wind Coalition (10/21/09), ERCOT (10/29/09), and Invenergy (11/02/09). Also proposed additional language changes that utilized the "rectangle" requirement for all technologies as proposed by ERCOT.
Horizon Wind Energy 110309	Recommended that PRR830 be rejected.
Vestas 110409	Provided additional language changes so that dynamic VAR capable devices would include hybrid devices and would be considered as an acceptable alternative to meet ERCOT's Reactive Power interconnection requirement.
NextEra Energy Resources 110609	Appealed the TAC action of recommending approval of PRR830. Opined that TAC erred in its decision with respect to technical concerns raised but not resolved in the proposed language and that PRR830 contradicts previous ERCOT Board policy on imposing new technical capabilities on existing Resources.
NextEra Energy Resources 111009	Opined that PRR830 does not meet the ERCOT policy standard for retroactive application of technical capabilities; that further examination of technical issues is needed; that PRR830 does not maximize Consumer benefit; that Protocols can only be revised and not clarified; that the Alternative Dispute Resolution (ADR) process should not be circumvented; and that the NextEra proposal would address issues prospectively while allowing the PUCT to interpret Protocols retrospectively. Provided additional supporting documents for position.
AEP 111009	Stated support for TAC recommendation and provided examples for AEP's belief that the ERCOT Transmission Grid has significant Reactive Power deficiency that is directly correlated to WGRs.

Board Action Report

	Suggested the NextEra proposed language would require TSPs to submit reactive element upgrades and opined that related costs should be borne by those causing the costs.
AES 111009	Suggested PRR830 should not be implemented as recommended by TAC because: 1) PRR830 requires voltage and power factor capabilities higher than the Federal Energy Regulatory Commission (FERC) 661A requirements for which ERCOT has not demonstrated the need; 2) PRR830 is a piecemeal approach and ERCOT should take a comprehensive approach along with the Low Voltage Ride Through study; and 3) PRR830 retroactively changes the interconnection requirements for operating wind projects with no documented need.
Horizon Wind Energy LLC 111009	Suggested PRR830 does not clarify existing Protocols and will create hardships on a sub-segment of generation. Provided documents to support position.
Oncor 111009	Noted support for PRR830 and described principles needed for the bulk power system to operate reliably. Provided documents to support position.
TAC Advocate 111009	Explained the TAC position on PRR830 highlighting the discussion and vote tallies at various stakeholder meetings. Noted support was due to reliability concerns for the grid as well as desire that all generators be treated equitably. Highlighted need to ensure that the system is operated in manner in which it was planned and built and suggested further study is not needed as generators have a fixed reactive capability requirement.
ERCOT 111009	Requested rejection of the NextEra appeal and approval of PRR830 as recommended by TAC to preserve important reliability requirements, to maintain parity among Generation Resources, and to reduce uplift of costs to Load.
Wind Coalition 111009	Supported creating aggregations of actual wind-powered turbines of the same type for modeling purposes but argued the redefinition of WGRs will make WGRs "units" for all purposes in the Protocol and market guides.
TAC Advocate 111109	Provided a supporting document to review PRR830 procedural history, to note Reactive Power requirements and the applicability to existing Generation Resources, and to counter the argument for additional studies to determine need.
RES America Developments Inc. 111709	Requested that the ERCOT Board not approve PRR830 because it will force some existing Generation Resources to retrofit equipment which would impose additional costs on the Generation Resource which would more efficiently be realized by TSPs. Suggested a technical study should be performed to determine whether Reactive Power response via the triangle is inadequate to maintain reliability.
AES 111709	Provided chronological summary and list of parties participating in the proceedings related to FERC Order 661A.
NextEra Energy	Opined that reinterpreting existing Protocols and applying them

Board Action Report

Resources 112009	retroactively is bad policy and a bad precedent. Suggested the following were myths: 1) reliability requires PRR830 and 2) PRR830 is nothing new.
------------------	---

Revised Proposed Protocol Language

2.1 Definitions

Point of Interconnection (POI)

The location(s) where a Generation Entity's interconnection Facilities connect to the Transmission Facilities as reflected in the Standard Generation Interconnection Agreement (SGIA) between a Generation Entity and a Transmission and/or Distribution Service Provider (TDSP).

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Wind-powered Generation Resource (WGR)

A Generation Resource that is powered by wind. Wind turbines may be aggregated together to form a WGR if each turbine is the same model and size and located behind the same Generator Step Up (GSU) transformer.

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2.2 Acronyms

POI Point of Interconnection

GSU Generator Step UpSGIA Standard Generation Interconnection Agreement

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6.5.7 Voltage Support Service

All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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6.5.7.1 Installed Reactive Power Capability Requirement for Generation Resources Required to Provide VSS

- (1) Generation Resources required to provide VSS must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT. Generation Resources shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the POI. The Reactive Power requirements shall be

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Board Action Report

available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind-powered Generation Resources (WGRs), the Reactive Power requirements shall be available at all MW output levels at or above 10 percent (10%) of the WGR's nameplate capacity. When a WGR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT may require a WGR to disconnect from the ERCOT System. The Reactive Power requirements of this paragraph shall apply to all Generation Resources except as otherwise provided in paragraphs (2) through (4) below.

- (2) WGRs that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before December 1, 2009, must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (1) above. However, the Reactive Power requirements may be met through a combination of the WGR's URL and/or automatically switchable static VAR capable devices and/or dynamic VAR capable devices. WGRs shall comply with the Reactive Power requirements of this paragraph by no later than December 31, 2010, unless it is known by July 31, 2010, that related retrofits are required by the Voltage Ride-Through study conducted in accordance with Operation Guide Section 3.1.4.6.1, Protective Relaying Requirement and Voltage Ride-Through Requirement for Wind-powered Generation Resources, in which event ERCOT may in its discretion modify the deadline for an affected WGR. ERCOT, in its sole discretion, also may grant an extension of time for other reasons.
- (3) Qualified renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the qualified renewable Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (4) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT's satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (1) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource's URL that was submitted to ERCOT and established per the criteria in the Operating Guides.
- (5) For purposes of meeting the Reactive Power requirements in paragraphs (1) and (2) above, multiple generation units including wind turbines shall, at a Generation Entity's option, be treated as a single Generation Resource or WGR if the units are connected to the same transmission bus.

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Board Action Report

- (6) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (1) above by employing a combination of the URL and added VAR capability, provided that the added VAR capability shall be automatically switchable static and/or dynamic VAR devices. ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.
- (7) A Generation Resource and TDSP may enter into an agreement in which the Generation Resource compensates the TDSP to provide VSS to meet the Reactive Power requirements of paragraph (1) above in part or in whole. The TDSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (1).
- (8) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement/modification.
- (9) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT (conveyed by way of their QSE) unless equipment damage is imminent.
- (10) WGRs must provide a Real Time Supervisory Control and Data Acquisition (SCADA) point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two (2) other Real Time SCADA points that communicate to ERCOT the following:
- (a) The number of wind turbines that are not able to communicate and whose status is unknown; and
- (b) The number of wind turbines out of service and not available for operation.
- WGRs must comply with the requirements of paragraph (10) by no later than June 1, 2010.
- (11) For the purpose of complying with the Reactive Power requirements under this Section, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAR capable devices.

6.7.6 Deployment of Voltage Support Service

- (1) ERCOT, or Transmission and/or Distribution Service Providers (TDSPs) designated by ERCOT, will instruct Generation Resources required to provide Voltage Support Service (VSS) to make adjustments for voltage support within the Unit Reactive Limit (URL) capacity limits provided by the QSE to ERCOT. Generation Resources providing VSS will not be requested to reduce megawatt output so as to provide additional Megavolt Ampere Reactive (MVAR), nor will they be requested to operate on a voltage schedule

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Deleted: Alternative requirements may include supplying additional static and/or dynamic Reactive Power capability as necessary to meet the area's Reactive Power requirements.
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Board Action Report

outside the URL, specified by the QSE without a Dispatch Instruction requesting unit-specific Dispatch or an OOME instruction.

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- (2) ERCOT and TDSPs shall develop operating procedures specifying Voltage Profiles of transmission controlled reactive Resources to minimize the dependence on generation-supplied reactive Resources. For Generation Resources required to provide VSS, GSU transformer tap settings will be managed to maximize the use of the ERCOT System for all Market Participants while maintaining adequate reliability.

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- (3) The TDSP, under ERCOT direction, is responsible for monitoring and ensuring that all Generation Resources required to provide VSS dynamic reactive sources in a local area are deployed in approximate proportion to their respective installed Reactive Power capability requirements.

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- (4) All Generation Resources required to provide VSS shall support the transmission voltage at the POI to the ERCOT Transmission Grid, or at the transmission bus in accordance with paragraph (5) of Section 6.5.7.1, Generation Resources Required to Provide VSS Installed Reactive Capability, as directed by ERCOT within the operating Reactive Power capability of the unit(s).

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- (5) The QSEs providing VSS shall meet the deployment performance requirements specified in Section 6.10.4, Ancillary Service Deployment Performance Measures.

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An induction generator may elect to make a contribution in aide of construction in lieu of meeting the installed capacity VSS requirements contained herein. In order to comply with the VSS requirements under this paragraph (7), the generator must make payment to the interconnecting TDSP under its generation Interconnection Agreement in a manner similar to that used to collect payments for the direct assignment of interconnection Facilities under applicable Public Utility Commission of Texas (PUCT) rules. The level of payment shall reflect the cost to the TDSP of procuring, installing, operating, and maintaining any Reactive Power equipment required to replace the Reactive Power capability that otherwise would be necessary for the interconnection of the generator. In order for this paragraph (7) to be effective for VSS compliance, the TDSP shall certify to ERCOT that the induction generator has complied with these requirements.

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For Generation Resources required to provide VSS

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, unless specifically approved by ERCOT

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six (6) months after the effective date of this paragraph

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months after the effective date of this paragraph

PRR Comments

PRR Number	830	PRR Title	Reactive Power Capability Requirement
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Date	November 20, 2009
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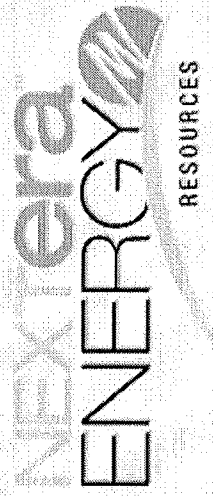
Submitter's Information	
Name	Dave Markarian
E-mail Address	David.Markarian@nexteraenergy.com
Company	NextEra Energy Resources
Phone Number	
Cell Number	
Market Segment	Independent Generator

Comments

Please see PowerPoint presentation named 830PRR-42 NextEra Energy Resources Board Presentation 112009.ppt.

Dave Markarian, Esq.

Managing Attorney,
NextEra Energy Resources
Litigation & State Regulatory



Bad Policy

**Reinterpreting Existing
Protocols and Applying Them
Retroactively is Bad Policy**

NextEra – A Reliability Leader

- We understand and take reliability concerns very seriously
- A reliability leader in ERCOT – **we seek to do the right thing**

First Myth

Reliability Requires PRR 830

Myth – Reliability

○ No System Emergencies

Second Myth:

PRR 830 Is Nothing New

ERCOT Claims PRR 830 Is Nothing New

ERCOT Reactive Power Requirements

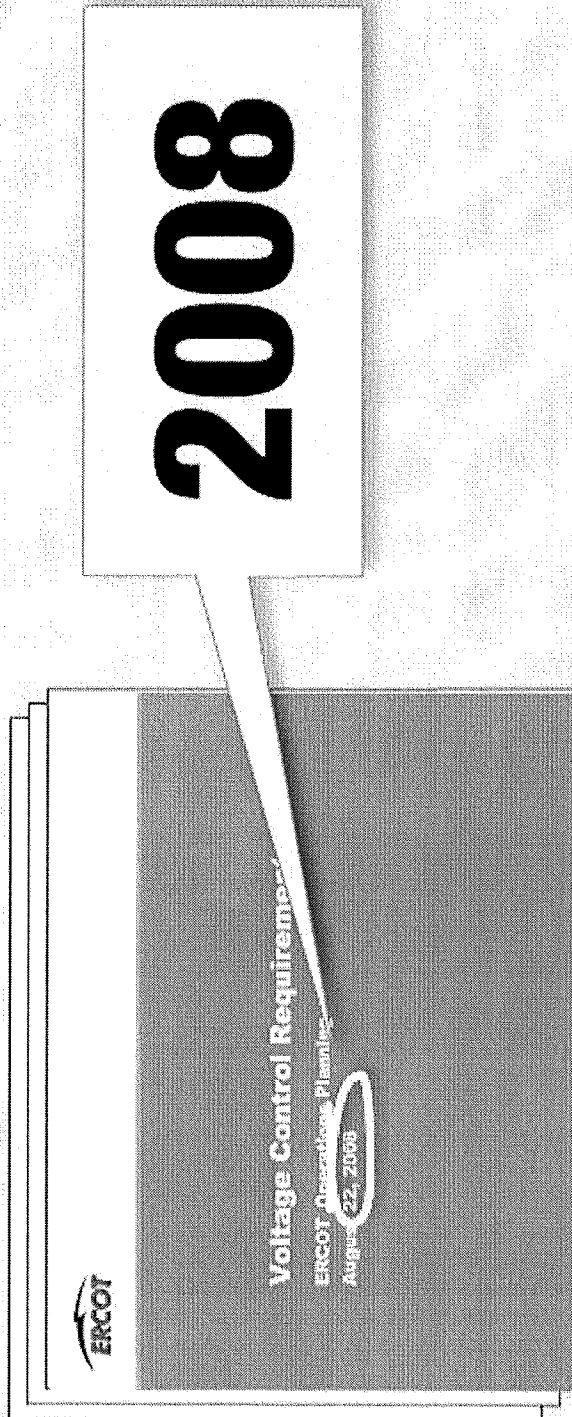
- Existing Protocol vetted through the stakeholder process in 2003 and 2004 with multiple opportunities for comment and changes
- Requirements have been in place for several years
- Requirements for generators and loads are fixed; i.e., the requirements do not increase or decrease as needs vary over time
- Incremental needs identified by engineering analysis to ensure remaining voltage stability requirements are provided by transmission owners

**Requirements
have been in
place for
several years**

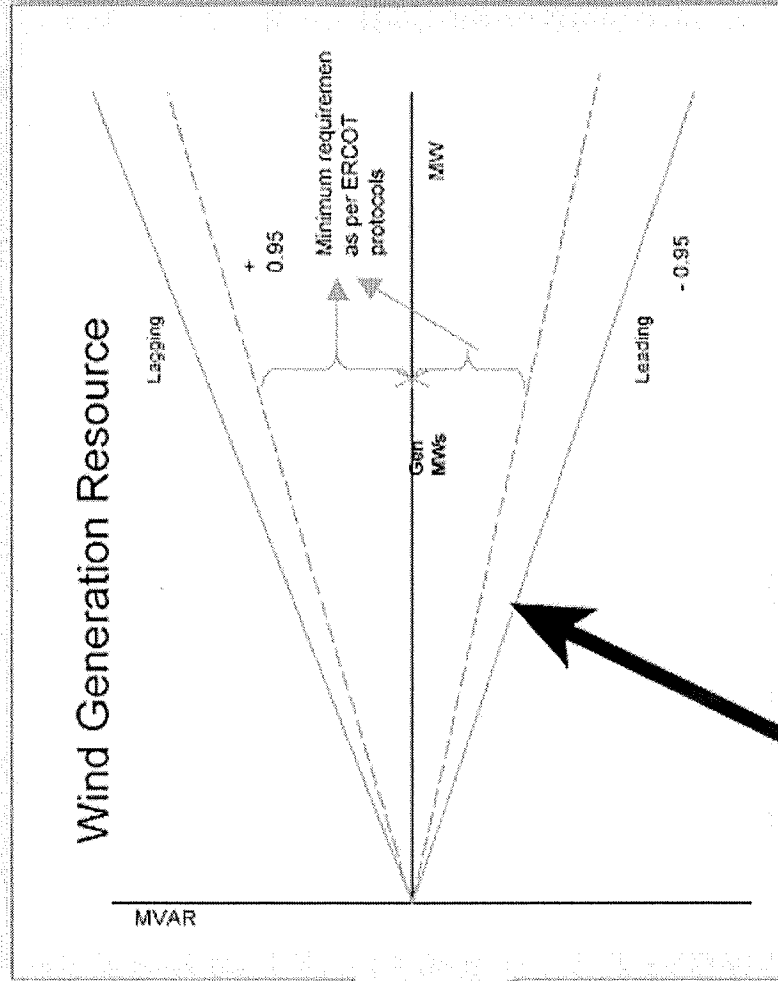
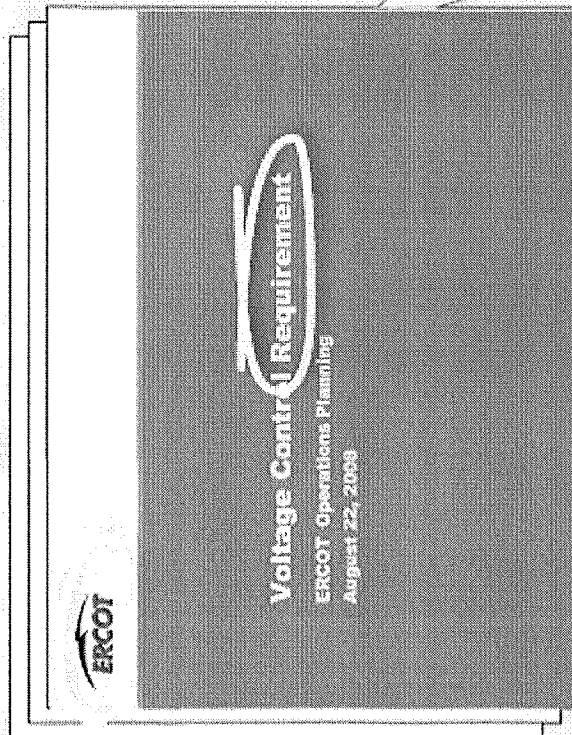
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TECH ENERGY

ERCOT "Requirements"



ERCOT "Requirements"



The Triangle

- Shown to the right are the reactive capability curves for a conventional generator and a WGR

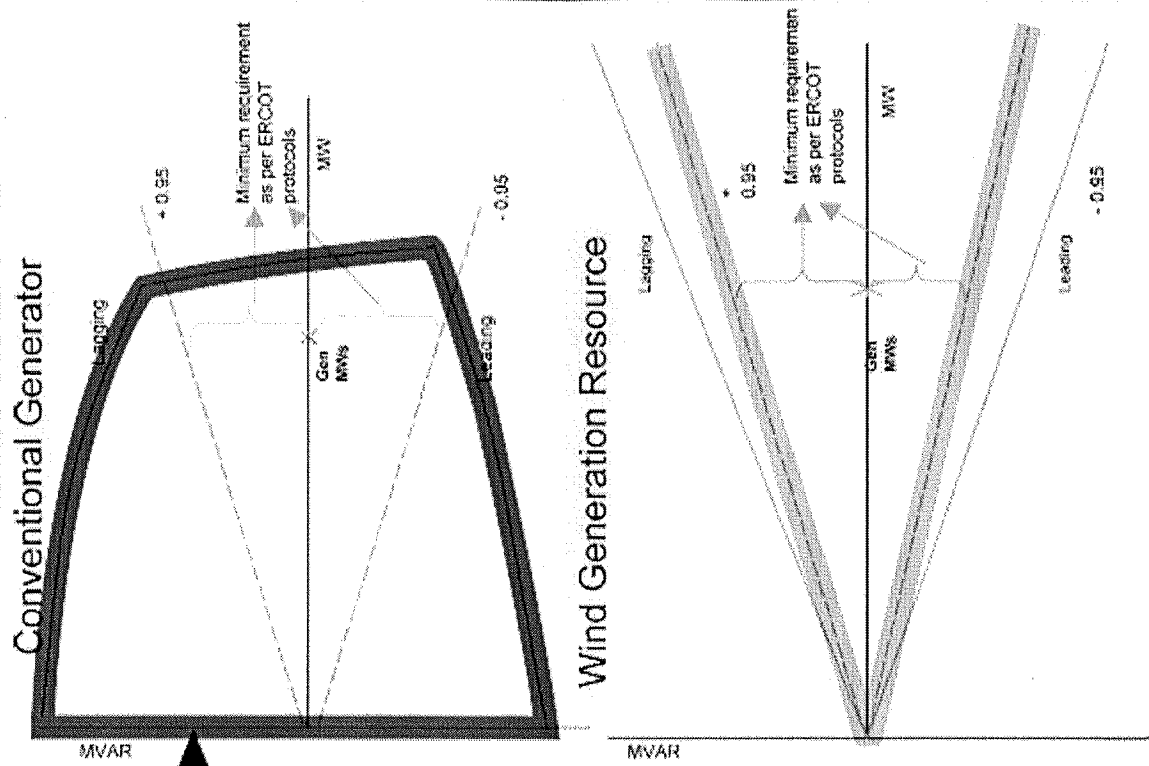
Shown to the right are the reactive capability curves for a conventional generator and a WGR

MVAR at Point of Interconnect

- Wind generation output equals 0 MW; MVAR requirement = 0 MVAR at Point of Interconnect

0.95 PF requirement for generators

- Shown to the right are the reactive capability curves for a conventional generator and a WGR
- As seen from the figures, each generator is required to provide a $+0.95$ to -0.95 pf voltage support
- Example:
 - Wind generation output equals 100 MW; MVAR requirement = ± 33 MVAR at Point of Interconnect
 - Wind generation output equals 0 MW; MVAR requirement = 0 MVAR at Point of Interconnect



ERCOT APPROVED Transmission Interconnection Service Provided To Wind Farms

ERCOT Would Not Approve Anything That Adversely Affected Reliability

ERCOT SHALL:

- (6) Accept and **supervise** all requests for interconnection
- (9) **Plan** the transmission system

Known to ERCOT:

- At Least 80 RARFs Submitted To and Approved By Ercot

Known to ERCOT:

- RARFs Demonstrated Wind Was Not Designed To Meet The Rectangle

Known to ERCOT:

○ Local TSPs Performed Interconnection Studies Based Upon Triangle

Known to ERCOT:

- No Problems With Triangle Identified

Known to ERCOT:

○ This Info, These Studies Available to ERCOT

Known to ERCOT:

- **ERCOT *Could/Should*
Have Studied**

§25.361

ERCOT SHALL:

- (6) Accept and **supervise** all requests for interconnection
- (9) **Plan** the transmission system

ERCOT Approved The Transmission Interconnection

Retroactivity Sets Bad Precedent

○ Retroactivity Can Be
Imposed Upon
Anyone

Retroactivity Sets Bad Precedent

- Imposes Regulatory Risk On Future Investment Decisions

Retroactivity Sets Bad Precedent

○ Will Chill Future
Investment
Decisions in Texas

Departure From Precedent

- Historically, the Board has been committed to a reasonable policy precedent:
- Evolving technical requirements should be applied on a going forward basis...
- ... ***unless compelling evidence supporting retroactive application is presented.***



Request for Proposal:
Analysis and Design of Series Compensation
and other Reactive Equipment for the
Transmission Improvements Designated to Serve
Competitive Renewable Energy Zones

1.2 Functions of ERCOT

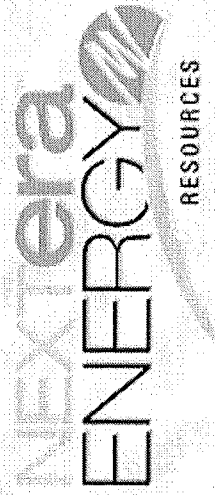
- Ensure access to the transmission and distribution systems for all buyers and sellers of electricity on **nondiscriminatory terms.**
- **...act in a reasonable, nondiscriminatory manner.**

We Should Be Guided By...

- **Is it Fair?**
- **Reasonable?**
- **Non-Discriminatory?**
- **Necessary?**

Dave Markarian, Esq.

Managing Attorney,
NextEra Energy Resources
Litigation & State Regulatory



Dave Markarian, Esq.

Managing Attorney,
NextEra Energy Resources
Litigation & State Regulatory



Bad Policy

Reinterpreting Existing
Protocols and Applying Them
Retroactively is **Bad Policy**

Nextera
ENERGY
RESOURCES

NextEra – A Reliability Leader

- We understand and take reliability concerns very seriously
- A reliability leader in ERCOT – **we seek to do the right thing**

NextEra
ENERGY
RESOURCES

First Myth

Reliability Requires PRR 830

NEXTERA
ENERGY
RESOURCES

Myth – Reliability

○ No System Emergencies

Nextera
ENERGY
RESOURCES

Second Myth:

PRR 830 Is Nothing New

NEXtera
ENERGY
RESOURCES

ERCOT Claims PRR 830 Is Nothing New

ERCOT Reactive Power Requirements

- Existing Protocol vetted through the stakeholder process in 2003 and 2004 with multiple opportunities for comment and changes
- Requirements have been in place for several years
- Requirements for generators and loads are fixed; i.e., the requirements do not increase or decrease as needs vary over time
- Incremental needs identified by engineering analysis to ensure remaining voltage stability requirements are provided by transmission owners

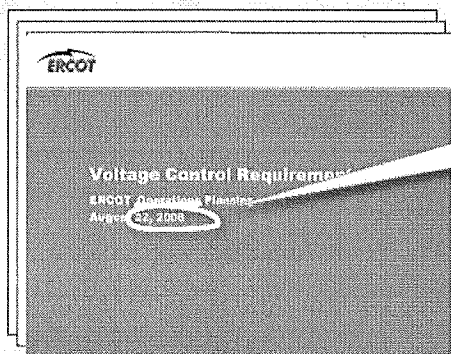
**Requirements
have been in
place for
several years**

NextEra
ENERGY
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PRR Is Entirely Rewritten



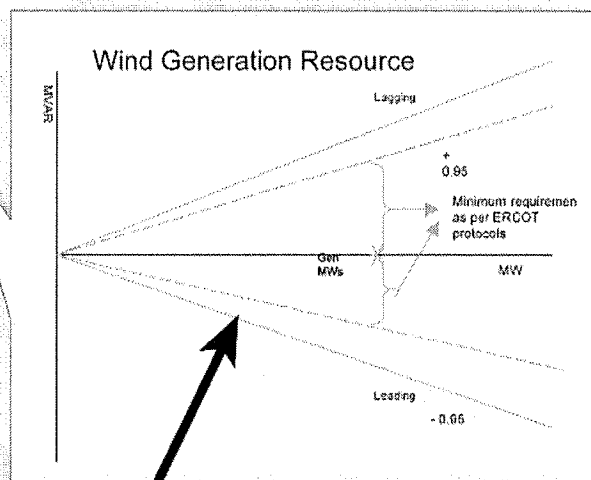
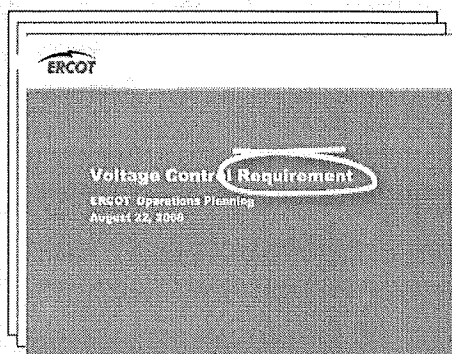
ERCOT "Requirements"



2008

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RESOURCES

ERCOT "Requirements"



The Triangle

NextEra
ENERGY
RESOURCES

Conventional Generator

- Shown to the right are the reactive capability curves for a conventional generator and a WGR

Shown to the right are the reactive capability curves for a conventional generator and a WGR

MVAR at Point of Interconnect

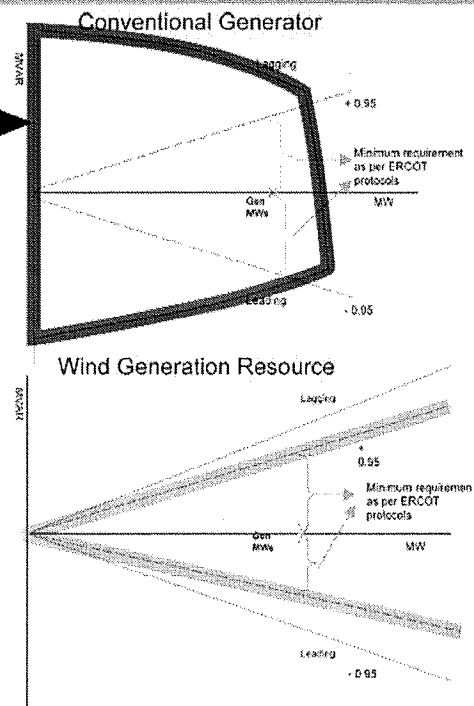
- Wind generation output equals 0 MW; MVAR requirement = 0 MVAR at Point of Interconnect



August 2008

0.95 PF requirement for generators

- Shown to the right are the reactive capability curves for a conventional generator and a WGR
- As seen from the figures, each generator is required to provide a + 0.95 to -0.95 pf voltage support
- Example:
 - Wind generation output equals 100 MW; MVAR requirement = +/- 33 MVAR at Point of Interconnect
 - Wind generation output equals 0 MW; MVAR requirement = 0 MVAR at Point of Interconnect



August, 2008

3



ERCOT APPROVED

Transmission Interconnection Service Provided To Wind Farms

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- **ERCOT Would Not Approve Anything That Adversely Affected Reliability**

NEXTERA
ENERGY
RESOURCES

§25.361

ERCOT SHALL:

- (6) Accept and **supervise** all requests for interconnection
- (9) **Plan** the transmission system

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Known to ERCOT:

- **At Least 80 RARFs
Submitted To and
Approved By Ercot**

Nextera
ENERGY
RESOURCES

Known to ERCOT:

- RARFs Demonstrated Wind Was Not Designed To Meet The Rectangle

Nextera
ENERGY
RESOURCES

Known to ERCOT:

- Local TSPs Performed Interconnection Studies Based Upon Triangle

NextEra
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RESOURCES

Known to ERCOT:

- No Problems With Triangle Identified

NextEra
ENERGY
RESOURCES

Known to ERCOT:

- ◆ This Info, These Studies Available to ERCOT

NextEra
ENERGY
RESOURCES

Known to ERCOT:

- **ERCOT *Could/Should*
Have Studied**

NextEra
ENERGY
RESOURCES

§25.361

ERCOT SHALL:

- (6) Accept and **supervise** all requests for interconnection
- (9) **Plan** the transmission system

NextEra
ENERGY
RESOURCES

A graphic with a light gray background featuring a faint, stylized map of Texas. A dark gray horizontal bar is at the top. The text "ERCOT Approved The Transmission Interconnection" is centered in a large, bold, black font. A small circle is positioned to the left of the word "ERCOT".

ERCOT Approved The Transmission Interconnection

NextEra
ENERGY
RESOURCES

Retroactivity Sets Bad Precedent

- Retroactivity Can Be Imposed Upon ***Anyone***

Nextera
ENERGY
RESOURCES

Retroactivity Sets Bad Precedent

- **Imposes Regulatory Risk On Future Investment Decisions**

Nextera
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Retroactivity Sets Bad Precedent

- **Will Chill Future Investment Decisions in Texas**

NextEra
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RESOURCES

Departure From Precedent

- Historically, the Board has been committed to a reasonable policy precedent:
 - Evolving technical requirements should be applied on a going forward basis...
 - ...***unless compelling evidence supporting retroactive application is presented.***

NEXERA
ENERGY
RESOURCES



Request for Proposal:
Analysis and Design of Series Compensation
and other Reactive Equipment for the
Transmission Improvements Designated to Serve
Competitive Renewable Energy Zones

ENERGY
RESOURCES

1.2 Functions of ERCOT

- Ensure access to the transmission and distribution systems for all buyers and sellers of electricity on **nondiscriminatory** terms.
- ...act in a reasonable, **nondiscriminatory** manner.

NextEra
ENERGY
RESOURCES

We Should Be Guided By...

- **Is it Fair?**
- **Reasonable?**
- **Non-Discriminatory?**
- **Necessary?**

NEX era
ENERGY
RESOURCES

Dave Markarian, Esq.

Managing Attorney,
NextEra Energy Resources
Litigation & State Regulatory



AFFIDAVIT ATTESTING TO COMPLETENESS OF EXHIBIT B

STATE OF TEXAS §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this day personally appeared Patrick Reinhart, to me known to be the person whose name is subscribed to the foregoing instrument, who being duly sworn according to law, deposes and states:

"My name is Patrick Reinhart. I am over the age of eighteen years and am a resident of the State of Texas and am competent to testify to the matters stated in this affidavit. All facts stated herein are true and correct.

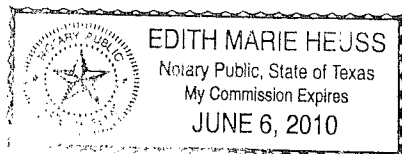
This affidavit is submitted on behalf of NextEnergy Resources, LLC ("NextEra"). I am employed by Brown McCarroll, LLP, which is acting as outside counsel for NextEra in this matter. This affidavit is based on personal knowledge of the facts stated herein, which I learned in the course of my employment.

This affidavit concerns the documents included in Exhibit B to NextEra Energy Resources, LLC's Appeal and Motion for Partial Suspension of Protocol Revision Request No. 830 adopted by the Electric Reliability Council of Texas. I prepared Exhibit B from documents included in ERCOT's website for documents submitted during its consideration of PRR 830, <http://www.ercot.com/mktrules/issues/pr/825-849/830/index>. Exhibit B is a complete copy of those documents on the ERCOT website, with two exceptions: the copies are not in color, and if a redline and a clean copy of a proposal were submitted at ERCOT, only the redline is included in Exhibit B."

Further affiant sayeth not.

Patrick Reinhart
Patrick Reinhart

Given under my hand and seal of office this 22nd day of December, 2009.



Edith Marie Heuss
Notary Public in and for the State of Texas

My Commission Expires On:

6-6-2010

Exhibit C

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
ELECTRIC RELIABILITY COUNCIL OF TEXAS
AUSTIN, TEXAS

BOARD OF DIRECTORS MEETING
TUESDAY, NOVEMBER 17, 2009

BE IT REMEMBERED THAT at 10:06 a.m, on Tuesday, the 17th day of November 2009, the above-entitled matter came on for hearing at the Electric Reliability Council of Texas, 7620 Metro Center Drive, Austin, Texas, before JAN NEWTON, Chairman, and MARK G. ARMENTROUT, DANNY BIVENS, BRAD COX, ANDREW J. DALTON, MIGUEL ESPINOSA, NICK FEHRENBACH, BOB HELTON, CHARLES JENKINS, TRIP DOGETT, CLIFTON KARNEI, ALTON D. "DEE" PATTON, BARRY T. SMITHERMAN, ROBERT THOMAS and DAN WILKERSON, Members of the Board, and the following proceedings were reported by Lou Ray and Kim Pence, Certified Shorthand Reporters of:

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">114</p> <p>1 AFTERNOON SESSION 2 TUESDAY, NOVEMBER 17, 2009 3 (1:18 p.m.) 4 12. TECHNICAL ADVISORY COMMITTEE REPORT 5 (a) PRR830 6 (b) APPEAL OF PRR830 7 CHAIRMAN NEWTON: Okay. I believe that 8 we're back on the webcast, and I'm going to reopen our 9 open session of the Board meeting this afternoon. I'm 10 going to handle these next couple of items a little 11 bit differently than what's outlined on the agenda. 12 What we have on our agenda is a presentation on PRR 13 830, and then we have next an appeal of that PRR. 14 This is a little unusual in terms of process, but we 15 have a number of parties who have asked to make 16 comments relative to this PRR. 17 If this is all right with the Board -- 18 and I will be open for suggestions -- but rather than 19 us discussing and voting on PRR 830 and then hearing 20 all the comments relative to the appeal, what I would 21 like to do is let's open up the discussion on PRR 830 22 and let's hear the TAC position, and then let's go 23 through the various parties who have comments so that 24 the Board has the benefit of all the comments before 25 we ask the Board to vote on the PRR, rather than</p>	<p style="text-align: right;">116</p> <p>1 changes to ERCOT databases to incorporate additional 2 SCATA points. These impacts can be managed through 3 the O&M budget. So the CEO determination on the PRR 4 is no opinion and no impact to nodal. 5 So as you mentioned, there will be a 6 presentation next by the TAC advocate. I just wanted 7 to mention that, number one, I recused myself as Chair 8 from selecting the advocate of the TAC position. I 9 was the opposing vote to the PRR, and it's my client 10 NextEra Energy Resources, that filed the appeal. So 11 the vice chair, Shannon McClendon, who abstained from 12 the vote, selected Mr. Houston of CenterPoint Energy, 13 who actually made the motion to recommend approval of 14 the PRR. 15 So, Mr. Houston, if you want to come up? 16 And he will outline for you the TAC's position on the 17 PRR. 18 CHAIRMAN NEWTON: Thank you, Mark. 19 MR. HOUSTON: Can everyone hear me? 20 CHAIRMAN NEWTON: Yes. 21 MR. HOUSTON: Help me out here -- oh, 22 here we go. 23 Okay. As mentioned, I'm John Houston 24 with CenterPoint Energy. And Shannon had asked for me 25 to present the appeal of PRR -- to be the TAC advocate</p>
<p style="text-align: right;">115</p> <p>1 having us vote and then hear and have to potentially 2 make a different decision. 3 So I'm seeing some heads nod, but I 4 would open it for any concerns if that causes anyone 5 any concerns relative to process. 6 Okay. Seeing none, with that, Mark, 7 would you kind of kick this off and kind of step us 8 through how we're going to try to approach this from 9 this point? 10 MR. BRUCE: Yes, ma'am. Thank you. As 11 you noted, we've got the one PRR that was not approved 12 on the consent agenda for your discussion this month. 13 That is PRR 830 reactive power capability requirement. 14 The PRR clarifies the reactive power capability 15 requirement for all generation resources, including 16 existing WGRs who are not able to meet the 0.95 17 lead/lag requirements with the resources -- within the 18 resources unit reactive limit. 19 This PRR was recommended for approval 20 by the TAC. It was a roll call vote. There was one 21 opposing vote from the independent generator segment. 22 There was six abstentions from the IOU, the generator, 23 the two consumers and two independent power marketers. 24 All the market segments were present for the vote. 25 The impact analysis shows only minor</p>	<p style="text-align: right;">117</p> <p>1 for the process. 2 I'd like to start with -- let me see if 3 I can make this work here. Just a little bit as Mark 4 went through the history, but I just wanted to go 5 through a couple of items here. 6 ERCOT originally proposed this to 7 clarify reactive power requirements applicable to all 8 generators, and to provide a framework for people who 9 might not be compliant to be able to comply with this 10 requirement of the protocols. 11 In September the PRS tabled this by 12 unanimous vote to send it to ROS for review of 13 reliability effects of this proposed revision. The 14 ROS vote was -- recommended approval after 15 considerable comments and discussions and 16 presentations in its October 15th meeting. 17 It was then forwarded to the Protocol 18 Revision Subcommittee. They considered it, again 19 extensive discussion took place, and market 20 participant involvement was heavy. It was recommended 21 approval and sent forward to TAC. 22 On November 5th we again took up this -- 23 we at TAC then took up this revision. And after 24 considerable discussion -- as Mark just mentioned, we 25 had considerable discussion at TAC -- and it was</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">118</p> <p>1 approved. I believe the vote was 23 to 1, and Mark 2 did recuse himself from selecting the TAC advocate. 3 Again, we're talking about ERCOT 4 reactive power requirements required of generators. 5 The existing protocol had been vetted through the 6 stakeholder process I want to say back in 2003 and 7 2004, with significant involvement of the stakeholders 8 in development and provision of comments with regard 9 to how reactive power would be supplied by generators. 10 Those requirements have been in place 11 for several years. And under that approach, the 12 requirements for both loads and generators are fixed 13 at a set level; i.e., those requirements don't change 14 after time passes and in the future. So loads and 15 generators are not subjected to the topography 16 changes, the addition of new generators to the system, 17 new lines. Those become the responsibility of ERCOT 18 planning and transmission providers. 19 So that adds the certainty that 20 generators look for with regard to they can build the 21 generating plant at its location, and they can achieve 22 meeting the requirements for their output and their 23 interconnection, in particular in this case their 24 reactive requirements. 25 Incremental needs that the system may</p>	<p style="text-align: right;">120</p> <p>1 it in, would become effective upon your approval. 2 PRR 830 provides the means and the time 3 frame for anyone who happens to be not compliant to 4 fairly and equitably comply with the requirements of 5 the protocol revision of the current protocols. And 6 they can do so without necessarily having to retrofit 7 their unit, because they could provide a payment in 8 lieu of -- a payment of contribution or they can 9 submit alternatives to changing their generation. 10 As far as the need for studies, this 11 again was brought up at -- I would say at all of the 12 considerations of this protocol revision. TAC and the 13 other stakeholder groups heard and, in my opinion, the 14 votes suggest rejected arguments that studies should 15 be performed to determine whether compliance with the 16 requirements are needed for reliability. That 17 included presentations by NextEra and Siemens that 18 you'll probably hear or see some of those this 19 afternoon. 20 As previously noted, the requirements 21 for generators are fixed. I think that's a good thing 22 if I was a generator. I think that would be 23 appropriate for my ability to finance projects and 24 be -- my ability to have certainty about what my 25 performance requirements were. They don't vary over</p>
<p style="text-align: right;">119</p> <p>1 need going forward are identified by engineering 2 analysis and Mr. Woodfin's folks and others at ERCOT. 3 All of that is to ensure voltage stability for the 4 transmission system in ERCOT and that that can be 5 provided by facilities and changes made by 6 transmission providers. 7 There seems to be a lot of discussion -- 8 and I'm sure we'll have a bit here in a moment more -- 9 but PRR 830 was proposed to clarify, not change, the 10 existing requirements. So this in -- all of these 11 considerations at ROS and PRS and at TAC, stakeholders 12 heard many of the arguments that you will hear this 13 afternoon and rejected arguments that clarification of 14 PRR 830 should not apply to certain existing 15 generators because existing requirements were 16 ambiguous. 17 Now, that's just not true. They were 18 clearly understood. And, in fact, they're recognized 19 and have been by most of the members of ERCOT for 20 many, many years. This PRR -- and I want to be very 21 clear here, I am not discussing at all any pending 22 proceedings at the Commission or ADRs or -- that are 23 applicable toward past compliance. That's not -- as 24 the TAC advocate, I'm not discussing that this 25 afternoon. We're talking PRR 830, if you were to vote</p>	<p style="text-align: right;">121</p> <p>1 time. Those needs for the dynamic support of the 2 system are provided by the transmission providers 3 after significant studies. 4 So taking the fixed capability of 5 generators and loads as input, that enables the 6 transmission planning to take place, to assess the 7 incremental needs as we change the topography, as we 8 continue forward. They are then provided by the 9 transmission owners. 10 So as to the current state of affairs, 11 my belief -- and I think the members of TAC indicated 12 it with their vote -- that this protocol is in 13 existence and that these requirements are how we went 14 about planning this transmission system. I think 15 that's a very important part. How we got to where we 16 are is the assumptions under this clarification or how 17 we got to the transmission plan that we're now 18 operating under. 19 Now, if -- that plan has resulted in us 20 making decisions about investments in the transmission 21 system to enable reliable operation of ERCOT, the 22 ERCOT grid. We're about to embark on a significant 23 study of the reactive requirements associated with the 24 many billions of dollars associated with the CREZ 25 investment. It's intended that if this protocol is</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">122</p> <p>1 passed that that will give certainty to those 2 decisions that need to be made with regard to the 3 dynamic reactive compensation that needs to be added 4 in CREZ by the transmission providers who are 5 constructing the transmission assets that will bring 6 this large amount of wind power to loads.</p> <p>7 So, in my opinion, this approach is fair 8 and workable. It adds certainty, and it provides us 9 the path forward for doing the CREZ studies. It also 10 enables people who might not be compliant with a path 11 to become compliant and provide the reactive support 12 that the ERCOT system needs.</p> <p>13 And I think I would encourage this Board 14 to consider reliability. I know you will hear a lot 15 of comments about who has to pay what. But bear in 16 mind that the situation that you as Board members are 17 operating ERCOT under right now, if there are people 18 who are non-compliant, they have basically taken some 19 of the margin out of the reliability of the ERCOT 20 system. That's being made up by ERCOT operations and 21 being provided by other generators or operational 22 constraints or considerations or decisions that are 23 being made every day because of that noncompliance.</p> <p>24 Going forward, it's essential that we 25 understand where we are when we plan this system.</p>	<p style="text-align: right;">124</p> <p>1 think I'm going to do is go in alphabetical order, if 2 that's okay. And I will just go according to the 3 alphabetical list of companies as they're defined 4 behind Tab 12(b).</p> <p>5 So we will start out -- and then I will 6 also ask if there are any other parties. I had 7 understood that we potentially had one or two other 8 parties that had desired to make comments that did not 9 have an opportunity to get the materials to the Board 10 packet. So I will ask for those after we go through 11 this list of the companies who have provided 12 materials. So I'll start with AES Corporation, Robert 13 Sims. Is he here?</p> <p>14 MR. SIMS: Yes.</p> <p>15 CHAIRMAN NEWTON: Oh. Thank you.</p> <p>16 And before we start the comments, if I 17 could, I want to be sure that everyone has an 18 opportunity to be heard on this. The Board had put 19 together procedures to handle appeals and so forth, 20 and I appreciate the companies that have tried to 21 adhere to those procedures. But we do want to provide 22 an opportunity for the Board to hear any comments from 23 any parties. However, in the sake of time, because 24 this is -- could be fairly lengthy, I would ask that 25 as the presentations are made that we not hear the</p>
<p style="text-align: right;">123</p> <p>1 When we complete the recommendations and the planned 2 installations and investments by transmission 3 providers to enable this 18,000 megawatts to seek 4 loads in this state. So I would ask you, as Board 5 members to consider your responsibility as members of 6 the Board of the Electric Reliability Council of 7 Texas.</p> <p>8 That is basically, Madam Chairman, my 9 comments this afternoon.</p> <p>10 CHAIRMAN NEWTON: Thank you, John. Are 11 there any questions or comments for John at this 12 point?</p> <p>13 Appreciate you stepping up and providing 14 us TAC's perspective on this.</p> <p>15 My plan at this point is behind Tab 16 12(b) of the Board material is a memo that Mike Grable 17 was gracious enough to put together that kind of 18 summarizes some of the companies who were wanting to 19 make appellate positions. Before I get into that, 20 Mark, did you have something else you wanted to add 21 or --</p> <p>22 MR. BRUCE: No, I was going to 23 introduce, I thought, Mr. Markarian from NextEra was 24 going to --</p> <p>25 CHAIRMAN NEWTON: Well, actually what I</p>	<p style="text-align: right;">125</p> <p>1 same comments repeated over and over again. So I 2 would ask that the presenters try to kind of keep that 3 in mind as you go through your comments so that you 4 will be presenting new ideas to the Board. And if you 5 choose to endorse a prior-made comment, that's fine, 6 but not to just restate the same positions over and 7 over if possible.</p> <p>8 MR. SIMS: Thank you. Good morning. 9 Robert Sims with AES Corporation, and my presentation 10 is a little different. I thought it might be helpful 11 to give the Board a little perspective on the power 12 factor issue by looking at what's been done in other 13 regions of the United States. So I'll just briefly 14 cover that.</p> <p>15 Basically, in 2005 and 2006, a 16 considerable amount of work was performed by a large 17 and broad group of grid operators and stakeholders, 18 including wind generators, and ultimately this work 19 lead to FERC issuing Order 661A, which is included in 20 Exhibit G to the FERC Large Generator Interconnection 21 Agreement. That's now the standard and required 22 agreement across most of the USA. It's used by all 23 investor-owned utilities under FERC jurisdiction, and 24 it's been adopted by a lot of non-FERC jurisdictional 25 entities in many regions of the country.</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">126</p> <p>1 Just a little chronology on the work 2 that went together over that two-year period. 3 Initially in 2003 FERC issued Order 2003, and that 4 standardized the interconnection process requirements 5 and agreement for all large generators over 6 20 megawatts or 20 megawatts in aggregate. 7 In March 2004, as a result of 8 stakeholder comments, FERC issued Order 2003A, an 9 amendment of that. And that recognized that 10 electrical machine technology differences affect the 11 interconnection requirements. And with that they 12 provided what was termed Exhibit G, which was a blank 13 sheet of paper to be completed by stakeholders in the 14 wind power industry, recognizing that wind energy 15 technology was a little different. 16 So following on to that, September 2004, 17 FERC hosted a technical conference on requirements for 18 the interconnection of wind generators. The 19 conference was broadly attended. It was in Denver. I 20 was there. It went on for a full day with the FERC 21 commissioners there hearing positions about the 22 requirements for wind turbines. That was followed a 23 few months later in December 2004 NERC created the 24 Wind Generation Task Force. And they were chartered 25 with "review the bulk electric system reliability</p>	<p style="text-align: right;">128</p> <p>1 That was finally followed in December of 2 2005 when FERC issued Final Order 661A and the final 3 Exhibit G, the requirements for wind generator plants. 4 Under the 661A process, there were a large number of 5 parties that participated. I put together a list here 6 from the FERC filing of all the parties that 7 participated in that process. CenterPoint was the 8 only one from the ERCOT region. Otherwise you see 9 many of the grid operators here: ISO New York, 10 midwest ISO, NERC themselves, New York ISO. A large 11 working group that participated in this project -- 12 PJM, Southern California Edison, et cetera, Xcel 13 Energy. 14 And here's the wording that was decided 15 upon under 616 A, which basically, "The wind 16 generating plant shall maintain a power factor within 17 a range of .95, leading to .55 lagging as measured at 18 the point of interconnection". I won't go through and 19 read this entire thing, but it's basically the 20 triangle requirement or the cone requirement you are 21 hearing discussed in the dialogue today. 22 Most wind turbine manufacturers then, 23 based on the ruling in 2005, designed wind turbines 24 for deployment in the United States based on this 25 requirement, and that is now what's available through</p>
<p style="text-align: right;">127</p> <p>1 implications and concerns of wind generation." So 2 under NERC, under the Transmission Working Group, 3 their group looked at this issue. They looked at 4 power factor. They looked at low voltage ride 5 through. And they looked at other aspects of 6 integrating large amounts of wind energy into the bulk 7 power system. That group began a series of regular 8 working meetings. 9 In July 2005, FERC issued Order 661, 10 termed The Interconnection Requirements for a Wind 11 Generator Plant. The order defined the technical 12 requirements, including low voltage ride-through, 13 which is now at issue coming up in ERCOT; power 14 factor, which is relative to PRR 830. And also SCADA 15 communication requirements for meteorological 16 information, units availability and so forth. And 17 those were all included in Exhibit G of the standard 18 large generation interconnection agreement, as I 19 mentioned, and are now law under FERC jurisdiction. 20 In 2005 NERC requested a rehearing on 21 661 based on some continuing work with a Generator 22 Task Force, primarily relating to finer details of the 23 timing of low voltage ride-through, the level of 24 voltage and the duration. There were no comments on 25 the power factor requirement.</p>	<p style="text-align: right;">129</p> <p>1 most of the country. So we now have a situation where 2 ERCOT is asking for high level -- higher level of 3 reactive support than required by FERC and NERC under 4 the standardized large generation interconnection 5 agreement, without really any technical basis or 6 studies to demonstrate that need for a higher 7 standard. 8 Thank you. 9 You want to do questions now or does 10 that come later on? 11 CHAIRMAN NEWTON: No, I think we 12 should -- are there any questions for Robert? 13 Dr. Patton? 14 MR. PATTON: Tell me how this is 15 different from the proposed PRR? 16 MR. SIMS: Well, 661, that's the 17 triangular requirement or the cone requirement where 18 the power factor of the generator is maintained with 19 an ability of plus or minus .95. 20 MR. PATTON: Please go back to the 21 previous language. 22 MR. SIMS: Sure. 23 MR. PATTON: Where does it talk about a 24 triangle? 25 MR. SIMS: It really doesn't. It</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">130</p> <p>1 doesn't say triangle.</p> <p>2 MR. PATTON: Thank you.</p> <p>3 MR. SIMS: Questions?</p> <p>4 Thanks.</p> <p>5 CHAIRMAN NEWTON: Andrew?</p> <p>6 MR. DALTON: In have one quick question.</p> <p>7 This kind of relates to the 661A and how we're looking</p> <p>8 at FERC -- I mean, kind of more globally as, you know,</p> <p>9 some support for what we're doing here in ERCOT on</p> <p>10 wind. I know back when we had the LBRT discussion</p> <p>11 several months ago, I think the wind generation</p> <p>12 community took the position that 661A, even though it</p> <p>13 had standards for LBRT, that didn't apply in ERCOT, it</p> <p>14 never happened in ERCOT, and now here you seem to be</p> <p>15 taking the opposite position that, well, FERC set a</p> <p>16 standard, so we should go with it.</p> <p>17 And I'm trying to understand how we</p> <p>18 should be looking at the FERC precedent and are we</p> <p>19 picking and choosing when we want to rely on it or</p> <p>20 should we be doing this more systematically to be</p> <p>21 consistent with the federal standards, or should we be</p> <p>22 recognizing that ERCOT is probably unique in the</p> <p>23 country because we have a lot more wind than any other</p> <p>24 state?</p> <p>25 MR. SIMS: Well, I don't think I'm</p>	<p style="text-align: right;">132</p> <p>1 ride-through. I don't think there was much discussion</p> <p>2 at all as far as the power factor requirement.</p> <p>3 CHAIRMAN NEWTON: Anything else for</p> <p>4 Robert?</p> <p>5 Yes, Mike?</p> <p>6 MR. GRABLE: Just a brief comment. I do</p> <p>7 agree with Dr. Patton's point that there is no</p> <p>8 triangle or rectangle mentioned in this quote.</p> <p>9 Robert, would you flip to the last</p> <p>10 slide, which I think is what Mike Gent was</p> <p>11 referencing?</p> <p>12 MR. SIMS: The very last?</p> <p>13 MR. GRABLE: Yeah, asking for a higher</p> <p>14 level than that required by FERC and ERCOT. I think</p> <p>15 whether it's higher that that required by FERC is</p> <p>16 debatable, and 661A can be interpreted. But it's the</p> <p>17 end NERC part of this that troubles me a little bit.</p> <p>18 NERC did express grave reservations with the wind</p> <p>19 position in 661A, and Chairman Kelliher pointed that</p> <p>20 out, that NERC was troubled. So I don't think it's</p> <p>21 quite right to say that NERC was signed on to your</p> <p>22 version of the approach here. But I just want to</p> <p>23 highlight that.</p> <p>24 MR. SIMS: Okay. Very well.</p> <p>25 CHAIRMAN NEWTON: Okay. Thank you,</p>
<p style="text-align: right;">131</p> <p>1 taking a position on any of those points. I'm letting</p> <p>2 you know what a large body of stakeholders determined</p> <p>3 was the appropriate power factor requirement for wind</p> <p>4 generators in much of the US.</p> <p>5 MR. DALTON: All right.</p> <p>6 CHAIRMAN NEWTON: Mike Grable --</p> <p>7 MR. GENT: On one of your previous</p> <p>8 slides I represented NERC in filing protests, and I</p> <p>9 can recall vividly -- this is prior -- just prior to</p> <p>10 my retirement -- that this was sprung on us and, I</p> <p>11 will say, given very little attention or time to</p> <p>12 respond. The FERC employee that was largely</p> <p>13 responsible for this was a former employee of AWEAC,</p> <p>14 whatever that wind associate -- AWEA. Is that it?</p> <p>15 Oh, yeah. And you'll notice, if you</p> <p>16 read through, which I have on my screen now, read</p> <p>17 through 661A, you'll see all sorts of protests from</p> <p>18 the industry, mostly having to do with low voltage</p> <p>19 ride-through. So we never really got around to all of</p> <p>20 the issues and then FERC just went ahead and passed it</p> <p>21 anyway. So I don't think using 661A as a basis for an</p> <p>22 argument is really something that's going to gain a</p> <p>23 lot of traction within my circles.</p> <p>24 MR. SIMS: Well, I do agree that most of</p> <p>25 the discussion was around the low voltage</p>	<p style="text-align: right;">133</p> <p>1 Robert.</p> <p>2 Okay. The next company ahead is AEP,</p> <p>3 Kip Fox.</p> <p>4 MR. FOX: Thank you, Madam Chairman.</p> <p>5 Let's see -- I believe you have our comments in your</p> <p>6 Board package. The only thing I would like to add to</p> <p>7 that from AEP's perspective is that one of the things</p> <p>8 that we do find -- and not to belabor on some of the</p> <p>9 points that John has brought up -- is that we fight</p> <p>10 these issues every day. The question that came up</p> <p>11 during TAC is what's the indication that we have</p> <p>12 problems in the system, and the fact is every life in</p> <p>13 the day of operations from the operations side of --</p> <p>14 as a TSP, we see the warning indicators every day. I</p> <p>15 mean, the fact that we have lot of operations going</p> <p>16 through, and the fact that we're going through</p> <p>17 different kinds of requirements, we're doing switching</p> <p>18 and all kinds of other things from an operational</p> <p>19 standpoint, tells us that this issue is becoming more</p> <p>20 and more critical.</p> <p>21 And as the Board considers this</p> <p>22 alternative and this PRR, we need to understand that</p> <p>23 there are operational things out in the field that</p> <p>24 we're almost at the point that we can't handle</p> <p>25 anymore. It should be -- it's not a reliability</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>134</p> <p>1 crisis right now, but it's growing. And we see this 2 more in ERCOT than we do at AEP in some of the other 3 RTOs that we operate where there's wind available. 4 And I would say from an AEP perspective, 5 we see this issue in the west more prevalent than we 6 do in our other locations. So to us these 7 requirements have been very clear in being a rectangle 8 rather than a cone for many years and in our other 9 jurisdictions, and that's all I would like to add at 10 this point in time. 11 CHAIRMAN NEWTON: Thank you. Any 12 questions for AEP? 13 Okay. Thank you very much. 14 Again going in alphabetical order, 15 ERCOT. Kent, are you handling ERCOT? 16 MR. SAATHOFF: Yes. I just wanted -- 17 you know, the written comments you can read. I just 18 want to go into a little bit of the history very 19 briefly. As John mentioned, the PRR was passed in 20 2004. And really the issue of compliance or 21 non-compliance with the PRR didn't raise up until last 22 summer. And it became an issue in a wind workshop 23 that we had back in August. 24 And back in August, John Dumas made a 25 presentation where he stated the rectangle requirement</p>	<p>136</p> <p>1 not compliance. Their purpose is for us to get 2 accurate data on what is out there in real life so we 3 can appropriately model it. So they weren't 4 established for checking protocol compliance. 5 But nevertheless, we did go back and 6 look at them and see if the information reflected 7 there showed compliance with the rectangle, and we 8 contacted those that it appeared that they didn't meet 9 that requirement and to get additional information -- 10 or additional reactive resources that aren't reflected 11 in your RARF, and, you know, we got various responses. 12 But we contacted 70 wind generators. Of 13 those 70, 16 met the requirement, the rectangle; 29 14 met the triangle requirement, which, you know, we 15 believe is not what the protocol requires; 9 didn't 16 meet either the triangle or the rectangle; and 16 were 17 pre-2004 wind generators that were exempt from the 18 requirement. 19 So we essentially filed the protocol to 20 establish a way for those 38 generators that don't 21 comply to comply, and that was the primary purpose of 22 the protocol. 23 CHAIRMAN NEWTON: Okay. Any questions 24 for Kent? 25 Yes.</p>
<p>135</p> <p>1 was what the protocol required, which is that 2 generators are to provide a constant source of 3 reactive power over their entire operating range, 4 which is based on the plus or minus .95 at their 5 maximum power level. That was followed subsequently 6 by a market notice to that effect. 7 In the interim, it became apparent that 8 wind generators were having -- existing wind 9 generators were having problems with that 10 interpretation and that requirement. So we worked 11 with them since the end of last year to determine a 12 way that they could comply with what we believe was in 13 the existing protocol. Unfortunately, we couldn't 14 reach agreement with all of them, but we felt like we 15 should file this protocol to establish a way of 16 compliance and, hopefully, go in that direction and 17 get full compliance. 18 Back in June, we contacted -- we 19 reviewed the resource asset registration forms that 20 were filed earlier last year, and contacted those 21 generators that, you know, appeared not to meet the 22 reactive requirement in the protocol based on that 23 information. And the resource asset registration 24 forms, which is mentioned in other comments and I'm 25 sure will be mentioned later, their purpose was really</p>	<p>137</p> <p>1 MR. BIVENS: Kent, you said -- I'm 2 trying to remember what you said -- you said that the 3 particular requirement in this PRR, when you 4 established it in 2004, was not necessarily for 5 compliance but -- 6 MR. SAATHOFF: No, the RARF -- 7 MR. BIVENS: The RARF -- 8 MR. SAATHOFF: -- the Resource Asset 9 Registration Forms that were created last year, mainly 10 to get a good set of data for the -- for our nodal 11 model, yeah. 12 MR. BIVENS: So with most protocols, 13 when you find non-compliance, what do you do? 14 MR. SAATHOFF: Well, this issue has come 15 up before. We at ERCOT ISO do not have a compliance 16 staff. So what we do is when we have a system 17 incident that has occurred and we look into that 18 incident and it looks like to us there may be some 19 issues of protocol compliance, we will forward a 20 report on that to the TRE. 21 MR. BIVENS: Why was there a four-year 22 period before this became an issue? 23 MR. SAATHOFF: You know, frankly, it 24 didn't come to our attention, and I assume everybody 25 thought they knew what it meant. And apparently there</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>138</p> <p>1 is a difference of opinion on what it meant.</p> <p>2 MR. BIVENS: Okay.</p> <p>3 CHAIRMAN NEWTON: Andrew?</p> <p>4 MR. DALTON: Thank you. Kent, a couple</p> <p>5 of questions. As I was reading through your memo, a</p> <p>6 couple of thoughts occurred to me on this concept of</p> <p>7 parity among the generation resources. And it seems</p> <p>8 that there are some pre-'99 units that are exempt,</p> <p>9 some pre-2004 units that are exempt. Then there's</p> <p>10 this 2004 to 2009 group of generators, and then</p> <p>11 there's another group 2009 -- December 1, 2009 going</p> <p>12 forward. I mean how many generators are in each of</p> <p>13 those buckets?</p> <p>14 MR. SAATHOFF: You know, I don't have</p> <p>15 that information at hand. The 1999 for conventional</p> <p>16 generators, and February 2004 for wind generators,</p> <p>17 that was established in the protocol. The -- from</p> <p>18 2004 to now and future, that's at issue right now.</p> <p>19 But the protocol just had those two groups.</p> <p>20 I do know in 2004 we had about 1300</p> <p>21 megawatts of wind, and right now we have over</p> <p>22 8500 megawatts of wind.</p> <p>23 MR. DALTON: Okay. How much</p> <p>24 conventional generation was on at that time that's</p> <p>25 still on today, a decade later.</p>	<p>140</p> <p>1 interconnection requests?</p> <p>2 MR. SAATHOFF: That's right. Generation</p> <p>3 interconnection agreements are between the generator</p> <p>4 and the transmission provider.</p> <p>5 MR. DALTON: Okay.</p> <p>6 MR. SAATHOFF: ERCOT is not a party to</p> <p>7 those agreements.</p> <p>8 MR. DALTON: Okay. And there's not some</p> <p>9 communication process between the TSPs and ERCOT</p> <p>10 regarding what the standards that are being imposed to</p> <p>11 the interconnection process are?</p> <p>12 MR. SAATHOFF: There's -- I believe</p> <p>13 there's a standard -- fairly standard generation</p> <p>14 interconnection agreement that I believe the PUC</p> <p>15 approved. But as far as us being a party to</p> <p>16 generation interconnection agreements, no, we're not.</p> <p>17 And we have not been reviewing all those.</p> <p>18 MR. DALTON: Okay. And then, I guess,</p> <p>19 if we didn't pass 830 today, what would that do to all</p> <p>20 the modeling and the studies that have been done in</p> <p>21 the CREZ docket? I mean, would that throw everything</p> <p>22 kind of into disarray, or would we be able to modify</p> <p>23 that information or -- what does it do? How does it</p> <p>24 interplay with the CREZ work that's already been done?</p> <p>25 MR. GRABLE: Kent, do you mind if I</p>
<p>139</p> <p>1 MR. SAATHOFF: I certainly don't have an</p> <p>2 exact number, but I would say, you know, 10, 20,000</p> <p>3 megawatts, somewhere in there. That's just a guess.</p> <p>4 MR. DALTON: And I support this parity</p> <p>5 concept. I think it's a good one that we keep all the</p> <p>6 generators on the same foot. I'm just trying to kind</p> <p>7 of get a sense for what are we talking about and how</p> <p>8 does that affect the system, too? Because I'm</p> <p>9 somewhat sympathetic to making changes when the rules</p> <p>10 might not have been clear to everyone.</p> <p>11 But to get to that point, as we went</p> <p>12 through the interconnection process with these</p> <p>13 generators or they were submitting their RARFs, I</p> <p>14 mean, at what point did ERCOT know that there was an</p> <p>15 issue with some of these generators, and how quickly</p> <p>16 did ERCOT react to that?</p> <p>17 MR. SAATHOFF: Well, we really only</p> <p>18 became aware that there was an issue back last summer.</p> <p>19 As a result of discussions with wind generators and</p> <p>20 other parties, we did the review of the resource</p> <p>21 registration -- of the RARFs last summer -- excuse me,</p> <p>22 this summer, back in June.</p> <p>23 MR. DALTON: Okay. So this is -- we</p> <p>24 learned it through the RARF process because ERCOT</p> <p>25 doesn't really directly participate directly with the</p>	<p>141</p> <p>1 answer this one? I think it's a procedural question.</p> <p>2 MR. SAATHOFF: Okay.</p> <p>3 MR. GRABLE: If 830 doesn't pass,</p> <p>4 ERCOT's belief is that the protocol says what it says</p> <p>5 and we require the rectangle and we will model</p> <p>6 according to that. There is more uncertainty as to</p> <p>7 whether -- you know, in what venue and how far down</p> <p>8 the road it will reach -- other people deciding one</p> <p>9 way or the other on the issue, but that's how we'll</p> <p>10 proceed.</p> <p>11 MR. DALTON: Okay. That's all I have</p> <p>12 for now. Thank you.</p> <p>13 CHAIRMAN NEWTON: Mike?</p> <p>14 MR. GENT: Kent, did you say that there</p> <p>15 were -- from your study that you surveyed there were</p> <p>16 28 that could meet the requirement?</p> <p>17 MR. SAATHOFF: No, there were 16.</p> <p>18 MR. GENT: 16 that could --</p> <p>19 MR. SAATHOFF: That met the rectangle</p> <p>20 and 16 were exempt.</p> <p>21 MR. GENT: All right. The question has</p> <p>22 to do with those 16, and it is how do they meet the</p> <p>23 requirement physically and is there a high voltage</p> <p>24 issue with these 16?</p> <p>25 MR. SAATHOFF: Of the 16, five</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">142</p> <p>1 apparently meet the requirement with the generator. 2 Apparently they have some of the newer generators that 3 can provide a full dynamic requirement. Six met it 4 after they provided additional information that was 5 not reflected in the their RARF. Four met it with 6 essentially the way PRR 830 says, that you can meet it 7 by the addition of additional static and dynamic 8 devices in addition to the generation. And one 9 submitted a mitigation plan committing to do that in 10 the future. 11 MR. GENT: I guess my question would -- 12 second question only deals with those four then. It 13 just seems to me if you put in static capacitors 14 you're looking at a possible overvoltage situation 15 under certain system conditions as well, unless 16 they're operating properly. 17 MR. SAATHOFF: That's right. And we 18 reviewed that to make that sure we were comfortable 19 with -- that that amount of capability could be 20 operated within the requirements. 21 CHAIRMAN NEWTON: Is that all, Mike? 22 MR. GENT: Yes. Thank you. 23 CHAIRMAN NEWTON: Bob Helton, I think 24 you were next. 25 MR. HELTON: Just real quick question,</p>	<p style="text-align: right;">144</p> <p>1 means. 2 I think we also had some 3 miscommunication here between the TSPs and ERCOT. And 4 I don't want to speak for them or our staff or get 5 into who knew what or who thought what, but you've 6 heard from the TSPs -- you've heard from one and 7 you'll hear from -- well, you've heard from two and 8 you'll hear from a third today as we go through this 9 list -- that they believe it's the rectangle, that 10 were there interconnection agreements signed up where 11 the generator is going to tell us they should have 12 known we were talking about the triangle here, you 13 know, yeah. So there clearly are some communication 14 issues we need to work on. 15 MR. HELTON: Right. And that's what I 16 was getting at. I mean if -- because if the test 17 data and the model data was all -- which exists for 18 every unit, then we would be able to know that right 19 off the bat. I was just curious to see if we do need 20 to change some procedures on that issue. 21 MR. GRABLE: I think we ought to flag 22 that regardless of the PRR, regardless of any NOV's and 23 regardless of any PUC action as a separate issue to 24 take up and make sure that we report back to the Board 25 that we're all on the same page.</p>
<p style="text-align: right;">143</p> <p>1 Kent. Is there a problem then with our procedures for 2 connecting to the grid itself? And what models -- I 3 know whenever we turned in all of our data for our 4 generation units we had to have every model and every 5 test and everything we did turned in to both planning 6 and operations. Is there a different process or did 7 we just do that and that's -- it's not in the 8 procedure that you actually review that against the 9 OGRs -- you know the operating guides protocol 10 requirements? I'm trying to figure out where there 11 may be a hole where we could catch something like 12 this -- 13 MR. GRABLE: Kent, can I jump in here, 14 too? I mean, there are two things I think we ought to 15 look at. One is we rely on, as you know better than 16 anyone -- you know better than I do, Bob, the 17 generator itself certifies that it understands and 18 complies with all protocols. I think we need to make 19 sure going forward that ERCOT staff and individual 20 generation owners and operators are on the same page 21 with respect to all those items. We probably need to 22 go through them one by one and make sure that when a 23 generator certifies that they're fully compliant with 24 the protocols, they understand what that means. They 25 understand what ERCOT staff understands that that</p>	<p style="text-align: right;">145</p> <p>1 Danny, I wanted to go back and make sure 2 your RARF question -- that's a form we created for 3 nodal readiness to make sure we understood what was 4 out on the grid -- setting aside compliance, just what 5 can you actually do. And, of course, the date of that 6 form is only within the last year. It's not something 7 that existed in 2004 or prior years, but it has a 8 different -- you had a question about protocol 9 compliance, and I think we've covered that. But I 10 just wanted to make sure we had returned back to that 11 initial question. 12 CHAIRMAN NEWTON: Did you have another 13 question? 14 Okay. Dee? 15 MR. PATTON: Kent, you said that you 16 became aware of this issue last year? This year? 17 MR. SAATHOFF: Last year. 18 MR. PATTON: What flagged that to you? 19 MR. SAATHOFF: Well, there were a couple 20 of events early last year where we had some high 21 voltage in the west and we -- we called on some wind 22 generators involved to deploy their reactive to lower 23 the voltage, and that couldn't be done. So the 24 transmission operator, to avoid equipment damage, 25 opened up the line. So that was the first hint we</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">146</p> <p>1 got.</p> <p>2 But then as we went to the wind</p> <p>3 workshops and discussions on this issue, you know, we</p> <p>4 were certainly aware it was an issue at that point</p> <p>5 last summer.</p> <p>6 CHAIRMAN NEWTON: Danny?</p> <p>7 MR. BIVENS: This may be a question for</p> <p>8 I think every speaker, but one of the issues today is</p> <p>9 probably going to be whether we vote this thing up or</p> <p>10 down or whether it gets remanded back to TAC for</p> <p>11 further study or more looking at. And there's a</p> <p>12 statement in Mr. Houston's comments of November 10th</p> <p>13 and it's also on his slides. He basically says he --</p> <p>14 the reactive capability requirements for generators</p> <p>15 and load are fixed and that if there's any variance at</p> <p>16 all, then that's going to be done by the transmission</p> <p>17 owners.</p> <p>18 So with respect to whether studies are</p> <p>19 needed, he makes a statement, "Studies are performed</p> <p>20 to identify the variable transmission owner</p> <p>21 requirements," so it's on the transmission owner. And</p> <p>22 I -- my question is -- I mean, probably everybody --</p> <p>23 do you agree that there are no -- there's no need for</p> <p>24 any further studies? And I think you said the same</p> <p>25 thing in your comments as well.</p>	<p style="text-align: right;">148</p> <p>1 say how about producing .9? How about producing .85?</p> <p>2 I wouldn't hear that millions and millions and</p> <p>3 millions of dollars comment many times over.</p> <p>4 So I -- that's not how it works. This</p> <p>5 works. It's fair. It's equitable. It's how we</p> <p>6 planned the system. It's important to reliability.</p> <p>7 CHAIRMAN NEWTON: Dee?</p> <p>8 MR. PATTON: I would just observe</p> <p>9 that -- an observation on the actual system is the</p> <p>10 best study of all, requires no assumptions whatsoever.</p> <p>11 CHAIRMAN NEWTON: Bob?</p> <p>12 MR. HELTON: Just real quickly. On the</p> <p>13 study -- on the CREZ study, the effect this would have</p> <p>14 on the CREZ study -- correct me if I'm wrong, Ken --</p> <p>15 the whole situation is if it was determined that every</p> <p>16 generator needs to be in the rectangle, then the CREZ</p> <p>17 study would base on that issue that everyone was in</p> <p>18 that and then any additional stuff that needed to be</p> <p>19 done would be done by the transmission providers.</p> <p>20 Correct?</p> <p>21 MR. SAATHOFF: The current CREZ reactive</p> <p>22 study is assuming the rectangle.</p> <p>23 MR. HELTON: Right.</p> <p>24 MR. SAATHOFF: And so anything</p> <p>25 additional to that would be, you know, provided by the</p>
<p style="text-align: right;">147</p> <p>1 MR. SAATHOFF: Yes, the whole premise is</p> <p>2 that the protocols set out the standards that</p> <p>3 generators have to meet. In other words, what they</p> <p>4 bring to the table. Under those assumptions that</p> <p>5 those requirements are being met, then the</p> <p>6 transmission operators perform the studies to</p> <p>7 determine what additional equipment they may need to</p> <p>8 put on the transmission system.</p> <p>9 CHAIRMAN NEWTON: Yes, John?</p> <p>10 MR. HOUSTON: Yes. In answer to your</p> <p>11 question, I think CenterPoint would again design and</p> <p>12 plan the system in conjunction with ERCOT to make all</p> <p>13 the changes, assuming that the generators are</p> <p>14 performing as per the protocols, and assuming loads of</p> <p>15 meeting their requirements. As I pointed out in some</p> <p>16 of my comments, for example, in Houston, we've just</p> <p>17 invested over 25 million in dynamic reactive because</p> <p>18 there isn't adequate dynamic reactive capability in</p> <p>19 the existing generators in the Houston area to prevent</p> <p>20 voltage collapse.</p> <p>21 So, yes, we do make those, and we would</p> <p>22 not go back to the generators. That would basically</p> <p>23 be every few years, if the study indicated it, instead</p> <p>24 of building \$25 million worth of dynamic reactive I</p> <p>25 would have had to go back to the local generators and</p>	<p style="text-align: right;">149</p> <p>1 transmission operator.</p> <p>2 MR. HELTON: Right. So if something</p> <p>3 happens and somebody decides that that's not the case,</p> <p>4 what would the actual change be, and say that somebody</p> <p>5 said it was the triangle, then you would need --</p> <p>6 knowing that, what that would change is the</p> <p>7 calculation on what the TDSPs would have to do to</p> <p>8 ensure stability. Correct?</p> <p>9 MR. SAATHOFF: We would have to go back</p> <p>10 and redo the study with that changed assumption.</p> <p>11 MR. HELTON: Right. Okay. Thanks.</p> <p>12 CHAIRMAN NEWTON: Dee?</p> <p>13 MR. PATTON: And that changed assumption</p> <p>14 would result in greater uplift to the consumer.</p> <p>15 MR. SAATHOFF: Depending on what it</p> <p>16 showed. If it showed that you needed more reactive</p> <p>17 equipment because of that, yes. But you don't know</p> <p>18 until you've done it.</p> <p>19 CHAIRMAN NEWTON: Okay. Any other</p> <p>20 questions for Kent?</p> <p>21 Oh, Mike?</p> <p>22 MR. GRABLE: Bob, if I were a thermal</p> <p>23 generator and wind were victorious in their</p> <p>24 interpretation of the protocol at whatever level,</p> <p>25 whatever finality we end up with, Kent's right that</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">150</p> <p>1 that would immediately change the transmission 2 reactive support assumption. But if I were a thermal 3 generator, I would want to clamber onto the deal that 4 wind got and we would need certainty as to that 5 outcome and then that could further affect what we 6 need from transmission.</p> <p>7 MR. HELTON: I'm not sure it being a 8 thermal I would agree with that aspect, because, you 9 know, we've already designed and put up our -- we're 10 in as a triangle -- I mean, a rectangle, so we're 11 already there. So there's not a deal to go get, I 12 don't believe.</p> <p>13 MR. GRABLE: I understand. I've heard 14 that from your peers.</p> <p>15 CHAIRMAN NEWTON: Okay. We'll move on. 16 I have down next in alphabetical order Brian Hayes 17 with Horizon Wind Energy.</p> <p>18 MR. HAYES: Okay. So before I get 19 started, I just wanted to first thank you guys. I 20 appreciate the time to come and present our side of 21 the story on this and, you know, just to give you a 22 little background. So horizon is active in the ERCOT 23 market. We have a 400-megawatt plant in Albany, Texas 24 just outside of Abilene. And it's been in operation 25 since 2006 and 2007 is when it came on line. So it</p>	<p style="text-align: right;">152</p> <p>1 of our plant, what the generators were, what the 2 equipment they were going to have in addition to that.</p> <p>3 We even -- through this study the TSP 4 recommended that we needed to have additional 5 capacitor banks to provide voltage support, and we did 6 comply and we put those capacitor banks in. But 7 through all of this study, the requirements that we 8 were meeting were based off this curve here. And this 9 is the infamous triangle that we're talking about.</p> <p>10 So if you read through the protocols in 11 6.5.7.1 it talks about that a generator must meet 12 the .95 lead/lag requirement. So if you take the .5 13 lead/lag requirement, effectively what it means is as 14 your generation goes up, you provide more voltage 15 support as your output goes. So this is a sliding 16 scale effectively with how much you generate. So this 17 is how our plant is designed to operate.</p> <p>18 We actually provide a little bit more on 19 the top because of the capacitor banks, but in the end 20 this was the -- this is how we were designing the 21 plant and how we interconnected, and this is what was 22 approved by the TSP and ERCOT prior to any -- prior to 23 us putting any megawatts onto the grid.</p> <p>24 And, you know, I will say also that, you 25 know, all the parties were involved with this. So as</p>
<p style="text-align: right;">151</p> <p>1 was post the 2004, you know, that we're talking about 2 here. And, you know, I just want to let you guys 3 know, the reason I'm here today is because reliability 4 is, you know, paramount to us and to, I would say, 5 almost any wind generator in the room. So it's not a 6 thing about concern about -- so we are concerned about 7 reliability.</p> <p>8 But the concern that's been raised 9 through this PRR is just the methodology that we're 10 going through to require the retrofitting of 11 facilities to have this -- to meet this rectangle for 12 the wind generators, which I'll go through and discuss 13 why our interpretation of the protocols at the time of 14 interconnect was not the rectangle. And it's going to 15 be -- so it's a cost for us as a generator that will 16 in turn get passed on to consumers. So I just want to 17 make sure that ERCOT and the community is doing the 18 prudent practices to make sure that we're going at 19 this in the right way before we subject to a large 20 investment.</p> <p>21 So let me just tell you a little bit 22 about how we interconnected just to give the story on 23 how it worked for us. So as I said, our plant came 24 online in 2006. We did, you know, numerous studies 25 with the TSP to -- providing them all the information</p>	<p style="text-align: right;">153</p> <p>1 the -- after the studies were completed, we completed 2 the GARF, which, you know, now they're on the RARF.</p> <p>3 Right? But at the time this was the GARF, the 4 Generation Asset Resource Form, that was completed and 5 went through and submitted and approved. And then on 6 the day the plant was energized, there was ERCOT on 7 the line -- I believe it was Oncor and then ourselves 8 ensuring that the plant was interconnected and working 9 as it was designed to do.</p> <p>10 So all these things have been checked.</p> <p>11 And then, as you know, which was discussed previously, 12 then in August of last summer, there was -- there was 13 actually a conflicting message which I think wasn't 14 discussed prior, that in the morning ERCOT sent out a 15 page that basically shows that this is the -- this is 16 how a wind generator resource provides reactive 17 support. And you see the triangle. And then on the 18 top is what a conventional does which is more similar 19 to the rectangle. And I will say that this was not 20 presented. This was sent out to all the people who 21 were going to go to the workshop in the morning. And 22 then by the afternoon, the chart on the bottom right 23 had changed to the rectangle.</p> <p>24 But I will point out that the -- 25 actually the example did not change. And so when you</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">154</p> <p>1 can see the second bullet point it says, "Wind 2 generation output equals zero megawatts and the 3 megavar requirement is zero megavars," which is the 4 exact same definition that we're saying here, that 5 it -- as your output goes down to zero, you stay at 6 zero; whereas, the protocol change that is in 7 discussion is effectively trying to get us to provide 8 the reactive support at the highest levels, even when 9 we're at zero.</p> <p>10 So these were the conflicting messages 11 that then resulted in the interpretation that went out 12 by ERCOT. And then this is the -- and I guess further 13 support of that will support the cone -- or the cone 14 or the triangle in 6.7.6, the language in red here. 15 Basically if you read this, it says, "The required 16 installed reactive capability multiplied by the ratio 17 of the lower active power output to the generating 18 unit's continuous rated active power output." 19 So if you go through and you turn that 20 into a formula, it's effectively the triangle, and 21 it's a sliding scale. So as your output goes up, the 22 amount of reactive power that you have to provide 23 increases. And so when you're at zero, it's zero. So 24 this is how again we've operated and throughout -- you 25 know, since the plan has been energized and why we're</p>	<p style="text-align: right;">156</p> <p>1 on to the consumers.</p> <p>2 And I think the other thing that I -- 3 that has been somewhat frustrating is just that this 4 has been described as a clarification. And, you know, 5 as -- I think it's pretty clear, based on the number 6 of generators that don't meet this requirement today, 7 that it is much more than a clarification. And then 8 with the dollars that are at stake and the amount of 9 investment that's required, again it's hard to call 10 this a clarification. It's a very significant deal, 11 and something that we think needs to make sure that 12 there is a prudent study to ensure that the dollars 13 are going in the right place.</p> <p>14 Then I guess the -- I guess the last 15 issue that we have has been brought up recently, and 16 that's just that, you know, there's this disconnect 17 between what was planned in the transmission versus 18 how we're actually interconnecting and operating has 19 raised a lot of concern. It seems counterintuitive 20 that instead of actually going back and looking at how 21 we're actually generating and then making the right 22 decision on what is -- where the investment were to 23 occur, to just go back and unilaterally make us meet 24 whatever what was modeled to begin with.</p> <p>25 So anyway, those are my comments, and I</p>
<p style="text-align: right;">155</p> <p>1 here today to talk to you about this further.</p> <p>2 So I guess, you know, taking this all in 3 context, this is -- the issues that we have, you know, 4 with this change that is come down and that we're 5 discussing is that, one, since 2004 there's been 7,000 6 megawatts that have interconnected into ERCOT. And as 7 was described earlier, some of these meet the 8 requirements, some of them don't.</p> <p>9 We have significant concern that there's 10 going to be a lot of money spent to get all of these 11 generators to align with the rectangle. And there's 12 not been one study done to determine if this 13 reactive -- if this equipment that we're going to put 14 in the ground is actually going to be used. I mean, it 15 could very well be the case that we could -- that all 16 these generators could go back and retrofit, spend the 17 money, which for our client we have looked at is in 18 the tens of millions of dollars, put the equipment in 19 the ground and then that equipment could sit idle and 20 never be used. It could be a stranded cost just 21 because maybe it wasn't in the right place or maybe 22 because it was never needed in the first place. So 23 there is a big concern to us that the studies not 24 being done will end up being a poor use of dollars for 25 the generators, which will then be, in the end result,</p>	<p style="text-align: right;">157</p> <p>1 appreciate any questions.</p> <p>2 CHAIRMAN NEWTON: Are there any comments 3 or questions?</p> <p>4 Kent?</p> <p>5 MR. SAATHOFF: Start with this, that is 6 deployment of voltage support. Right? It's not 7 voltage -- it's not reactive requirement, is it?</p> <p>8 MR. HAYES: Yes. Yes.</p> <p>9 MR. SAATHOFF: Okay. And the reactive 10 requirement is in a different section of the protocol.</p> <p>11 MR. HAYES: Right.</p> <p>12 MR. SAATHOFF: In the slide that you had 13 up before from Mr. Duma's presentation --</p> <p>14 MR. HAYES: Yes.</p> <p>15 MR. SAATHOFF: -- is that his entire 16 presentation?</p> <p>17 MR. HAYES: No, it is not.</p> <p>18 MR. SAATHOFF: Okay. Thank you.</p> <p>19 CHAIRMAN NEWTON: So it's an excerpt or 20 has it been modified?</p> <p>21 MR. SAATHOFF: Yeah. The point is 22 there's a preceding slide that stated that we believe 23 the requirement was a rectangle.</p> <p>24 CHAIRMAN NEWTON: Okay. Mike?</p> <p>25 MR. GENT: Yes. In your background</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>158</p> <p>1 material and in the material you presented here, 2 there's an implication that this information has been 3 made clear to ERCOT, and then I heard in Kent's 4 explanation that the data is provided to the 5 transmission owner. And in fact I have before me 6 where -- if I hadn't heard this, I would make the 7 assumption that you're doing these studies at ERCOT's 8 request and behalf and that you presented all this to 9 them and they signed off on it. Is that what you're 10 trying to say here, that they signed off on your 11 inability to provide vars as they think are necessary? 12 MR. HAYES: The transmission service 13 provider has signed off that the studies were 14 completed. 15 CHAIRMAN NEWTON: And maybe it's in your 16 background material, but for my clarification are you 17 supportive of the rectangle prospectively and only 18 opposed to it retroactively? 19 MR. HAYES: Yes. So -- yes. So 20 retrofitting in our view is -- it's much more costly 21 to do retrofits than to do -- than to build when 22 you're actually building a new plant. So the 23 prospective we have no concerns with doing anything 24 prospective because we can build it into the plant. 25 And we can even make requirements from our turbine</p>	<p>160</p> <p>1 CHAIRMAN NEWTON: Okay. Andrew? 2 MR. DALTON: Just one quick question, 3 kind of a follow-up clarification. So it would be 4 your position then essentially what we should be doing 5 is setting up a tiered process here, prior to 2004 no 6 reactive power for wind from 2004 until December 1, 7 2009 or November 30th, 2009 the cone applies. From 8 December 1, 2009 forward the rectangle applies. Is 9 that a fair characterization? 10 MR. HAYES: That is correct. 11 MR. DALTON: Okay. 12 CHAIRMAN NEWTON: Okay. Any other 13 comments for Brian? 14 Okay. Thank you, Brian. 15 Next we have NextEra. 16 MR. MARKARIAN: Good afternoon. We 17 actually brought this appeal. I'm Dave Markarian, 18 managing attorney for NextEra Resources for litigation 19 and state regulatory, and we appear most respectfully 20 before this body because we believe that 21 reinterpreting existing protocols and applying them 22 retroactively is a bad idea. 23 We believe we too are a reliability 24 leader. And we understand and take this very 25 seriously and we seek to do the right thing. But we</p>
<p>159</p> <p>1 suppliers that we meet certain requirements. 2 CHAIRMAN NEWTON: Well, I guess again, 3 just for clarification, my simple mind -- 4 MR. HAYES: Yes. 5 CHAIRMAN NEWTON: -- you don't have a 6 problem -- 7 MR. HAYES: -- no problem -- 8 CHAIRMAN NEWTON: -- with the 9 requirement for reliability to be the rectangle? 10 MR. HAYES: Going forward prospectively. 11 CHAIRMAN NEWTON: Thank you. 12 Yes, Miguel. 13 MR. ESPINOSA: Explain to me then why, 14 if you go back and retrofit, you might have stranded 15 assets, but if you go forward and install them going 16 on, you don't? 17 MR. HAYES: That's a fair point. So 18 there is the risk that they could be stranded assets, 19 even if you do it going forward. But I would say that 20 the amount of economic impact that you're contributing 21 is a lot less just because you're designing it into 22 when the plant is being built. You don't have to take 23 the plant down. There's a lot of factors that go into 24 it that make retrofits much more -- a whole different 25 game.</p>	<p>161</p> <p>1 also believe that we're being entirely reasonable 2 here, and we fear that we're straying a little bit 3 from common sense, which is why we're here. 4 We have made a proposal or, if you will, 5 a counterproposal that we think is entirely 6 reasonable, which is this: If a study demonstrates 7 that more than a triangular reactive power 8 configuration is required, we're all in. No problem. 9 We believe it would be appropriate to examine 10 carefully any reliability events. I'm going to come 11 back and tell you about what we have been told, 12 because we have been asking about this for a long 13 time, nearly six months. 14 But clearly, as of last night, we were 15 told -- and today you were today -- that 21 and 17 16 months ago there were two events. There's been no 17 study done as to those two events, and yet those 18 events are being used to suggest that between 30 and 19 \$100 million in investment be deployed. I just 20 watched with respect, bewilderment and amazement at 21 your diligent debate over \$11 million. This is a big 22 deal, and that's why we're here. And we hope no one 23 feels as though we're wasting your time. I know it's 24 been up before, but we believe we can demonstrate to 25 you that it hasn't been considered the right way or</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">162</p> <p>1 quite enough.</p> <p>2 This proposal is a one size fits all</p> <p>3 proposal, when we all know that reactive power</p> <p>4 capability should be a bus-to-bus analysis. Providing</p> <p>5 reactive power far from load doesn't always make</p> <p>6 sense. Even one of the parties that got up and spoke</p> <p>7 to us in support of PRR 830 has stated embedded in its</p> <p>8 comments that if you don't quite do it this way, give</p> <p>9 us the money and we'll use it more appropriately where</p> <p>10 it should be properly located, where reactive power</p> <p>11 isn't necessary out in the hinter lands, we can tell</p> <p>12 you a better way to get this done, AEP.</p> <p>13 We essentially focus on what we believe</p> <p>14 are two myths, the first being that reliability</p> <p>15 requires it. We have been diligently questioning</p> <p>16 whether there have been any true events. As recently</p> <p>17 as July and August of this year, we were told there</p> <p>18 were no events in several meetings on several calls</p> <p>19 with numerous witnesses. There have been no system</p> <p>20 emergencies. There have been no advisories or alerts</p> <p>21 that are tied to non-compliance of 6571 or 67. And</p> <p>22 the first mention of any of that, ladies and</p> <p>23 gentlemen, was at the TAC meeting on November 5th.</p> <p>24 So we began to ask a lot of questions.</p> <p>25 We couldn't get from ERCOT staff any dates, no</p>	<p style="text-align: right;">164</p> <p>1 outside of these documents reflects everything</p> <p>2 deleted, striking entire existing paragraphs,</p> <p>3 inserting entirely new paragraphs, inserting new</p> <p>4 technical standards and inserting new compliance</p> <p>5 deadlines and plan approval processes. These are</p> <p>6 clearly not the same thing. Moreover, as we just went</p> <p>7 over, ERCOT has produced documents -- I think someone</p> <p>8 said it best this afternoon, there might be a</p> <p>9 communication problem. I think that's probably the</p> <p>10 best you can say about it.</p> <p>11 ERCOT itself has produced documents that</p> <p>12 demonstrate different requirements for wind than what</p> <p>13 the current PRR 830 requirements would provide. And</p> <p>14 that's the document you focused on. This is clearly</p> <p>15 an ERCOT document. It's not been doctored. It's from</p> <p>16 2008. It talks about a requirement. It talks about a</p> <p>17 triangle.</p> <p>18 And on the page that you were focused on</p> <p>19 earlier, look at this. Shown to the right are the</p> <p>20 reactive capability curves for a conventional</p> <p>21 generator and a wind turbine. It points you to this D</p> <p>22 curve, and it points the wind generator to what we</p> <p>23 have commonly called the triangle. Despite what ERCOT</p> <p>24 might be saying today, just last year they were not</p> <p>25 saying the triangle was bad. They were not saying it</p>
<p style="text-align: right;">163</p> <p>1 descriptions, no analysis of these events, where they</p> <p>2 were, when they were. But we did our own</p> <p>3 investigation and determined that not a single event</p> <p>4 related to voltage -- not a single event related to</p> <p>5 voltage in 2009 in West Texas was reported in the</p> <p>6 system operations reports to reliability and</p> <p>7 operations subcommittee or the Board of Directors or</p> <p>8 in ERCOT public operations reports. We asked about</p> <p>9 any events and were told as recently as two days ago</p> <p>10 that there has been no technical analysis that's been</p> <p>11 fully performed by ERCOT staff as to these events. No</p> <p>12 analysis as to the cause of events, no study. Most</p> <p>13 importantly, that the procedures you're being urged to</p> <p>14 adopt today would be the proper action to take and</p> <p>15 would avoid these events.</p> <p>16 The second myth, respectfully, is that</p> <p>17 PRR 830 is nothing new. How can you possibly explain</p> <p>18 ERCOT's report to you today that far more than half of</p> <p>19 the wind farms have been deployed with something less</p> <p>20 than the rectangle configuration of reactive power?</p> <p>21 The TAC advocate in its presentation</p> <p>22 told you that this requirement has been in place for</p> <p>23 several years. But if you look at PRR, it has been</p> <p>24 entirely rewritten. The red in the center of this</p> <p>25 document reflects everything new. The red on the</p>	<p style="text-align: right;">165</p> <p>1 had to be applied retroactively. They called it, in</p> <p>2 this document, the requirement.</p> <p>3 So regardless of whether you call this</p> <p>4 confusion or a communication issue, one thing it is</p> <p>5 not is clear. We knew that because wind farms don't</p> <p>6 just spring up. Wind farms are built and</p> <p>7 interconnected in conjunction with the very best</p> <p>8 engineering minds in this state and from outside of</p> <p>9 the state that operate in this state. That is the</p> <p>10 TSPs play a key role. And even though we've heard</p> <p>11 some of them come up today and say they approve of PRR</p> <p>12 830, they in fact have approved interconnection of</p> <p>13 wind farms with something less than a rectangular</p> <p>14 configuration and have taken a slightly different</p> <p>15 position today.</p> <p>16 What I think we've all overlooked is</p> <p>17 that ERCOT has a statutory obligation to stay on top</p> <p>18 of -- in fact, to be the ultimate in providing</p> <p>19 supervision and responsibility as it relates to</p> <p>20 transmission interconnection service. It is</p> <p>21 absolutely in the statute that governs this body -- I</p> <p>22 should say PUCT Substantive Rule 25.361.</p> <p>23 And I know very well that ERCOT would</p> <p>24 not approved anything that adversely affected</p> <p>25 reliability either implicitly or tacitly and allow it</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>166</p> <p>1 to continue for three or four years and only discover 2 17 or 20 months earlier that there was some 3 reliability event and, therefore, a problem, and then 4 failed to study it, failed to bring that study before 5 you, but urge action on a matter that would be so 6 costly, ultimately those costs being borne by those 7 we're here to protect.</p> <p>8 25.361 says shall, "ERCOT shall accept 9 and supervise all requests for interconnection, shall 10 plan the transmission system." We've heard excuses, 11 or at least explanations, to be a little more polite, 12 but clearly what was known to ERCOT was that at least 13 80 RARFs were submitted to -- I should say this, it's 14 been set forth by the opponents of this protocol 15 revision review -- at least 80 RARFs have been 16 submitted to and approved by ERCOT. I think the 17 explanation was given to us today that ERCOT has 18 these, but they don't use them for the particular 19 purpose the statute suggests is their obligation.</p> <p>20 These RARFs demonstrate, if you examine 21 them and use them, look at them, that wind was not 22 designed to meet the rectangle, the rectangle at least 23 in many, many instances. Local TSPs, some of the best 24 minds in the business, performed interconnection 25 studies based upon the triangle. No problems with the</p>	<p>168</p> <p>1 view of how this decision will affect investment 2 decisions in Texas. Here we believe that the Board 3 has only imposed retroactive application of technical 4 requirements where there was compelling evidence 5 supporting it. I think we've emphasized the point 6 enough that there hasn't been a study. And the one 7 study that's underway -- that could be used to answer 8 some of these questions is underway. We heard about 9 it this morning. And it probably won't be done until 10 the end of this year or early in the next.</p> <p>11 What we would respectfully ask you to 12 consider is that under Protocol 1.2, whatever you do, 13 and whatever you decide is governed by ensuring access 14 to the transmission and distribution systems on 15 non-discriminatory -- excuse me, non-discriminatory 16 terms, and to act in a manner that's reasonable.</p> <p>17 And ask yourselves and guide yourselves 18 by whether what we're asking be done is fair, whether 19 it's reasonable, whether it's non-discriminatory, 20 whether it's necessary. Because clearly if you have a 21 system in which ERCOT tells you that more than half 22 the wind farms it polled cannot state that they're in 23 compliance with what is now being read as consistent 24 with 830, then we are asking for something new to be 25 imposed.</p>
<p>167</p> <p>1 triangle have been identified. And probably most 2 significantly, where there was an additional reactive 3 component necessary, it was imposed upon the wind 4 generators. They put those components in, and did so 5 based upon the studies.</p> <p>6 This information, these studies, as is 7 appropriate pursuant to Substantive Rule 25.361, is 8 available to ERCOT. Those were available for study 9 and for compliance with ERCOT's obligations under 10 25.361. So we contend that not only were these 11 things known to the TSPs and studied by the TSPs, but 12 ultimately, pursuant to the operation of 25.361, 13 approved by ERCOT.</p> <p>14 The real question we have with regard to 15 this proposal is retroactivity because it sets bad 16 precedent. It can be imposed on anyone literally 17 under any situation. It imposes huge regulatory risk 18 on future business decisions, affecting again anyone. 19 And if you look at the long view, a matter that should 20 be of grave concern and something we shouldn't rush to 21 judgment on. Again, the NextEra position is if a 22 study justifies something beyond the triangular 23 configuration, we'll step up, pay for it and implement 24 it.</p> <p>25 And third, we have to look at the long</p>	<p>169</p> <p>1 ERCOT did publish the triangle under the 2 guise of it's a, quote, unquote, "requirement" and 3 there's a sea of wind farms conforming to something 4 other than a rectangular configuration of reactive 5 power configurations. And, you know, the definition 6 of good utility practice, if you look at the statute, 7 is any practice, method or act engaged in or approved 8 by a significant portion of the electric utility 9 industry during a relevant time period.</p> <p>10 In our case alone LCRA, Brazos, AEP, 11 took the wind farms in question that we have built and 12 operate, looked at our reactive capabilities and 13 approved us for interconnection. All interpreting the 14 protocol essentially the way most if not all of the 15 wind generators have been interpreting it.</p> <p>16 There shouldn't be any real question 17 that this didn't exist as a requirement or it just 18 doesn't make sense that so much of the system would be 19 out of compliance. I don't think ERCOT would allow 20 that to happen. This is new. It's being applied 21 retroactively. There's no study confirming that it is 22 necessary, and as soon as there is one that confirms 23 it's necessary, we'll be the first people to sign on 24 and support it.</p> <p>25 More importantly, there's no study that</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>170</p> <p>1 suggests that what's being proposed here will fix the 2 problem. And although it's been stated that there was 3 a lot of analysis of this, we really believe that 4 there was a rush to judgment. This was not assigned 5 to a working group. There was no task force assigned 6 to it. There were several amendments, even some 7 supported by ERCOT staff, that were never voted on. 8 And so in closing, before we rush to 9 spend huge dollars, tens to hundreds of millions of 10 dollars that is retroactively applied, that will chill 11 investment and result essentially in what is 12 consumer-friendly pricing, that keeps electricity 13 prices low for consumers, and we'll just wipe that 14 out. Especially we believe this is unwise when there 15 have been no reliability events triggered by 16 non-compliance -- that is by non-compliance with what 17 the proponents state is the proper application of the 18 protocol. And no study of the reliability benefits 19 that 830 would trigger. Thank you. 20 CHAIRMAN NEWTON: I'm going to ask you 21 the same question, and based upon a couple of your 22 comments, I just want to be clear of my understanding 23 of NextEra's position: Without a study you would not 24 support the rectangle prospectively? Or you would? 25 MR. MARKARIAN: I think we stated that</p>	<p>172</p> <p>1 some of our competitors are -- if you will, sister 2 wind companies -- have indicated that in addition to 3 our expenditures it would total industry-wide \$100 4 million. 5 MR. KARNEI: How much? 6 MR. MARKARIAN: 100. 7 MR. KARNEI: Okay. Thank you. 8 CHAIRMAN NEWTON: Charles? 9 MR. JENKINS: I'd like to understand a 10 little bit more about your offer. You said if a study 11 shows that something else is needed, you would be glad 12 to go back and install that on your existing farms -- 13 MR. MARKARIAN: We absolutely have taken 14 that position. 15 MR. JENKINS: How far into the future 16 hold? If we study it next year and we figure out you 17 need \$5 million worth, and then 10 years after that we 18 discover it needs 60 million. Are you okay with that? 19 MR. MARKARIAN: That's right. There's 20 no limit, and it would be an indefinite commitment. 21 CHAIRMAN NEWTON: Is that all, Charles? 22 MR. JENKINS: Yes. Sorry. 23 CHAIRMAN NEWTON: Dee. 24 MR. PATTON: Why would you agree to 25 without a study comply proactively ---</p>
<p>171</p> <p>1 we would support it going forward. 2 CHAIRMAN NEWTON: Well, that's what I 3 was wanting to clarify based upon the comments you 4 made because -- 5 MR. MARKARIAN: I really meant to say 6 both things. If the study demonstrates -- well, I 7 guess we're actually saying exactly the same thing. 8 CHAIRMAN NEWTON: Okay. Well, but, no, 9 I guess my question is are you saying you would not -- 10 will you support prospective rectangle without a 11 study? 12 MR. MARKARIAN: I think we're taking 13 that position, yes, ma'am. 14 CHAIRMAN NEWTON: It's only the 15 retroactive piece that's at question. 16 MR. MARKARIAN: That's correct. 17 CHAIRMAN NEWTON: Okay. Thank you. Any 18 other questions? 19 Yes, Clifton? 20 MR. KARNEI: Did I hear you throw out a 21 number of the estimated capital cost to be in the 22 range of 30 million to 130? And where does that come 23 from? 24 MR. MARKARIAN: Our estimated number for 25 our system would be about \$27 million. And I think</p>	<p>173</p> <p>1 CHAIRMAN NEWTON: Prospectively. 2 MR. PATTON: -- period, I guess? 3 MR. MARKARIAN: Doctor, would you mind 4 if I ask Peter WYBIERALA to answer that. He's much 5 more technically astute and can perhaps -- 6 MR. PATTON: No, it's -- it doesn't 7 require an engineering analysis. Please answer the 8 question. 9 CHAIRMAN NEWTON: Whichever one y'all 10 want to is fine. 11 MR. MARKARIAN: Got it. Doctor, I'm 12 sorry, I actually knew that and I had to get it 13 whispered back in my ear. We could easily have made a 14 decision prospectively to rely more heavily on the 15 Siemens technology, which would have taken these 16 concerns off the table. 17 MR. PATTON: But you're perfectly 18 willing to go forward into it in infinity without a 19 study. Correct? 20 MR. MARKARIAN: I think it's preferable 21 to know that everything we do has a purpose and makes 22 sense. But so much of this -- I mean, I know that 23 ERCOT is a quasi-public body. But so much of this is 24 compromise. And although we might from an engineering 25 perspective have one view, we also recognize that the</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>174</p> <p>1 reality is we all have to work together to try and do 2 the very best we can. And I think what you see in 3 that position is not some sort of hypocrisy but a 4 recognition that we all have to work together and 5 sometimes make compromises.</p> <p>6 MR. PATTON: Thank you.</p> <p>7 CHAIRMAN NEWTON: Andrew?</p> <p>8 MR. DALTON: I'm going to hold back.</p> <p>9 CHAIRMAN NEWTON: Okay. Mike?</p> <p>10 MR. GENT: You may have heard earlier 11 Kent Saathoff said that they had done a survey of 70 12 wind farm owners, and that 16 of the 70 they surveyed 13 let -- were able to meet the requirements that they 14 feel is put out in the original version of this 15 standard?</p> <p>16 MR. MARKARIAN: Yes, sir, I heard that.</p> <p>17 MR. GENT: Would you suggest to us that 18 they should no longer be required to be held to that 19 as well?</p> <p>20 MR. MARKARIAN: No, what I'm guessing -- 21 and it's purely a guess -- is that those are probably 22 units that opted for a particular technology. And as 23 technology marched forward -- you probably know that 24 in and around 2000 I don't think there was a wind 25 turbine capable of producing reactive power, and as</p>	<p>176</p> <p>1 do the triangle, then that is what would be from that 2 point forward. So I'm not sure what you were asking 3 and I'm not sure what your answer meant.</p> <p>4 MR. JENKINS: I'll clarify what I 5 thought I was asking.</p> <p>6 MR. HELTON: Okay.</p> <p>7 MR. JENKINS: And that was -- I was 8 assuming that discussion was leading toward there 9 would be some time frame of units between 2004 and 10 2009 perhaps that would be held initially as a minimum 11 to the triangle standard and be subject to further 12 modifications in order to meet whatever a study showed 13 actually was necessary for reliability. And say a 14 year into it we figured out through study that a 15 certain amount of stuff was needed, and then over a 16 period of time conditions change in that part of the 17 grid and it turns out more is needed, would they be 18 willing to continue to hold open the requirement that 19 they -- that they do retrofit when a study showed it 20 was necessary indefinitely, and they said they would.</p> <p>21 MR. HELTON: Were -- okay. So just to 22 clarify because I'm just trying to make sure we're all 23 listening, because I'm not sure he got that.</p> <p>24 MR. MARKARIAN: That's absolutely what I 25 intended to say.</p>
<p>175</p> <p>1 technology evolved there were options. And although I 2 don't know the specifics of what the gentleman spoke 3 of, that would be my guess.</p> <p>4 MR. GENT: So how would you feel about 5 if we exempted wind generators from this requirement 6 in those installed after 2004 and before 2009? What 7 about the combustion turbines and all the other units 8 that are installed? Would we not also hold them to 9 the same requirement?</p> <p>10 MR. MARKARIAN: You're at the edge of my 11 technological knowledge, but I don't know that that 12 would be an applicable concern for us for anybody.</p> <p>13 MR. GENT: Okay. You're not concerned?</p> <p>14 CHAIRMAN NEWTON: Bob?</p> <p>15 MR. HELTON: One quick question, because 16 I'm a little confused about Charles' question and your 17 answer. We were talking about doing the triangle 18 prospectively and then you're talking about doing 19 another study later for \$60 million and you're 20 agreeing to that --</p> <p>21 CHAIRMAN NEWTON: Bob, can you get a 22 little closer to the mic?</p> <p>23 MR. HELTON: -- I'm not sure what that 24 question meant and what that answer meant. Because if 25 we're looking at prospectively saying we're going to</p>	<p>177</p> <p>1 MR. HELTON: Okay. So in other words, 2 what you're saying if he -- you're not -- if you do 3 agree to go with the triangle and not the rectangle, 4 then you're basically saying that they need to take 5 over -- the question was would you take over the 6 responsibility the TDSPs generally take over after the 7 original interconnection is done?</p> <p>8 MR. JENKINS: That was the thrust of my 9 question, and I'm quite surprised by their answer, 10 quite frankly.</p> <p>11 MR. MARKARIAN: I don't think that's 12 exactly --</p> <p>13 MR. HELTON: That's why I'm --</p> <p>14 MR. MARKARIAN: Sir, I'm sorry, maybe I 15 misunderstood. I don't think anyone suggested we take 16 over the job of TDSPs. I thought the suggestion was 17 that we do what studies demonstrate is appropriate to 18 ensure system reliability. And that I did agree with.</p> <p>19 MR. HELTON: Yeah, see what the question 20 was is, like today -- and this is one of the things 21 that John Houston talked about and some of the 22 others -- is when a generator connects, he's on the -- 23 the rectangle, then anything that changes in the 24 system around that generator that creates an issue 25 with voltage is taken care of through the TDSP adding</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">178</p> <p>1 reactive or dynamic stability components on the 2 system.</p> <p>3 What Charles is talking about is saying 4 if you agree to do a triangle, are you also agreeing 5 that any upgrades that happen after that point, which 6 traditionally would be taken care of and paid for 7 through TCOS, that you're going accept that 8 responsibility was what I understood. And I 9 understood that you agreed with that? Isn't that 10 right, Charles?</p> <p>11 MR. JENKINS: Yeah.</p> <p>12 MR. HELTON: I'm just trying to make 13 sure that you fully understand what you answered 14 there.</p> <p>15 MR. MARKARIAN: Would you kindly mind 16 repeating the question for us? Thank you.</p> <p>17 MR. HELTON: Well, it wasn't my 18 question. I'm just trying to figure out what you 19 agreed to. But what -- the way traditionally things 20 are done is whenever I hook up one of my units and 21 it's hooked up through the typical rectangle 22 situation, I'm on the system. As topology changes and 23 things happen on the system that create different 24 needs for voltage support and studies are done by the 25 TDSP and/or ERCOT, and they have to -- and they say,</p>	<p style="text-align: right;">180</p> <p>1 MR. GRABLE: Let me interrupt for just a 2 second. I apologize. This is Mike.</p> <p>3 If anybody who speaks who isn't on the 4 agenda or they don't have your information, please 5 give them a business card. Thanks.</p> <p>6 MR. DALTON: I think this question will 7 be more simple. If -- I want to try to recharacterize 8 your position a little bit similar to what I did with 9 AES. It would be your position that prior to 10 February 17th of 2004, no reactive power applies. 11 From February 17th, 2004 until December 1, 2009, the 12 cone or triangle should apply, unless a study shows 13 something more is necessary? And prospectively, after 14 December 1st, 2009, the rectangle should apply. Is 15 that fair?</p> <p>16 MR. MARKARIAN: Essentially, yes.</p> <p>17 MR. DALTON: Okay. Another point -- and 18 this kind of gets into the retroactivity issue that --</p> <p>19 MR. MARKARIAN: Remember we sort of 20 positioned ourselves in the alternative as you 21 probably know from reading the submission. So -- but, 22 yes. Essentially yes.</p> <p>23 MR. DALTON: Okay. With regard to this 24 retroactivity issue that you're raising, I mean, am I 25 correct to read the PRR that the standard doesn't kick</p>
<p style="text-align: right;">179</p> <p>1 oh, we've got a stability problem here and so they 2 will go to the TDSP. The TDSP will put in whatever 3 dynamic or static devices need to go in to ensure 4 voltage control in that area. And what Charles' 5 question was, was if you're going to do -- or would 6 you agree that if you're doing the triangle, that any 7 changes therefore that came about on the system for 8 whatever reason around those assets, that you would 9 take the cost of upgrading those devices.</p> <p>10 MR. SCHAFER: Sir, the answer to that 11 question is no.</p> <p>12 MR. HELTON: That's what I'm trying to 13 get to. Okay?</p> <p>14 MR. MARKARIAN: Yeah. I understood the 15 original question to mean if there was some issue that 16 was directly related to the reactive capability 17 limitations of the wind turbine, we would stand up for 18 that.</p> <p>19 THE REPORTER: I'm sorry, I don't know 20 who the gentleman was walking across the room.</p> <p>21 MR. SCHAFER: Matt Schafer.</p> <p>22 CHAIRMAN NEWTON: Are you with NextEra? 23 MR. SCHAFER: Yes.</p> <p>24 CHAIRMAN NEWTON: Okay. Andrew? 25 MR. DALTON: I think this question --</p>	<p style="text-align: right;">181</p> <p>1 in until December of 2010, December 31st, 2010?</p> <p>2 MR. MARKARIAN: I think the concern is 3 it would require us -- when we use the term 4 retroactivity, we simply mean it would require us to 5 go back and retrofit existing wind farms and spend 6 significant sums of money to do so.</p> <p>7 MR. SCHAFER: Yeah, the standard is 8 compliance by that date.</p> <p>9 MR. DALTON: Yes. But what I would 10 suggest is I think throwing this term retroactivity 11 into the debate I think is disingenuous and really 12 unhelpful at this point, because everybody who's in 13 the business, whether it's refining, generating power, 14 chemical plants, you get changed regulations that 15 affect your business all the time. And they happen 16 and you have to make adjustments to your business 17 going forward.</p> <p>18 This is a proposed adjustment to your 19 business going forward. You may not agree with it, 20 but it's not in any case I think retroactive. And I 21 think that's an unhelpful path to discuss. I think 22 there are other realistic points that we need to 23 debate and consider as a Board. I know I too am 24 concerned about having any group of parties in the 25 market have to pay \$100 million that may or may not</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>182</p> <p>1 have significant benefits, but the idea that this is 2 retroactive I think is unhelpful.</p> <p>3 MR. MARKARIAN: Sir, if I could just 4 clarify a bit, respecting what you said about the use 5 of the term, I think our concern is a little bit 6 different and a little more nuanced. It is not 7 retroactivity alone and in a vacuum. It's 8 retroactivity without any sort of precise study.</p> <p>9 CHAIRMAN NEWTON: I think we've got it. 10 Okay.</p> <p>11 MR. DALTON: And what I'm suggesting is 12 it's not retroactive in either event.</p> <p>13 CHAIRMAN NEWTON: Yeah. I think we've 14 got it.</p> <p>15 Mike, did you have something else? 16 MR. GRABLE: I did very briefly. I 17 don't want to debate points. I do want to say I love 18 your slide about entirely new on the PRR, and Christy 19 you should keep that for future stakeholder meetings. 20 If we limit the amount of revisions as a PRR goes 21 through the process, Mark, I think you'd love that, 22 too. So let's definitely hang onto that one.</p> <p>23 There were two comments related to ERCOT 24 staff and either their nonresponsiveness or their 25 statements against interest, and I just want to</p>	<p>184</p> <p>1 whole email, but, you know, there is not exactly 2 confusion on that point. We did send out an incorrect 3 slide and it did refer to the triangle as the 4 requirement. But that mistake was corrected hours 5 later the same day, and I don't think there can be 6 confusion 5:10 p.m. last August 21st as to what at 7 least ERCOT staff believes is required. So I just 8 wanted to clarify those two points and thank you for 9 joining us.</p> <p>10 MR. MARKARIAN: And, Mr. Grable, if 11 anything I said led you to believe that we believe 12 that our working relationship with ERCOT is anything 13 other than --</p> <p>14 MR. GRABLE: You don't need to -- I 15 don't have any concerns personally on that score 16 whatsoever.</p> <p>17 MR. MARKARIAN: My only point was we've 18 been very concerned about finding out about these 19 reliability events and trying to dig in.</p> <p>20 CHAIRMAN NEWTON: Okay. Thank you, 21 gentlemen, very much. We appreciate it. We have two 22 more that I'm aware of, and then I'll open it for any 23 others who may be in the audience. Next would be 24 Oncor, Ken Donohoo.</p> <p>25 MR. JENKINS: Yeah, Ken's not here and</p>
<p>183</p> <p>1 respond to those very briefly. Regarding the two 2 reliability events, Dave, sometimes as you know events 3 can happen that -- for example, a nuclear event in 4 South Florida can ripple the frequency through the 5 entire Eastern Interconnect. That's going to be 6 public. Other times events are more confidential and 7 they may be referred to Texas Regional Entity here, 8 for example. So there may be reasons that staff is 9 not communicating with a party who wasn't involved in 10 those events. I don't want to dispute your 11 conclusion, but I did want to respond to that point.</p> <p>12 You made a lot about the August 2008 ROS 13 slide, Slide 3 that John Dumas sent out. And I think 14 you kind of acknowledged that there were -- you know, 15 there's been some wind comments that said, "Oh, there 16 are multiple versions. We don't know what to 17 believe." I think it's important to note for the 18 record that that slide did go out as you highlighted 19 it in the morning. And at 5:10 on the same day John 20 Dumas revised it and sent it out again and told 21 everyone on the ROS list, "The presentation that I 22 sent out on voltage control covers an example of 23 reactive capabilities of a wind farm. The example 24 does not meet the protocols."</p> <p>25 And I'm not going to go through his</p>	<p>185</p> <p>1 didn't intend to make a presentation. We'll just 2 stand by the comments. I will observe that I've 3 interviewed our transmission planners and I've 4 interviewed our staff that does the work on generation 5 interconnection, and there's been no uncertainty in 6 their mind that they've been planning for the wind 7 farms to have a rectangular-type configuration since 8 2004.</p> <p>9 CHAIRMAN NEWTON: Thank you, Charles. 10 The Wind Coalition, Walter Reid?</p> <p>11 MR. REID: And in your Board packets you 12 should have found a brief slide presentation called 13 PRR 830 issues, and I will try to find it on here. If 14 anybody can -- there it is. Right there.</p> <p>15 Okay. Got it. That's me.</p> <p>16 Y'all have been handling some pretty 17 weighty matters up to this point -- oh, by the way, 18 just to introduce myself briefly, I've been with ERCOT 19 since -- in ERCOT working for -- since 1970. And 20 about 15 years ago I went into independent consulting 21 and five years ago started consulting with the wind 22 coalition that represents over 30 members and, I'd 23 say, roughly two-thirds of the wind that's on ground 24 in ERCOT.</p> <p>25 The issues you've -- you know, hit are,</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>186</p> <p>1 of course, what do the protocols say and what do they 2 really mean as they're written today? And we've got 3 many thousands of megawatts that believe that, you 4 know, it says something different than what ERCOT is 5 saying. And, of course, that's a major issue that 6 needs to be resolved and, I suppose, is fundamentally 7 a legal matter.</p> <p>8 But I guess the point I'd like to make 9 here is that we do need clarification. Because we've 10 got so many folks that have already apparently 11 interpreted it one way, we can't allow the next 8,000 12 megawatts that are about to sign up relative to CREZ 13 to not have some clear direction of what it is that we 14 really intended to say. So we may not have meant what 15 is in those protocols. Maybe we meant something 16 different. And if that's true, we need to make it 17 clear.</p> <p>18 What I'm about to talk about is going to 19 be a very technical issue. It's partly coming up to 20 you -- and I apologize that I'm having to bring it to 21 the Board level because we've had such a rapid 22 development of this issue. The first time that this 23 was discussed at the ROS meeting to today it's 30 24 days. So in 30 days we've taken a very weighty, major 25 issue, with a lot of concerns by a lot of people, and</p>	<p>188</p> <p>1 below each transformer -- so in this particular 2 diagram -- let's see, I think I can use this somehow.</p> <p>3 In this diagram there is one transformer 4 shown that is bringing all of these wind generators up 5 to transmission voltages. If there were connections 6 over here, there might be two transformers, which by 7 the way is pretty common in ERCOT, lots of 8 two-transformer installations for a number of reasons.</p> <p>9 What ERCOT is asking is that we identify 10 generators of a same type. So this might be -- just 11 to pull some names out of a hat -- these might be GE 12 wind generators. These red ones over here and here, 13 they might be Siemens. And the rest of these might be 14 Mitsubishi. And they all have different reactive 15 characteristics, and what ERCOT wants to know is how 16 many of them are operating today and, as a result, 17 they can then calculate and model what is it that my 18 reactive capability today is for this particular wind 19 range.</p> <p>20 By taking the WGR definition and moving 21 it from there and saying all of these blue -- these 22 six blue ones -- are now WGR No. 1, these three red 23 ones are WGR No. 2. And, of course, the rest are WGR 24 No. 3. We have all of a sudden created fictitious 25 things that don't have meter points. And, as a</p>
<p>187</p> <p>1 we've brought it to the Board in 30 days.</p> <p>2 One of the issues is that ERCOT has 3 intended to do a better modeling job. And as I 4 understand primarily focused on their realtime systems 5 so that they can reflect what the actual reactive 6 capability of wind generators is. And in doing that, 7 in coming up with that, they are coming up with a 8 redefinition of this thing called a WGR. And a WGR 9 has been -- that term has been in the protocols for I 10 don't know how long, but years. And it fundamentally 11 applies to the whole wind turbine ranch facility.</p> <p>12 The new definition that ERCOT is putting 13 forward creates fictitious subunits. We have great 14 support for the idea of the modeling. We needed to do 15 that years ago. So I'm thrilled with us doing this. 16 But the problem that we're running into is WGR, as 17 written today, before 830 is adopted, WGR applies to 18 that interconnect point, that big red rectangle up 19 there. And all of these wind turbines -- there's 70 20 wind turbines in this diagram -- are feeding in via 21 some transformers up to that interconnect point, maybe 22 a transmission line between the substation for the 23 wind generator and the interconnect point with the 24 transmission service provider.</p> <p>25 The new definition of WGR says that</p>	<p>189</p> <p>1 result, we're going to treat them just like units.</p> <p>2 And if you look in the protocols, the word resource 3 and units occurs in the protocols and the guides over 4 2,000 times. Now all of those don't apply to WGR no 5 matter how you define them. But all of a sudden what 6 we've been using and interpreting at this interconnect 7 points has now got to be applied here.</p> <p>8 And so, for instance, we're going to 9 have to treat them like any other generator would 10 treat their units, and there's a lot of things that 11 don't make sense because of that. I'll be happy to 12 get into the details of why it doesn't make sense, but 13 what we proposed -- and you'll see it in the Wind 14 Coalition comments -- is alternative wording that, in 15 our opinion, provides 100 percent of the data that 16 ERCOT needs to do its modeling without changing the 17 definition of WGR.</p> <p>18 So this is a very, very simple thing, 19 and I apologize that we're having to bring it up to 20 the Board, but we just haven't had the opportunity to 21 vet this yet. This whole 830 has not been discussed 22 in any working group or in any task force where we can 23 have the kind of give and take that it takes for us to 24 understand the problems that ERCOT is going to have 25 with this modeling and the ones that we're going to</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>190</p> <p>1 have.</p> <p>2 In addition, I did want to point out on</p> <p>3 kind of the issues that were raised by some other</p> <p>4 speakers, if I'm permitted.</p> <p>5 CHAIRMAN NEWTON: Very quickly.</p> <p>6 MR. DALTON: Walter, one second. Could</p> <p>7 you hold off for one second on that? I wanted to</p> <p>8 follow up with John or Kent.</p> <p>9 Is there a reason why we're going back</p> <p>10 behind the point of interconnect in PRR 830 as opposed</p> <p>11 to just characterizing the wind farm as a whole?</p> <p>12 MR. DUMAS: Yes.</p> <p>13 MR. DALTON: Could you explain that to</p> <p>14 me?</p> <p>15 MR. DUMAS: Sure. First of all, wind,</p> <p>16 as Walter said, wind turbines have been aggregated</p> <p>17 together to form a unit. In some cases it may be, you</p> <p>18 know, one unit or multiple units. The concern is if</p> <p>19 you've got turbines that are very different in</p> <p>20 characteristics -- reactive capability for instance.</p> <p>21 You've got maybe a group -- say you've got 20 turbines</p> <p>22 that have great reactive performance, and then you</p> <p>23 have -- a lot with that, another 20 turbines that</p> <p>24 doesn't have any.</p> <p>25 If you lump those together in 40</p>	<p>192</p> <p>1 one case where we've got five different power lines</p> <p>2 coming into a power plant and there's an EPS meter for</p> <p>3 those five lines, but the individual units have</p> <p>4 realtime telemetry provided from an RTU of their</p> <p>5 individual megawatt output, their individual limits</p> <p>6 provided through SCADA. So, I mean, that's a common</p> <p>7 practice and that's how it's done with, you know,</p> <p>8 almost all of our units with -- providing telemetry</p> <p>9 that's from -- either from our control system or from</p> <p>10 a transducer that's out at the field.</p> <p>11 The other thing I wanted to point out,</p> <p>12 Walter made a comment earlier that this PRR has only</p> <p>13 been out there a month. We've been dealing with this</p> <p>14 issue for a long time now as we've been talking about,</p> <p>15 and we've had quite a few discussions. This PRR was</p> <p>16 actually submitted, I believe, September 8th date. It</p> <p>17 was tabled -- it was presented at ROS to cover what's</p> <p>18 in the PRR, what we're trying to do. Then that went</p> <p>19 to the PRS. PRS tabled it for a month for ROS to have</p> <p>20 a discussion, and John Houston covered the history of</p> <p>21 those discussions.</p> <p>22 MR. DALTON: Just follow up on that --</p> <p>23 MR. REID: If I could follow up on</p> <p>24 that -- oh, I'm sorry.</p> <p>25 MR. DALTON: I'm okay with the concept</p>
<p>191</p> <p>1 turbines to form one unit, our models require one</p> <p>2 reactive curve. So how are you going to design or</p> <p>3 draw one reactive curve that represents 40 units with</p> <p>4 very dissimilar capability?</p> <p>5 So what we've proposed in PRR 830 is,</p> <p>6 well, you can aggregate turbines, but you need to</p> <p>7 aggregate turbines that are the same model, same size,</p> <p>8 have the same characteristic. So when we're running a</p> <p>9 power flow analysis or running realtime contingency</p> <p>10 analysis with one reactive curve for that unit, that</p> <p>11 that reactive curve is representative of the</p> <p>12 capability of those turbines that it represents.</p> <p>13 Because you can run into -- not only would you have</p> <p>14 difficulty creating a reactive curve to represent 20</p> <p>15 dissimilar capabilities. What happens when you have</p> <p>16 all -- say 10 of your good performing turbines down</p> <p>17 for maintenance? Then you've got little to no</p> <p>18 reactive capability, but yet you've got a curve that</p> <p>19 shows that you have more than you need to.</p> <p>20 Now, a couple of points I want to make</p> <p>21 here. The point of interconnect, where that meter --</p> <p>22 that red meter that Walter has drawn -- is talking</p> <p>23 about -- I assume he's referring to the EPS meter, the</p> <p>24 poll settlement meter, it's very common on</p> <p>25 conventional units that we may have -- I can think of</p>	<p>193</p> <p>1 of the telemetry and why you want the telemetry on the</p> <p>2 units. But it would seem to me that from a grid</p> <p>3 reliability perspective, what you really want is</p> <p>4 wherever they're connected to the grid to know what</p> <p>5 capability they're expected to deliver at that point</p> <p>6 of interconnection -- I mean, if the generators, for</p> <p>7 whatever reason, can't deliver because there are some</p> <p>8 units down, that should be on them. And if they</p> <p>9 create a violation or if they create a grid problem,</p> <p>10 you know, the TRE or someone is going to come calling</p> <p>11 on them for that. That's for them to deal with as</p> <p>12 opposed to trying to -- I'm worried that creating</p> <p>13 these little subunits inside of a single</p> <p>14 interconnection potentially creates more reliability</p> <p>15 issues for the grid than it solves, or am I wrong in</p> <p>16 that assumption?</p> <p>17 MR. DUMAS: No, sir. Let me trot it out</p> <p>18 a little deeper and see if I can answer your</p> <p>19 questions.</p> <p>20 MR. DALTON: Okay.</p> <p>21 MR. DUMAS: You've got to have a</p> <p>22 reactive curve that represents the capability of that</p> <p>23 unit, where it can go to. At the point of</p> <p>24 interconnect, each unit has a -- what's called a</p> <p>25 voltage schedule where they're trying to hold the</p>

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000518

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">194</p> <p>1 voltage. And the way they hold the voltage is they 2 supply either more vars or absorb vars if the voltage 3 is high.</p> <p>4 We also run realtime contingency 5 analysis where we simulate taking lines out of 6 service, and we look to see what the voltage would go 7 to if we took that line out of service.</p> <p>8 Well, the way the software is going to 9 calculate where the voltage can go to is based on a 10 capability curve supply. And it's going to look at 11 that capability curve and say, okay, well how many 12 vars can you produce or how many vars can you take in? 13 So it's very important that that capability curve is 14 representative of what that unit can do.</p> <p>15 You also -- if you have any devices in 16 the substation such as cap banks, reactors, stack 17 house, whatever the device is, you model those 18 separately. So they all contribute, but it's very 19 important that you know what the capability of that 20 units is. It's not just the realtime output of the 21 unit. It's what it can do when you simulate these 22 contingencies.</p> <p>23 MR. DALTON: Are you aggregating all of 24 that at the point of interconnection or are you 25 aggregating at some other point on the grid?</p>	<p style="text-align: right;">196</p> <p>1 But it could be that it could go -- depending on the 2 conditions of the grid -- it could be it could go to 3 345 and only put out 10 megavars. So you need to know 4 how that capability is going to vary based upon your 5 curve when you run your study and the need of the 6 simulation that you're doing.</p> <p>7 CHAIRMAN NEWTON: Okay, gentlemen, if I 8 could --</p> <p>9 MR. DALTON: I'll yield.</p> <p>10 CHAIRMAN NEWTON: Well, we really need 11 to get going here. Did you have a couple more 12 comments, things that haven't been said by the other 13 parties?</p> <p>14 MR. REID: A response to a couple of 15 things. First of all, to this reactive -- this 16 discussion on the modeling. I 100 percent agree with 17 everything John has just said in terms of the need to 18 do the modeling and that it needs to be the extra 19 detail. You really need to get to the low side of the 20 transformer and show the pieces. If you look at my 21 wording, it does that. It just doesn't redefine WGR 22 in the process.</p> <p>23 So we're totally supportive of this. 24 I've been on about this for over a year, maybe even 25 two years, that we need this kind of detail in load</p>
<p style="text-align: right;">195</p> <p>1 MR. DUMAS: It's aggregated however they 2 submit it in a resource plan. So as Walter pointed 3 out, in a lot of cases it may be all the units at the 4 farm, whether it's -- you know, no matter what type 5 they are, whether it's a mixture of different 6 turbines.</p> <p>7 MR. DALTON: So say for example they had 8 these three sets of turbines, all different sizes, and 9 they had two capacitor banks and they aggregated that 10 and they said at the point of interconnection we can 11 deliver you "x" reactive power. Is that sufficient 12 for this or do you need more detail and granularity 13 than that?</p> <p>14 MR. DUMAS: It's not sufficient because 15 what you need is to be able to hold the voltage. And 16 you may need varying amounts of vars to be able to do 17 that. So the var varies. What you're trying to do is 18 hold the voltage. And what the requirement is with 19 the .95 rectangle from a hundred megawatt unit, you've 20 got to be able to deliver up to 33 megavars. That's 21 the requirement.</p> <p>22 So if the voltage goes low -- say it's a 23 345 bus -- and the voltage goes low to 340, and the 24 unit is putting out 33 megavars but it can't get the 25 voltage up past 340, then it met the requirement.</p>	<p style="text-align: right;">197</p> <p>1 flow and operations, totally supportive, just don't 2 redefine WGR in the process.</p> <p>3 I would footnote that we've taken more 4 time here at the Board to discuss this one issue than 5 at all the committees or subcommittees that have 6 discussed this PRR to date. And I can discuss the 7 flow of this. It's 30 days since this was first 8 discussed that it came to here.</p> <p>9 The other things that I'd like to 10 mention and be a little cutesy on it, but what we have 11 here is a failure to communicate. We've got a whole 12 bunch of folks out there that I think were trying to 13 do the best job they could, whether they were 14 transmission service providers or wind generators or 15 ERCOT.</p> <p>16 And my analysis of this over now -- over 17 a year of being involved in it, is we've just had 18 people talking in conventional generator terms and 19 people talking in wind generator terms. If you look 20 at the forms that they were asked to fill out, if they 21 didn't fill them out, they weren't going to get 22 interconnected. If they did fill them out, they had 23 to use a lot of engineering judgment, because what 24 they were asked to respond to doesn't fit their 25 hardware and their systems. So you've got a lot of</p>

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000519

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>198</p> <p>1 issues that were just very difficult, and we're all 2 learning on this.</p> <p>3 The voltage issues that we've had, the 4 one that I'm aware of, that I think was -- highlighted 5 here was a communication issue, as I recall it, where 6 various parties were trying to make something happen. 7 This was, what, over a year ago -- in fact more than a 8 year ago. And as a result of that in some of the 9 workshops we had a lot of discussion. I applaud AEP 10 and Oncor. Oncor sent their operators, every single 11 shift operator from Oncor went to a wind ranch to 12 understand what they're doing, how they're built, how 13 they operate. I believe Ross Phillips gave them a 14 questionnaire to go get answered when you go out to 15 the field so that all those operators understood.</p> <p>16 We've got a history in ERCOT of all the 17 folks really working well together. And when they get 18 on the phone or they see a typed message or an 19 automatic display on their computer, they've all had a 20 lot of communication together. They all understand 21 what we're saying. We tend to speak in short words, 22 take shortcuts on our communication.</p> <p>23 We've got a new industry that's trying 24 to integrate. I think everybody has been working real 25 hard to do it. We're all running together. I really</p>	<p>200</p> <p>1 basis?</p> <p>2 MR. REID: On a prospective basis.</p> <p>3 CHAIRMAN NEWTON: Okay. Thank you very 4 much.</p> <p>5 Okay. Do we have any other comments or 6 people who would like to make any comments?</p> <p>7 Okay. Please identify yourself and who 8 you're representing.</p> <p>9 MR. R. JONES: Thank you, Madam 10 Chairman. My name is Randy Jones. I'm with Calpine 11 Corporation, and we're in the independent generator 12 segment. I have the unique privilege of serving this 13 year on ROS, WMS, PRS and TAC. And I can certify to 14 you that you have not met longer today than all those 15 groups have on this issue. Trust me on that.</p> <p>16 I come at this issue with a fairly deep 17 background in system operations, although I'm not an 18 engineer. I worked in realtime operations and managed 19 realtime operations for TNP for 13 years, both on a 20 control air generation side as well as the wire side, 21 managing voltage support and reactive compensation.</p> <p>22 Our view at Calpine is that voltage 23 support is a community service. No one gets paid for 24 it. And as you're all aware, in the area of 25 discipline of market design, the biggest enemy to any</p>
<p>199</p> <p>1 encourage you to please do what we need to make it 2 clear for the new generators. And the generators that 3 are there, they're there today, they're there 4 tomorrow, they're there next month. Let's take the 5 time it takes to figure out how we're going to handle 6 that. And I don't want to get into discussing from my 7 point of view what the right way to do that is. It's 8 certainly not in this forum. Thank you for your time.</p> <p>9 CHAIRMAN NEWTON: Okay. Thank you. Did 10 the Wind Coalition take a position about this 11 prospective and retroactive piece?</p> <p>12 MR. REID: Yes. And I say the Wind 13 Coalition, we have not had a vote on it. And, as I 14 say, we have 30 members. And I think someone when 15 they were speaking from -- one of the Wind Coalition 16 members -- used the word competitor. So getting all 17 these guys in the same boat much less paddling in the 18 same direction is a challenge --</p> <p>19 CHAIRMAN NEWTON: That's okay. If the 20 answer is just no, that's fine.</p> <p>21 MR. REID: So most of those guys have 22 all agreed that this rectangle is definitely where we 23 need to go, and I know of no one that is going to 24 oppose it.</p> <p>25 CHAIRMAN NEWTON: On a prospective</p>	<p>201</p> <p>1 community service is a free rider. It always creates 2 problematic areas.</p> <p>3 We view voltage support as an 4 obligation, one that we all share as generating 5 resources. And we believe that there have been enough 6 provisions made in the protocols that everybody can 7 carry their fair share.</p> <p>8 As I look around the room, I can also 9 tell you that I'm probably the only person here who 10 participated in the Interim Voltage and Reactive 11 Standards Task Force many years ago that ROS put 12 together. And in at least one of those meetings at 13 the old HL&P building, I asked the question not once 14 but twice: Does this mean that generators can provide 15 a proportional amount of reactive output at lower real 16 power levels? And the resounding answer I got both 17 times was no. I think maybe one time it was hell 18 no -- excuse my French.</p> <p>19 But I was disabused of the idea of a 20 system, particularly one operating in the shoulder 21 months at very low loads, where generators would only 22 provide the triangular reactive capability. I still 23 to this day believe that the folks who participated in 24 that group understood very clearly what the 25 requirements had to be. And if developers of wind</p>

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000520

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">202</p> <p>1 facilities would have asked any of us, I'm certain 2 they would have gotten the same answer. It's a 3 rectangle, folks. 4 We believe that PRR 830 has been fully 5 vetted. The debate has been beyond vigorous at times. 6 Despite what you've heard, we think that the time that 7 the stakeholders have had to evaluate this PRR has 8 been more than adequate. 9 It's a fundamental component of system 10 reliability and security. And the idea that you can 11 take a snapshot and do a study today and that's good 12 enough to determine what a generator ought to provide 13 we believe is a huge myth. Over the life cycle of a 14 unit you just can't continue to perform studies. And 15 I think you saw the fallacy in that kind of approach 16 when Charles Jenkins asked that question. There was a 17 lot of trepidation about how you would approach that. 18 That's why we believe there's a standard; that all 19 resources ought to meet it. And once they meet it 20 going forward, there's no question about where the 21 rest of the reactive compensation has to come from. 22 We would ask that you affirm the work of 23 the stakeholders, recognize the overwhelming votes for 24 PRR 830 through the stakeholder community, and affirm 25 the work of TAC in denying the appeal of NextEra and</p>	<p style="text-align: right;">204</p> <p>1 CHAIRMAN NEWTON: That was very brief. 2 Thank you. 3 Anyone else? 4 I'm not trying to cut anyone off. We'll 5 come back and take further comments. I would just 6 like a hands up or notification. 7 Okay. Five minutes and we'll come back. 8 (Recess: 3:20 p.m. to 3:27 p.m.) 9 CHAIRMAN NEWTON: Okay. I'm going to go 10 ahead and get started. I think we've got enough Board 11 members in the room, at least, and hopefully they will 12 be in their seat shortly. 13 I think what I'd like to do right now is 14 before we actually discuss the path forward for the 15 board, there has been some nuances and discussions 16 regarding some of the other activities relative to 17 this issue that have been at the Commission. So, 18 Mike, can you touch on those? 19 MR. GRABLE: Yeah, I'll be real brief 20 and try to be neutral. John Dumas touched on that 21 there have been a lot of staff and wind generator and 22 TSP interactions, that this wasn't a blank slate that 23 began with PRR 830. One of the things that's been 24 occurring is we actually got an interpretation 25 request, which is a little known protocol where you</p>
<p style="text-align: right;">203</p> <p>1 approving PRR 830. Thank you. 2 CHAIRMAN NEWTON: Any questions? 3 Comments? 4 Okay. I think where that takes us -- 5 oh, I'm sorry. I didn't see her. We do need need to 6 take a very brief break after this presentation 7 because we've got our court reporters here that her 8 fingers are probably about to fall off. I tried to 9 assure them I would try not to go more than two hours 10 and we are already past it, both this morning and this 11 afternoon. So after this presentation, we are going 12 to take just a two- or three-minute break. 13 I would ask for people not to go real 14 far -- I'll say five minutes, but be back. Okay? So 15 that's a forewarning ahead of time. 16 Excuse me. Now you can go ahead. 17 MS. DIFFEN: That's okay. I'm going to 18 make this really short. I'm Becky Diffen representing 19 Duke Energy. In the interest of time and as requested 20 I'm not going to repeat any of the comments made 21 today. But Duke owns several hundred megawatts of 22 wind generation in ERCOT, and we would just like the 23 Board to know we support the comments made today and 24 filed previously by Horizon, NextEra, AESCS and the 25 Wind Coalition. That's all.</p>	<p style="text-align: right;">205</p> <p>1 can ask ERCOT legal to issue an interpretation of the 2 protocols, came from an interested party who was 3 looking at building generation, and we replied to it 4 and published an interpretation, and it said this is 5 what we think the PRR -- the protocols existing 6 protocols mean. 7 Wind generators took that, appealed it 8 to the PUC, requested relief, essentially stating that 9 the triangle was the appropriate -- or the cone was 10 the appropriate interpretation, and we kind of went 11 back and forth on that. We both mutually updated it, 12 tried to resolve the issues. We were unable to do so. 13 That docket has been dismissed, and the 14 dismissal was upheld by the Commissioners. On a 15 procedural basis, you know, I can't discuss any 16 pending ADRs or whether there will be a future 17 commission action. I also can't discuss any referrals 18 to Texas Regional Entity and whether or not there is 19 or may ever be an enforcement action related to any of 20 this, but there's nothing public at this point in time 21 on those fronts. 22 CHAIRMAN NEWTON: I appreciate that. I 23 think it's important for the Board to understand kind 24 of all of the activities that are going on relative to 25 these issues.</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">206</p> <p>1 Okay. We've had a lot of discussion.</p> <p>2 What I'll do at this point is bring up the</p> <p>3 recommendation by TAC for approval of PRR 830 and see</p> <p>4 if we have any further discussion among the Board</p> <p>5 members, and then I will see whether there will be a</p> <p>6 motion for approval.</p> <p>7 So, Bob, do you want to start?</p> <p>8 MR. HELTON: Yeah, I can start. I'm</p> <p>9 sure cards are going to come up all over here in a</p> <p>10 minute.</p> <p>11 From listening to all this -- and I know</p> <p>12 there's been a lot of confusion, there's been a lot of</p> <p>13 miscommunications, and a lot of what I was sitting</p> <p>14 here and watching and saw what we had going on was it</p> <p>15 was basically -- I felt like I was an appellate Judge</p> <p>16 there for a while on making a decision, and that's</p> <p>17 kind of the way I felt about it. Are the protocols</p> <p>18 right or wrong is really a lot of what I heard today.</p> <p>19 So what I see is in 830, so I'll talk</p> <p>20 about that first. 830 sits out there and says here</p> <p>21 is -- as John and Kent have said, "Here is what the</p> <p>22 requirement was, and here is a way to comply," and</p> <p>23 says there's people out there that do not comply.</p> <p>24 My problem with that is, if we have</p> <p>25 people out there that aren't complying with the</p>	<p style="text-align: right;">208</p> <p>1 say it is the rectangle, then we can do that. But,</p> <p>2 you know, my first thought when I first saw this whole</p> <p>3 thing was 830 isn't needed. If you say that this is</p> <p>4 what the protocols say, that's what they say.</p> <p>5 Everybody has to comply, period. And then if there's</p> <p>6 a disagreement with that, there are processes to take</p> <p>7 care of that. You don't have to -- you would not need</p> <p>8 this at all for retro or moving forward. But I can</p> <p>9 see with everything going on we might want to go ahead</p> <p>10 and push 830 back to do -- make sure that it addresses</p> <p>11 only the going forward part and letting the NOV ADR</p> <p>12 processes take their place and let the process work</p> <p>13 rather than circumventing it. So that's kind of where</p> <p>14 I would kind of throw out right now.</p> <p>15 CHAIRMAN NEWTON: So can I put that in</p> <p>16 other words? I think what you're saying is you're</p> <p>17 recommending that the Board remand back the</p> <p>18 prospective decision, that the rectangle applies to</p> <p>19 everyone, all generation types, but remand it back</p> <p>20 from some period of time so it can come back to be</p> <p>21 explicit about the prospective piece --</p> <p>22 MR. HELTON: Be prospective, right.</p> <p>23 CHAIRMAN NEWTON: -- but not to address</p> <p>24 the retroactive piece, let that go through the NOV</p> <p>25 process?</p>
<p style="text-align: right;">207</p> <p>1 protocols, as written, as you guys define them, you</p> <p>2 need to be filing notices of violations. Okay? That</p> <p>3 needs to be done, referred to -- or not ERCOT do that.</p> <p>4 They are referred to the TRE for that. I'll get the</p> <p>5 procedure correct, and the TRE takes that.</p> <p>6 As part of the NOV process, you figure</p> <p>7 out who is right, who is wrong, what those are. And</p> <p>8 then if there's mitigation that needs to take place,</p> <p>9 that's done through that process to get people to</p> <p>10 where the protocols are -- or tell you you have to be,</p> <p>11 and if that's retrofit, that's retrofit.</p> <p>12 What I think that 830 does for the</p> <p>13 retrofit piece is circumventing that process. I</p> <p>14 understand what it was trying to do. It was trying to</p> <p>15 give people an avenue out there in the protocols to do</p> <p>16 that, but it also looks like ERCOT is changing the</p> <p>17 rules and trying to make entities retrofit, and I</p> <p>18 think doing this process takes that away. Let that be</p> <p>19 thought out through the NOV process, who is right, who</p> <p>20 is wrong and then what has to takes place. That would</p> <p>21 be my suggestion, let the process work instead of</p> <p>22 circumventing it with a 30 on the retrofit.</p> <p>23 The other side going forward, if we feel</p> <p>24 the need, which I think we might want to ensure that</p> <p>25 from this point forward it needs to be clarified to</p>	<p style="text-align: right;">209</p> <p>1 MR. HELTON: We've already heard from</p> <p>2 ERCOT staff, from the TAC representative that that's</p> <p>3 what they believe the requirements were, were</p> <p>4 rectangle. So protocols in their eyes and what they</p> <p>5 said are there. There are processes to get that taken</p> <p>6 care of, which is, you turn it over to the TRE, the</p> <p>7 TRE makes a determination, and then they fight it out</p> <p>8 wherever -- in whatever venues that is, and whoever</p> <p>9 wins, wins. If there's retrofit, then retrofit takes</p> <p>10 place through mitigation plans that are done through</p> <p>11 that process. It takes us from being looking like</p> <p>12 that we are turning around and changing the rules and</p> <p>13 making retrofits. It allows the process to work, and</p> <p>14 I think this circumvents it the way it's written.</p> <p>15 CHAIRMAN NEWTON: Okay. Brad?</p> <p>16 MR. COX: Yeah, I think, you know, we've</p> <p>17 seen the split into the two pieces obviously, the</p> <p>18 prospective piece and what do we do with the existing</p> <p>19 system and the existing wind farms, and I'm fine</p> <p>20 with -- and it seems like everyone that's spoke is</p> <p>21 fine with having this requirement on a prospective</p> <p>22 basis for new facilities, I guess.</p> <p>23 So the question is, what do we do with</p> <p>24 the system as it exists today, and the thing that</p> <p>25 concerns me is I would -- you know, I would really</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">210</p> <p>1 like to see some type of a study that says, "Here are 2 the problem areas, and here is the most cost-effective 3 way to deal with those." And I don't -- I don't think 4 we have that, at least I haven't heard or seen 5 anything about that, that type of an analysis. 6 You know, I think Bob makes a good point 7 about letting the ADR process play itself out. I 8 don't have a problem with that, but I would -- you 9 know, if we decide to go down that path, let's go 10 ahead and figure out what the circumstances are and 11 what needs to be done and what's the most 12 cost-effective way to -- you know, if there are 13 changes that need to be made so that we don't, you 14 know, lose time, you know, in respect to that. 15 That's -- you know, after listening to all the 16 discussion and reading the materials, that's where -- 17 it seems to me the most reasonable approach. 18 CHAIRMAN NEWTON: Charles? 19 MR. JENKINS: I was going to talk on a 20 slightly different issue, and that was the WGR 21 definition issue that Walter Reid brought up. And if 22 we do end up sending this back to TAC, I guess I would 23 encourage them to address the point he made. I think 24 it was a pretty valid one. 25 If we go the direction Bob is suggesting</p>	<p style="text-align: right;">212</p> <p>1 The second point I wanted to make -- and 2 Charles has made some comments that made me rethink 3 this, but I'll say it anyway. We could do what you 4 said, Bob, here in this meeting right now without 5 remanding it to TAC. I'm not recommending it. I'm 6 just pointing it out. 7 CHAIRMAN NEWTON: John? 8 MR. DUMAS: Just one comment on the -- 9 something that Brad said about studies. Obviously I 10 think John Houston made the point earlier that we have 11 standards that apply to generators and apply to loads, 12 and we've studied the transmission system to determine 13 what variability, what variable equipment we need 14 there. 15 I think we don't want to get in the 16 position where in the future -- you know, the system 17 is dynamic, the system changes, the needs change all 18 the time. I think Charles alluded to that earlier. 19 Needs are constantly changing. We don't want to be in 20 a position where the standard gets challenged and 21 we're asked, "Well, okay, show me a study where I have 22 to put this in or I have to meet this standard." 23 That's a bad position for ERCOT to be in, number one. 24 Number two, we are making some 25 assumptions. We have been making some assumptions</p>
<p style="text-align: right;">211</p> <p>1 of just letting the ADR process -- those that are 2 appealing 830 are sort of rolling the dice. Right now 3 they've been offered somewhat of an "It's okay," and 4 you've just got to get in compliance by this date out, 5 and so the mitigation is sort of already worked out 6 and it's known. 7 If we just let it go, what does the 8 existing rule require, and if it's determined that it 9 does require something different than what they can 10 deliver today, you know, I don't know what the 11 mitigation is going to be. It may be worse or better 12 than what's in 830 today. 13 So I sort of don't know how -- how to 14 deal with that. I don't like the position that the 15 Board is in on this matter. I think we need to remand 16 at least on the issue that Walter raised. I'm 17 still -- I'm still not sure where I am on the broader 18 issue. 19 CHAIRMAN NEWTON: Okay. Mark? 20 MR. ARMENTROUT: I'd just like to point 21 out that Chairman Smitherman is not in the room for a 22 reason, and that reason is that the Commission will 23 rule on the retroactive issues, so just to put a 24 leveling agent and how much time we want to put in to 25 voting that piece.</p>	<p style="text-align: right;">213</p> <p>1 about the capability of resources in all our planning 2 studies going forward. We will be doing the CREZ 3 reactive study, and we will be making assumptions in 4 that study as to what the capabilities are of 5 generators moving forward. So it's important that, 6 you know, we make the right assumptions and don't have 7 to go back and redo some of those analysis. 8 CHAIRMAN NEWTON: Mike? 9 MR. GRABLE: Yeah, I first want to say 10 something real quick that I should have said at the 11 beginning, and that is I think you-all know I wear two 12 hats when I sit here, one is as counsel to the 13 corporation and this Board, and the another is an 14 officer of ERCOT similar to the other officers sitting 15 at the table. I think you understand I've spoken 16 today as an ERCOT staff member and on behalf of the 17 ERCOT staff a proponent of PRR 830, but I just want to 18 be absolutely clear on that, except for asking people 19 to give a business card to the court reporters. 20 Bob, I want to go back to why we filed 21 this PRR and explain why, from a staff perspective, we 22 would have concerns with sending this back to TAC to 23 be rewritten to be prospective. I'm certainly glad 24 the wind generators are okay with prospective for new 25 units rather.</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">214</p> <p>1 But I kind of had three thoughts in 2 mind. One was create a grace period for compliance 3 for the generators that we know today are not 4 compliant with our version of how things should be, 5 and we understand there are major capital investments 6 that would be facing them to get compliant. 7 The second was to clarify and increase 8 the flexibility that we already have, but to kind of 9 spell it out a little better, to help wind generators 10 who can't do fuel dynamic with a mix of dynamic and 11 static or other alternatives to more better explain 12 the process by which we will be open to negotiations 13 on alternative compliance. 14 And third, do our best, as John Dumas 15 just said, to avoid erroneous assumptions flowing into 16 the CREZ studies, fully understanding that the 17 Commission and possibly beyond the Commission are the 18 ultimate decisionmakers on all of these points. We do 19 want to try to get it right, if we can. 20 To do any of those three things, we have 21 to understand what the protocols require today. If 22 the protocols do not support -- you know, if the Board 23 does not share our sense of the protocols, we can't 24 accomplish any of the goals for which this PRR was 25 filed. So that would be my concern with that</p>	<p style="text-align: right;">216</p> <p>1 about the grace period piece because then you're 2 making it to where I'm saying, "Well, you, I'm going 3 to give you a grace period." "You, no, I'm not giving 4 you a grace period on this assumption," and I have a 5 real issue with that. 6 That's why I'm saying -- for right now I 7 could say I agree with your interpretation even though 8 I know that's going to be challenged. I could say it 9 right now if I wanted to. I agree with where you're 10 at. Go file with the TRE and say you have protocol 11 violations. Let that process work. That's why I'm 12 saying that 830 -- and I understand what you're trying 13 to do. You're trying to help. 14 The wind -- you know, talking about what 15 Charles was talking about, this is -- there's a roll 16 of the dice. The winds are -- the wind group says 17 "We're right, they are wrong." Let them have their 18 day in court, go through the process. 19 By doing this, I think you're trying to 20 help it with them, but you're boxing them in and 21 circumventing that NOV process. I think we need to 22 let the process work, and there is no grace period, as 23 far as I'm concerned. That's the only reason I was 24 trying to push that out there. 25 MR. GRABLE: Yeah, respectfully I think</p>
<p style="text-align: right;">215</p> <p>1 approach, and obviously NOV's from TRE or PUC 2 enforcement, there are none that I know of today and 3 PUC appeals on this or other matters, ADRs and the 4 like are certainly not precluded. 5 CHAIRMAN NEWTON: Bob, do you want to 6 address that? 7 MR. HELTON: Yeah, I do actually because 8 there's actually something you said there that 9 concerns me greatly, and I'll address just 2 and 3 10 first. 11 I think that it's great to increase -- 12 part of what 830 and looking forward, I think it's 13 great to increase that flexibility of the mix of what 14 they could do to comply with the protocols, and you're 15 absolutely right, you need to avoid. And I think 16 you're looking at this wrong. I think that if -- if 17 the Board says, "Let the NOV process work," we're not 18 disagreeing with you. We're saying, "You said the 19 protocols are that, go file and put that over to the 20 TRE and do what the protocols say." 21 My problem with No. 1 is, is I don't 22 believe ERCOT has the leeway on any compliance issue 23 to create a grace period. You find a protocol 24 violation, you file and turn it in, and then you let 25 the TRE and the process work. I'm really concerned</p>	<p style="text-align: right;">217</p> <p>1 you misunderstood -- 2 MR. HELTON: I was hoping I did. 3 MR. GRABLE: -- what my intent was and 4 really what I said. If this protocol revision request 5 passes today and creates a 12-month, or whatever the 6 time period is, timeline for compliance could -- you 7 know, was the protocol what it was in November, 8 October, September? Yes. Could Texas Regional Entity 9 or PUC enforcement and oversight bring an action based 10 on noncompliance in October of 2009, you know, if they 11 agree with ERCOT staff's position? Yes. Does it 12 color their evaluation of whether to do so if we have 13 a plan for compliance and ERCOT operations have signed 14 off on it as acceptable down the road? Yes. 15 So don't misunderstand. I'm not 16 offering on behalf of staff or anyone else carte 17 blanche for interpretation of the existing protocol. 18 I'm just suggesting that it would -- that's our plan, 19 is to develop a path to meet them over time, granted 20 with our interpretation, and I think that that would 21 color any enforcement decision. I don't think it's a 22 given that NOV's must come first. 23 CHAIRMAN NEWTON: Okay. Danny? 24 MR. BIVENS: This may have been covered 25 already, but I just -- you know, to the extent that</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">218</p> <p>1 there's been a circumvention of a process that's 2 already in place, you know, I kind of thought the same 3 thing at first, but as many of you in the room -- my 4 background comes from a lot of years of just being in 5 the regulatory world, and that world, to try these 6 things on a case-by-case basis instead of coming up 7 with a rule, and in this case protocol, that would 8 apply to all so that everyone applies with the same 9 rules of the road, I think is always superior. 10 And I don't know what ERCOT's thinking 11 was in coming up with this protocol, but, you know, 12 when you go to doing the NOV process and start taking 13 each one of these -- and how many of those generators 14 are noncompliant? What was the number? You know, you 15 start doing that, you know, everyone is going to be 16 done on a different timeline. You're going to expend 17 a lot of resources, and December 2010 gets here, which 18 is the date that's in the protocol, you're not even 19 going to be close. So I don't know, for whatever 20 that's worth. I don't prefer piecemeal or a 21 piece-by-piece approach to a rule. 22 CHAIRMAN NEWTON: Andrew? 23 MR. DALTON: Yeah, Kent, I have kind of 24 a question for you or for John. We're talking about 25 potentially having the wind folks spend a nontrivial</p>	<p style="text-align: right;">220</p> <p>1 incremental needs if the -- that generation doesn't -- 2 isn't able to meet the protocol requirements. 3 MR. DALTON: What's the timeframe for 4 the CREZ study, the reactive study? 5 MR. WOODFIN: The current scope of it is 6 intended to be completed mid July of next year. 7 MR. DALTON: July 2010? 8 MR. WOODFIN: Yes. 9 MR. DALTON: So it's basically on a 10 similar timeframe as the LVRT study. 11 MR. WOODFIN: A little longer, yes. 12 MR. DALTON: A little longer, okay. 13 CHAIRMAN NEWTON: Okay. Nick? 14 MR. WOODFIN: Okay. Thank you. 15 MR. FEHRENBACH: And this has indeed 16 been a nice, long discussion, and it's always good to 17 see energetic discussion on an issue. And, you know, 18 I listened to all the presentations, and the one thing 19 I was looking for is really an explanation from the 20 wind resources on why they thought this triangle or 21 cone applied. When you get down to it and you read 22 the actual existing protocol language that's been 23 there since 2004, I concur with ERCOT that it's a 24 rectangle, and it's always been a rectangle. 25 I have a problem if we decide to remand</p>
<p style="text-align: right;">219</p> <p>1 sum of money. We already have the LVRT study 2 underway. Would it be even possible to add the 3 reactive power issues to the LVRT study without 4 delaying the LVRT study? Is that a possibility, or is 5 that not a possibility? 6 MR. SAATHOFF: Let me get Dan up here. 7 He's more familiar with the LVRT study. 8 MR. WOODFIN: Yeah, I think at this 9 point we've made a lot of the assumptions about what 10 the characteristics of the units are and those kinds 11 of things. As a part of that process, they are 12 gathering the information. It's going to be a dynamic 13 study. So it's going to include -- essentially it's 14 looking at the actual requirements, the actual 15 capabilities, I believe, in that study from a dynamic 16 perspective, so -- and it's only studying the 17 timeframe. It's studying a topology that's pre-CREZ, 18 and that was specified in how the study was set up. 19 So it may study kind of the in between 20 now and CREZ requirements. I don't think it would be 21 that difficult to actually address that issue in the 22 LVRT study for that timeframe. It will not cover the 23 ongoing needs of the system post-CREZ. We'd have to 24 include that in as an additional work item somehow to 25 the CREZ reactive study to look at kind of the</p>	<p style="text-align: right;">221</p> <p>1 this or pass on it or drag this out further that, you 2 know, we have a group of entities that have 3 essentially been in noncompliance with the protocols. 4 And should we send an NVI? Probably. And even if we 5 pass this FRR, we can still do the notice of violation 6 for October or prior months, and that certainly can be 7 done. Do they have -- if they are complying with this 8 timeframe or window to get in compliance, that would 9 probably be a good defense to the NVI, but it 10 shouldn't -- it doesn't stop the process from going 11 through. 12 But, you know, the only explanation 13 people could say why they misinterpreted is some 14 errant slide that may or may not have been in an ERCOT 15 presentation that was corrected or some other language 16 dealing with deployment rather than the actual 17 requirement, and to me that's not compelling, and I 18 think the protocols were clear that it should have 19 been a rectangle. I'm sorry if that costs money to, 20 you know, the wind generation folks to retrofit, but 21 the protocols have been there since 2004. It 22 shouldn't be a retrofit. It should have been stalled 23 initially, and I think it's time to move forward. If 24 through the ADR process or NV -- 25 MR. DALTON: NOV.</p>

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000525

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">222</p> <p>1 MR. FEHRENBACH: -- NOV process, you 2 know, people seek to get some other mitigation, they 3 can certainly do that, and they can do that even if we 4 adopt this and -- just to see if we can get a second 5 and move forward, I will move that we adopt PRR 830 6 and reject the appeal. 7 MR. DOGGETT: I'll second. 8 CHAIRMAN NEWTON: Okay. We have a 9 motion from Nick Fehrenbach, and we have a second from 10 Trip Doggett. Charles? 11 MR. MANNING: I was just going to say 12 I'm going to support that motion. 13 CHAIRMAN NEWTON: And I'm sorry to 14 interject. Just for clarification, it was kind of a 15 double motion. It was a motion to approve the PRR and 16 reject the appeal. Correct? 17 MR. FEHRENBACH: Which I think actually 18 by approving the PRR we pretty much reject the appeal, 19 but I just wanted to make it clear that we were doing 20 both. 21 (inaudible) 22 CHAIRMAN NEWTON: I think we probably 23 need to do both. We have them both noted for vote. 24 MR. JENKINS: I think the quickest path 25 to resolution on this is for us to put this PRR</p>	<p style="text-align: right;">224</p> <p>1 CHAIRMAN NEWTON: Okay. 2 MR. FEHRENBACH: -- if, you know, we 3 want to fix that little piece of it. 4 CHAIRMAN NEWTON: Okay. We'll continue. 5 Bob? 6 MR. HELTON: Yeah, just real quickly I 7 agree that sending it back to TAC is not the right 8 thing to do. It was just one of the thoughts I had. 9 We could fix it like you had talked about, Mark, doing 10 that prospectively here. 11 And I understand what's trying to be 12 done. I'm having a problem. I still believe that the 13 retrofitting piece in this, while I understand the 14 full thing, I think it is a circumvention of the 15 process, and I don't think I can support it for that 16 reason. But I also know that this is a faster way of 17 getting it over to the Commission because no matter 18 what we do here, it's going to get there. I was just 19 trying to get it through a process that when they get 20 over there it's not going to be kicked back over an 21 appeal on a procedural issue because it didn't go 22 through the right process, like they had on the other 23 side whenever they tried to circumvent the process to 24 get it over there the first time. And I'm concerned 25 that by doing that, it could end up back again over --</p>
<p style="text-align: right;">223</p> <p>1 forward. I agree with Mark the decision is going to 2 be made down the street, and kicking it back to TAC is 3 not going to accomplish anything other than spend more 4 time. 5 CHAIRMAN NEWTON: Dan? 6 MR. WILKERSON: I just wanted to say I 7 support the motion. I believe reactive capability 8 curves are a standard, and you don't really mess with 9 standards. If it's going to be messed with, it needs 10 to be done down the street, and that's -- kicking it 11 back to the technical folks who sent it to us with an 12 overwhelming majority doesn't accomplish anything. 13 CHAIRMAN NEWTON: Okay. Trip? 14 MR. DOGGETT: I was going to clarify 15 that I would be flexible on the -- Walter's issue of 16 WGR if there was an interest in a friendly amendment 17 to ask TAC to revisit that issue. I talked to Walter 18 and John out in the hall, and I think there might be 19 an opportunity to have further discussion on that 20 issue. 21 CHAIRMAN NEWTON: Okay. Before we 22 continue with comments, Nick, you made the motion. 23 Would you be amenable to that friendly amendment? 24 MR. FEHRENBACH: I don't have issue with 25 that --</p>	<p style="text-align: right;">225</p> <p>1 over a procedural issue. So that's my concern with 2 that. 3 CHAIRMAN NEWTON: Okay. Bob Thomas? 4 MR. THOMAS: Thank you. I'm going to 5 support Nick's motion. I think the Board is good at 6 setting policy and rules, but it's not good at 7 resolving legal and factual disputes that we have in 8 front of us. We need to get this out of here up to 9 the Commission and let them apply their process to the 10 dispute. 11 One thing I'll be listening for in that 12 proceeding is the following: Very clear positions 13 that the requirement has been set for a number of 14 years, and I guess one question that hasn't been 15 answered today that I'm going to be listening for is 16 why would -- if it's so clear, why would anyone spend 17 all that money knowing they were making a mistake? 18 CHAIRMAN NEWTON: Andrew? 19 MR. DALTON: Yeah, I guess I have kind 20 of a more pragmatic concern to address. I mean, it 21 seems any way you look at this PRR, we were going to 22 potentially give wind until December 31, 2010 to kind 23 of build in to compliance. We have two studies 24 underway right now that might be able to give us a 25 very good picture of what compliance really ought to</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">226</p> <p>1 look like from a standpoint of total system 2 reliability. 3 You know, we're going to have a lot of 4 issues integrating more and more wind through the CREZ 5 process, integrating the wind that's on there now as 6 we increase our transmission capabilities to move that 7 wind to market. In doing so, it's going to cost money 8 to wind generators, to everybody else on the system to 9 make that. 10 Before we would embark on spending a 11 hundred million dollars or anything in that ballpark, 12 I would like to know that we are spending that money 13 in the most wise and efficient manner possible to the 14 ultimate benefit of the grid long term. If there is a 15 way to address this type of issue in the ongoing 16 studies without prejudicing whatever this PRR does, I 17 would strongly recommend to ERCOT staff to take that 18 into consideration because I don't think whatever -- 19 when this gets over to the Commission, this isn't 20 going to be resolved by April or May. We're going to 21 have these studies coming out June and July. They 22 might give us the picture of what the grid really 23 ought to look like going forward, and we ought to be 24 working towards that as a solution because the 25 Commission solution isn't going to help us fix the way</p>	<p style="text-align: right;">228</p> <p>1 and being a voting person. Let's say it were a Brazos 2 line and you were either an affirmative vote, say, ten 3 to five vote, and you were either the second or just 4 an affirmative vote, it would be a problem either way. 5 I will say that the duties with which 6 ERCOT staff are charged are public interest and 7 reliability duties, and although Trip is an ERCOT 8 staffer and is voting in alignment with those 9 interests, I do not read any of our conflict rules or 10 any general ethical dictate to require that the ERCOT 11 CEO recuse himself because ERCOT staff is a proponent. 12 The ERCOT CEO has voted on countless ERCOT 13 staff-sponsored PRRs, OGRRs, everything. If you were 14 to set that precedent, you might as well just 15 decree -- you might as well -- we've got the bylaws 16 coming up in a bit. You might as well make the CEO a 17 nonvoting member because any action this Board votes 18 on almost by definition has an impact on ERCOT staff. 19 MR. KARNEI: I'll withdraw my comment. 20 Thank you. 21 CHAIRMAN NEWTON: All right. Brad? 22 MR. COX: Yeah, I'm largely in agreement 23 with the direction we're headed. I'll tell you the 24 one thing that I'm hung up on, and it's similar to 25 what Andrew discussed earlier, is, you know, it's less</p>
<p style="text-align: right;">227</p> <p>1 the grid ought to look and what wind generators ought 2 to do going forward. 3 We've been talking about getting the 4 right metrics and the right requirements for wind for 5 the better part of a year now. I think we have an 6 opportunity to work that in, regardless of what we do 7 with this PRR, and I think we should take it. 8 CHAIRMAN NEWTON: All right. Thank you, 9 Andrew? 10 Clifton? 11 MR. KARNEI: Yeah, I support the motion, 12 but I guess my question is a little bit different, and 13 it's to Grable. Since it's clear that ERCOT staff has 14 a position in this and since Trip is technically an 15 ERCOT staff member, I question whether he should be 16 the second on the motion and should vote on this or 17 possibly recuse himself. I'm just raising that as a 18 procedural thing for the second to the motion and 19 would like your comments on that, Mike. 20 MR. PATTON: I'll second that. 21 MR. KARNEI: If Trip withdraws his 22 motion -- I'm not one to put Trip on the spot. I'm 23 just saying -- 24 MR. GRABLE: There's no distinction 25 really in terms of importance between being the second</p>	<p style="text-align: right;">229</p> <p>1 than certain -- I mean, if we didn't have some 2 ambiguity here, we wouldn't be spending all this time 3 discussing what the requirement is in the protocols as 4 they are written today. And the concern I have is 5 that if the -- you know, if whatever procedural route 6 this takes after it leaves here the -- you know, if 7 the Commission determines that, yeah, there is 8 ambiguity or whatever, you know, it would seem to me 9 there ought to be, again, the flexibility to deal with 10 the existing system as opposed to imposing a blanket 11 requirement over the existing system, so I -- because 12 there may be more cost-effective ways to remedy, you 13 know, whatever problems may exist. 14 I doubt that my request for that type of 15 flexibility as a friendly amendment would be 16 entertained. I'll throw it out and make -- make that 17 request, Nick, and see what your thoughts are. Do you 18 understand what I'm saying? It's -- they were getting 19 pretty complicated here, but I'm just -- the track 20 we're on right now really will put all of these 21 resources on a -- on this rectangle standard with a 22 grace period. Is that -- would you agree? 23 MR. FEHRENBACH: I would concur, but, of 24 course, I also think that under the current protocols 25 they should already be there.</p>

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EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p style="text-align: right;">230</p> <p>1 MR. COX: Right. And, you know, I'm 2 only trying to leave enough flexibility to -- you 3 know, if circumstances are such that that flexibility 4 is warranted to allow for a more cost-effective 5 solution down the road, and I'm -- this would be -- 6 I'm having a difficult time communicating this 7 perhaps, but that's the one issue I have left with 8 where we're headed. 9 MR. FEHRENBACH: And, you know, in 10 reading 830 the way it was written, one of the things 11 that I thought was sort of innovative, and Bob Helton 12 would probably say is one of those problematic things, 13 that it allowed the wind generators to come in 14 compliance by actually paying the T&D utility to 15 install devices to make them compliant. And that's 16 sort of a stretch for us because I don't think we've 17 done that in the past, let entities pay someone else 18 to install devices to make them compliant, but -- and 19 I thought that was innovative, and that probably gets 20 into a cost-effective solution for some of those 21 entities, but even that, you'll probably have people 22 not wanting to go that route and possibly going 23 through one of these other processes that are open to 24 them under law. 25 CHAIRMAN NEWTON: Okay. So I'm assuming</p>	<p style="text-align: right;">232</p> <p>1 looks like the big issue, in my mind, is the 2 retroactive piece. 3 I fully understand the heartburn that 4 creates for the wind generators from an investment 5 perspective. However, it looks like this thing is 6 going to get resolved, and the fastest way to get that 7 piece resolved is for us to move forward. So I will 8 be supporting it as an independent Board member. 9 Dee? 10 MR. PATTON: Madam, I call the question. 11 CHAIRMAN NEWTON: Okay. I've got one 12 other card, Dee. Can I -- can I just get Miguel's? 13 He's been pretty quiet, too. 14 MR. PATTON: I call the question. 15 CHAIRMAN NEWTON: Okay. 16 (Laughter) 17 MR. GRABLE: That's a motion that 18 requires a second and would have to be voted on to 19 determine if Miguel is heard or not. So is there a 20 second for the calling? 21 CHAIRMAN NEWTON: Miguel -- 22 MR. ESPINOSA: Thank you. 23 CHAIRMAN NEWTON: -- real quickly 24 lets -- 25 MR. ESPINOSA: I support the motion as</p>
<p style="text-align: right;">231</p> <p>1 that that is not an acceptable friendly amendment. 2 MR. FEHRENBACH: And again, I'm not sure 3 exactly what the friendly amendment would be. So I 4 can't really accept it. 5 CHAIRMAN NEWTON: Okay. John, your card 6 has been up -- down there for a while. I've been 7 trying to take the Board members first. 8 MR. HOUSTON: Yes. No, and I appreciate 9 that, madam Chairman, and I just wanted to add my view 10 that we really need to address the issue of what is 11 the standard. This Board needs to take a position, if 12 nothing else, for future generators who are walking in 13 the door asking to connect. It needs to be clear. 14 Certainty needs to be taken, and I think our whole 15 compliance regime of both ERCOT and participants is at 16 risk if we do anything other than approve this going 17 forward. 18 CHAIRMAN NEWTON: Well, I've been 19 relatively quiet here, and I'm speaking as just a 20 Board member myself here, but after listening to the 21 debate, that's where I fall out, is that I 22 specifically asked most of the commenters, and 23 everyone seems to be in agreement, that prospectively 24 everyone getting on the same page relative to this 25 requirement is critical. And based upon that, it</p>	<p style="text-align: right;">233</p> <p>1 proposed. A, it seems to me like we should have been 2 there already, and we're not. I'm heartened by the 3 fact that nobody has gotten up and spoken against the 4 prospective issues for us. And if the looking back 5 the issue has to be resolved at 17th and Congress, 6 so be it. 7 CHAIRMAN NEWTON: Okay. We have a 8 motion. We have a second. Everyone clear on the 9 motion? 10 (No response) 11 CHAIRMAN NEWTON: And with the friendly 12 amendment. Okay? 13 MR. GRABLE: And, Madam Chair, let me -- 14 was there a second friendly amendment? 15 CHAIRMAN NEWTON: No, just -- no, he's 16 talking about the motion included -- 17 (Simultaneous discussion) 18 MR. GRABLE: Oh, I see, right. The two 19 pieces being approval under Item 12(a) of the protocol 20 revision request and rejection of the appeal under 21 12(b). And I want to ask Mr. Doggett so we're 22 perfectly clear, his friendly amendment was to clarify 23 that the FRR 830 would be approved "as is" but a 24 separate instruction given to TAC to revisit the WGR 25 issue.</p>

EXCERPT 123P BOARD MEETING ERCOT 11-17-2009

<p>234</p> <p>1 MR. DOGGETT: That's affirmative.</p> <p>2 CHAIRMAN NEWTON: Okay. I won't repeat</p> <p>3 that. We now have a motion and a second for approval</p> <p>4 of PRR 830 and rejection of the appeal to that PRR.</p> <p>5 MR. ESPINOSA: And I accept Dr. Patton's</p> <p>6 calling of the order.</p> <p>7 (Laughter)</p> <p>8 CHAIRMAN NEWTON: All in favor?</p> <p>9 (All those in favor of the motion so</p> <p>10 responded)</p> <p>11 CHAIRMAN NEWTON: Opposed? We have</p> <p>12 one -- two oppositions, one from Andrew Dalton and one</p> <p>13 from Bob Helton.</p> <p>14 Abstentions?</p> <p>15 (No response)</p> <p>16 CHAIRMAN NEWTON: The motion passes.</p> <p>17 Andrew?</p> <p>18 MR. DALTON: One final point. I would</p> <p>19 sincerely hope that no one who is a generator comes</p> <p>20 forward after this meeting today and expresses any</p> <p>21 confusion or concern that everyone expects the</p> <p>22 rectangle will be implemented on a going-forward</p> <p>23 basis.</p> <p>24 (Laughter)</p> <p>25 MR. DALTON: And if it comes up, we're</p>	
<p>235</p> <p>1 going to pull this transcript out.</p> <p>2 MR. HELTON: Yes.</p> <p>3 CHAIRMAN NEWTON: Okay. Thank you very</p> <p>4 much.</p> <p>5 All right. Mr. Bruce, it's back to you.</p> <p>6 MR. BRUCE: Thank you, Madam Chairman.</p> <p>7 That completes all of the PRRs for Board discussion</p> <p>8 today.</p> <p>9 12(c). LOAD PROFILING GUIDE REVISION REQUEST 035</p> <p>10 MR. BRUCE: That leaves us with a Load</p> <p>11 Profile Guide Revision Request No. 35. This guide</p> <p>12 revision request is on the agenda for Board approval</p> <p>13 because it does have system impacts. This load</p> <p>14 profile guide revision request will allow the addition</p> <p>15 of time of use schedules to profiles for IDR</p> <p>16 meter-type data codes for the advanced meter</p> <p>17 implementation project.</p> <p>18 The impact analysis has minor impact --</p> <p>19 cost impacts to be managed under the O&M budgets of</p> <p>20 the affected departments. It's a low impact, but</p> <p>21 there is an update to the Loadstar table that's</p> <p>22 required. It does not have any code changes, though.</p> <p>23 This is proposed to be effective upon Board approval,</p> <p>24 but there is a 150-day market notice that's required.</p> <p>25 So that notice would expire in mid April of next year,</p>	

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