



Date: January 12, 2010
To: ERCOT Board of Directors
From: Brad Jones, Technical Advisory Committee (TAC) Chair
Subject: Protocol Revision Requests (PRRs)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: January 19, 2010

Agenda Item No.: 13a

Issue:

Consideration of the following PRRs:

- PRR811 – Real Time Production Potential
- PRR832 – Deletion of Schedule Control Error (SCE) Posting Requirement
- PRR842 – Addition of Generic Startup Cost and Minimum Energy Cost for Diesel – URGENT

Background/History:

Unless otherwise noted: (i) all Market Segments were present for each vote and (ii) ERCOT Credit Staff and the Credit Work Group (CWG) have reviewed the revision requests and do not believe it requires changes to credit monitoring activity or the calculation of liability.

- **PRR811 – Real Time Production Potential [Wind Coalition].**

Proposed Effective Date: February 1, 2010.

CEO Determination: No opinion on whether or not PRR811 is necessary prior to the Texas Nodal Market Implementation Date.

ERCOT Impact Analysis: No budgetary impact; no additional full-time equivalents needed; no system changes required; no impact to ERCOT business processes or functions; no impact to grid operations or practices.

Revision Description: This PRR establishes a requirement for Wind-powered Generation Resources (WGRs) to telemeter a Real Time signal indicating the Real Time Production Potential (RTPP) which will be a function of wind and turbine availability at the time.

Procedural History: PRR811 was posted on April 17, 2009. On May 21, 2009, the Protocol Revision Subcommittee (PRS) unanimously voted to table PRR811 until the June 18, 2009 PRS meeting. On June 18, 2009, PRS voted to table PRR811. There was one (1) opposing vote from the Independent Retail Electric Provider (IREP) Market Segment. On July 23, 2009, PRS unanimously voted to recommend approval of PRR811 as amended by the July 22, 2009 Wholesale Market Subcommittee (WMS) comments. On August 25, 2009, PRS voted to recommend approval of PRR811 as revised by PRS. On September 17, 2009, PRS unanimously voted to endorse and forward the August 25, 2009 PRS Recommendation Report and Impact Analysis for PRR811 to TAC. On October 1, 2009, TAC unanimously voted to recommend approval of PRR811 as recommended by PRS in the September 17, 2009 PRS Recommendation Report. On October 20, 2009, the ERCOT Board remanded PRR811 to TAC. On November 5, 2009, TAC unanimously voted to

remand PRR811 to WMS. On December 22, 2009, WMS filed comments to PRR811. On January 6, 2010, TAC unanimously voted to recommend approval of PRR811 as revised by the December 22, 2009 WMS comments.

- **PRR832 – Deletion of SCE Posting Requirement [ERCOT].**

Proposed Effective Date: February 1, 2010.

CEO Determination: No opinion on whether or not PRR832 is necessary prior to the Texas Nodal Market Implementation Date.

ERCOT Impact Analysis: No budgetary impact; no additional full-time equivalents needed; no system changes required; no impacts to business functions; no impact to grid operations or practices.

Revision Description: This PRR removes the language that requires ERCOT to post the SCE report seven (7) days after the Operating Day to the Market Information System (MIS).

Procedural History: PRR832 was posted on September 15, 2009. On October 22, 2009, PRS voted to recommend approval of PRR832 as submitted. There was one (1) abstention from the Independent Generator Market Segment. On November 19, 2009, PRS unanimously voted to endorse and forward the October 22, 2009 PRS Recommendation Report and Impact Analysis to TAC. On December 3, 2009, TAC voted to endorse and forward the November 19, 2009 PRS Recommendation Report and Impact Analysis for PRR832 to the ERCOT Board. There was one (1) abstention from the Independent Power Marketer (IPM) Market Segment.

- **PRR842 – Addition of Generic Startup Cost and Minimum Energy Cost for Diesel [STEC] – URGENT.**

Proposed Effective Date: February 1, 2010.

CEO Determination: No opinion on whether or not PRR842 is necessary prior to the Texas Nodal Market Implementation Date.

ERCOT Impact Analysis: No budgetary impact; no additional full-time equivalents needed; no system changes required; existing business functions can accommodate PRR842; no impact to grid operations or practices.

Revision Description: This PRR adds generic costs for the Diesel Resource Category, which also includes other gas-fired Resources (including reciprocating engines). This PRR makes the minimum energy costs for diesel consistent with what is currently in the Nodal Protocols.

Procedural History: PRR842 was posted on December 10, 2009. On December 16, 2009, PRS voted to grant PRR842 Urgent status via PRS email vote. On December 17, 2009, PRS voted to recommend approval of PRR842 as submitted. There were two (2) opposing votes from the Consumer Market Segment and three (3) abstentions from the Municipal, IREP and Independent Generator Market Segments. On January 6, 2010, TAC unanimously voted to recommend approval of PRR842 as recommended by PRS in the December 17, 2009 PRS Recommendation Report.

The TAC Recommendation Reports, Impact Analyses, and CEO Determinations, if applicable, for these PRRs are included in the ERCOT Board meeting materials. In addition, these PRRs



and supporting materials are posted on the ERCOT website at the following link:
<http://www.ercot.com/mktrules/protocols/prr.html>.

Key Factors Influencing Issue:

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

Alternatives:

1. Approve the TAC recommendation on PRRs 811, 832 and/or 842 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on PRRs 811, 832 and/or 842;
3. Defer decision on the merits of the TAC recommendation on PRRs 811, 832 and/or 842; or
4. Remand PRRs 811, 832 and/or 842 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve PRRs 811, 832 and/or 842.



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

WHEREAS, the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) deems it desirable and in ERCOT's best interest to approve the following PRRs:

- PRR811 – Real Time Production Potential,
- PRR832 – Deletion of Schedule Control Error (SCE) Posting Requirement, and
- PRR842 – Addition of Generic Startup Cost and Minimum Energy Cost for Diesel.

THEREFORE be it RESOLVED, that the Board hereby approves PRRs 811, 832 and 842.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its January 19, 2010 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2010.

Michael G. Grable
Corporate Secretary