



Date: May 11, 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: May 18, 2010

Agenda Item No.: 15a

Issue:

Consideration of:

- PRR833 – Primary Frequency Response Requirement from Existing Wind-Powered Generation Resources (WGRs); and,
- PRR844 – Transmission and/or Distribution Service Provider (TDSP) Definition Revision.

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.

- **PRR833 – Primary Frequency Response Requirement from Existing Wind-Powered Generation Resources (WGRs) [CPS Energy].**

Proposed Effective Date: June 1, 2010.

CEO Determination: No opinion on whether or not PRR833 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; and no impact to grid operations or practices.

Revision Description: This PRR places a Primary Frequency Response requirement on WGRs that were not covered by PRR824 – Primary Frequency Response from WGRs.

Procedural History: PRR833 was posted on September 22, 2009. On October 22, 2009, the Protocol Revision Subcommittee (PRS) voted to recommend approval of PRR833 as submitted via roll call vote. On November 19, 2009, PRS voted via roll call vote to endorse and forward the October 22, 2009 PRS Recommendation Report as amended by the November 12, 2009 ERCOT comments and Impact Analysis to TAC. On December 3, 2009, TAC voted to table PRR833 for one (1) month to provide the wind community with the opportunity to address the definition of “technically infeasible.” There were four (4) opposing votes from the Investor Owned Utility (IOU) (3) and Municipal Market Segments and four (4) abstentions from the Independent Power Marketer (IPM) (3) and Cooperative Market Segments. On January 6, 2010, TAC voted to table PRR833 with instructions for the Wholesale Market Subcommittee (WMS) to review the January 5, 2010 NextEra comments and the Reliability Operations Subcommittee (ROS) to review the January 5, 2010 E.ON comments. There were two (2) abstentions from the IPM Market Segment. On April 8,



2010, TAC recommended approval of PRR833 as revised by the March 26, 2010 WMS comments. The motion carried via roll call vote.

- **PRR844 – Transmission and/or Distribution Service Provider (TDSP) Definition Revision [ERCOT].**

Proposed Effective Date: June 1, 2010.

CEO Determination: No opinion on whether or not PRR844 is necessary prior to the Texas Nodal Market Implementation Date.

ERCOT Impact Analysis: No budgetary impact; no ERCOT staffing impacts; no impacts to ERCOT computer systems; minor modifications to TDSP application process with ERCOT; and no impact to grid operations.

Revision Description: This PRR revises the definition of TDSP to include Entities that have been selected to own and operate Transmission Facilities and have a code of conduct approved by the Public Utility Commission of Texas (PUCT).

Procedural History: PRR844 was posted on January 15, 2010. On February 18, 2010, PRS unanimously voted to recommend approval of PRR844 as amended by the January 22, 2010 CenterPoint Energy comments. On March 25, 2010, PRS unanimously voted to endorse and forward the February 18, 2010 PRS Report and Impact Analysis for PRR844 to TAC. On April 8, 2010, TAC unanimously voted to recommend approval of PRR844 as recommended by PRS in the March 25, 2010 PRS Report.

The TAC Reports, Impact Analyses, and CEO Revision Request Reviews 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: <http://www.ercot.com/mktrules/protocols/prr.html>.

Key Factors Influencing Issue:

PRS met, discussed the issues, and submitted 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 PRR833 and/or PRR844 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on PRR833 and/or PRR844;
3. Defer decision on the merits of the TAC recommendation on PRR833 and/or PRR844; or
4. Remand PRR833 and/or PRR844 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve PRR833 and PRR844.



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

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to approve the following Protocol Revision Requests (PRRs):

- PRR833 – Primary Frequency Response Requirement from Existing Wind-Powered Generation Resources (WGRs); and,
- PRR844 – Transmission and/or Distribution Service Provider (TDSP) Definition Revision.

THEREFORE be it RESOLVED, that ERCOT is hereby authorized to approve PRR833 and PRR844.

CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Interim Corporate Secretary of ERCOT, do hereby certify that, at its May 18, 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 May, 2010.

Bill Magness
Interim Corporate Secretary