



Date: May 11, 2010
To: ERCOT Board of Directors
From: Brad Jones, Technical Advisory Committee (TAC) Chair
Subject: Nodal Protocol Revision Requests (NPRRs)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: May 18, 2010

Agenda Item No.: 15b

Issue:

Consideration of:

- NPRR205 – Transmission and/or Distribution Service Provider (TDSP) Definition Revision;
- NPRR208 – Registration and Settlement of Distributed Generation (DG) Less Than One MW;
- NPRR211 – Clarify Capacity Obligations of Energy Trades (formerly “Modify Reliability Unit Commitment (RUC) Capacity Short Charge to Use Final Energy Trades”); and,
- NPRR214 – Wind-Powered Generation Resource (WGR) High Sustained Limit (HSL) Update Process.

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

- **NPRR205 – TDSP Definition Revision [ERCOT].**

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: 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; no impacts to ERCOT business functions; and, no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR 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: NPRR205 was posted on January 15, 2010. On February 18, 2010, the Protocol Revision Subcommittee (PRS) unanimously voted to recommend approval of NPRR205 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 NPRR205 to TAC. On April 8, 2010, TAC unanimously voted to table NPRR205 for one (1) month. On May 6, 2010, TAC unanimously voted to recommend approval of NPRR205 as recommended by PRS in the March 25, 2010 PRS Recommendation Report.

- **NPRR208 – Registration and Settlement of DG Less Than One MW [NOIE DRG TF].**
Proposed Effective Date: Upon Texas Nodal Market Implementation.
CEO Determination: No opinion on whether or not NPRR208 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; new business process will need to be put in place to produce the quarterly reports on the total unregistered installed capacity below the current threshold, summed by Load Zone; and, no impacts to ERCOT grid operations and practices.
Revision Description: The NPRR includes proposed language changes by the Non Opt-In Entity (NOIE) Distributed Renewable Generation (DRG) Task Force in regards to the registration requirements for DG greater than 50 kW and less than or equal to one MW. In addition, this NPRR synchronizes language approved through PRR756 – Distributed Renewable Generation Modifications, with some recommended revisions consistent with the NOIE DRG Task Force discussions. PRR756 was approved by the ERCOT Board on May 20, 2008 and was implemented on November 21, 2009.
Procedural History: NPRR208 was posted on January 25, 2010. On February 18, 2010, PRS voted to recommend approval of NPRR208 as amended by the January 29, 2010 Profiling Working Group (PWG) comments. There were two (2) abstentions from the Consumer and Independent Generator Market Segments. On March 25, 2010, PRS voted to endorse and forward the February 18, 2010 PRS Report as amended by the March 3, 2010 ERCOT comments and as revised by PRS and Impact Analysis for NPRR208 to TAC. There was one (1) abstention from the Consumer Market Segment. On April 8, 2010, TAC unanimously voted to table NPRR208 for one (1) month. On May 6, 2010, TAC voted to recommend approval of NPRR208 as recommended by PRS in the March 25, 2010 PRS Recommendation Report and as revised by TAC. There was one (1) opposing vote from the Consumer Market Segment and one (1) abstention from the Independent Retail Electric Provider (IREP) Market Segment.
- **NPRR211 – Clarify Capacity Obligations of Energy Trades (formerly “Modify RUC Capacity Short Charge to Use Final Energy Trades”) [J. Aron].**
Proposed Effective Date: Upon Texas Nodal Market Implementation.
CEO Determination: No opinion on whether or not NPRR211 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; no impacts to ERCOT business processes or functions; and, no impacts to ERCOT grid operations or practices.
Revision Description: This NPRR specifies that Energy Trades representing firm physical products that are entered and confirmed through ERCOT must be submitted by 1430 in the Day-Ahead for the Operating Day, and that Energy Trades representing firm physical products that are executed during the adjustment period and confirmed through ERCOT must be submitted prior to the next Hourly Reliability Unit Commitment (HRUC) execution.
Procedural History: NPRR211 was posted on February 11, 2010. On February 18, 2010, PRS unanimously voted to refer NPRR211 to the Wholesale Market Subcommittee (WMS).

On March 25, 2010, PRS unanimously voted to recommend approval of NPRR211 as amended by the March 25, 2010 WMS comments. On April 22, 2010, PRS unanimously voted to endorse and forward the March 25, 2010 PRS Report and Impact Analysis for NPRR211 to TAC. PRS then voted to reconsider NPRR211. There was one (1) abstention from the Independent Generator Market Segment. Upon reconsideration, PRS voted to endorse and forward the March 25, 2010 PRS Report as revised by PRS and Impact Analysis for NPRR211 to TAC. There was one (1) abstention from the Independent Generator Market Segment. On April 22, 2010, PRS unanimously voted to endorse and forward the March 25, 2010 PRS Report and Impact Analysis for NPRR211 to TAC. PRS then voted to reconsider NPRR211. There was one (1) abstention from the Independent Generator Market Segment. Upon reconsideration, PRS voted to endorse and forward the March 25, 2010 PRS Report as revised by PRS and Impact Analysis for NPRR211 to TAC. There was one (1) abstention from the Independent Generator Market Segment. On May 6, 2010, TAC voted to recommend approval of NPRR211 as recommended by PRS in the April 22, 2010 PRS Recommendation Report. There were two (2) abstentions from the Investor Owned Utility (IOU) and Independent Generator Market Segments.

- **NPRR214 – WGR High Sustained Limit HSL Update Process [Wind Coalition].**

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: No opinion on whether or not NPRR214 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; no impacts to ERCOT business processes or functions; and, no impacts to ERCOT grid operations or practices.

Revision Description: This NPRR establishes the specific timing of the WGR's HSL update to ERCOT and specifies that, when not curtailed, the WGR's HSL should equal the WGR's current meter reading.

Procedural History: NPRR214 was posted on March 12, 2010. On March 25, 2010, PRS voted to recommend approval of NPRR214 as amended by the March 16, 2010 Luminant comments. There was one (1) abstention from the Consumer Market Segment. On April 22, 2010, PRS voted to endorse and forward the March 25, 2010 PRS Report and Impact Analysis for NPRR214 to TAC. There was one (1) abstention from the Consumer Market Segment. On May 6, 2010, TAC unanimously voted to recommend approval of NPRR214 as recommended by PRS in the April 22, 2010 PRS Recommendation Report.

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

Key Factors Influencing Issue:

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

**Alternatives:**

1. Approve the TAC recommendation on NPRRs 205, 208, 211 and/or 214 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on NPRRs 205, 208, 211 and/or 214;
3. Defer decision on the TAC recommendation on NPRRs 205, 208, 211 and/or 214; or
4. Remand NPRRs 205, 208, 211 and/or 214 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 205, 208, 211, and 214 as described herein.



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 Nodal Protocol Revision Requests (NPRRs):

- NPRR205 – Transmission and/or Distribution Service Provider (TDSP) Definition Revision;
- NPRR208 – Registration and Settlement of Distributed Generation (DG) Less Than One MW;
- NPRR211 – Clarify Capacity Obligations of Energy Trades (formerly “Modify Reliability Unit Commitment (RUC) Capacity Short Charge to Use Final Energy Trades”); and,
- NPRR214 – Wind-Powered Generation Resource (WGR) High Sustained Limit (HSL) Update Process.

THEREFORE be it RESOLVED, that ERCOT is hereby authorized to approve 205, 208, 211, and 214.

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