



TAC Update

Brad Jones
TAC Chair

ERCOT Board Meeting
June 15, 2010

TAC Report Summary

- 1 PRR for Board approval
- 9 NPRRs for Board approval
- 1 RMGRR for Board approval
- Notice of Withdrawal of PRR791
- Report on Approved Guide Revision Requests
- Planning Working Group Presentation
- TAC endorsement of DAM starting November 30 ,2010
- Guiding Principles
- Preview: Future Board meetings

Revision Requests for Consent Agenda

The following Revision Requests were unanimously approved at TAC:

- PRR849, Suspension of Annual CSC Determination – Urgent
- NPRR210, Wind Forecasting Change to P50, Synchronization with PRR841
- NPRR212, Disputing Fuel Oil Price (FOP) Costs
- NPRR217, Resolution of Alignment Item A58 - Use of Different Computational Modules
- NPRR222, Half-Hour Start Unit RUC Clawback (Companion to NPRR207)
- NPRR223, Resolution of Alignment Item A73 Removal of IMM and PUC Staff Nightly Report
- RMGRR087, Meter Tampering Business Processes – Urgent

Regular Agenda Revision Requests

- NPRR091, Scarcity Pricing and Mitigated Offer Cap During the Period Commencing on the Nodal Market Implementation Date and Continuing for a Total of 45 Days
- NPRR146, ICCP Telemetry Information Submittals
- NPRR221, Day-Ahead Market and Real-Time Market Default Allocation Changes
- NPRR225, Standard Cost Option in Verifiable Costs

PRR849, Suspension of Annual CSC Determination - URGENT

Purpose (ERCOT)	Revises Section 7.2.1 to suspend Commercially Significant Constraint (CSC) analyses for 2010	
Market Impact	N/A	
System Change	No	N/A
TAC Vote	TAC unanimously voted to recommend approval of PRR849 as recommended by PRS in the 5/20/10 PRS Report.	
CEO Determination	Necessary prior to Go-Live	
Effective Date	July 1, 2010	

PRR849, Suspension of Annual CSC Determination

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

NPRR091, *Scarcity Pricing and Mitigated Offer Cap During the Period Commencing on the Nodal Market Implementation Date and Continuing for a Total of 45 Days*

Purpose (TPTF)	This NPRR adds a provision to Section 3.19, Constraint Competitiveness Tests, that all transmission constraints are treated as non-competitive constraints during an initial 30 Operating Day period, beginning with the Texas Nodal Market Implementation Date; and a new Section 4.4.11.2, Scarcity Pricing and Mitigated Offer Cap During Nodal Startup, which requires that the System-Wide Offer Cap (SWCAP) be set to the higher of \$180 or 18 mmBtu heat rate times the Fuel Index Price (FIP) during an initial 45 Operating Day period, beginning with the Texas Nodal Market Implementation Date. This new Section also establishes an Energy Offer Curve floor adjusted to -\$50 per MWh.	
Market Impact	Imposes lower caps during transition period.	
System Change	Yes	N/A
TAC Vote	TAC unanimously voted to recommend approval of NPRR091 as amended by the 5/26/10 WMS comments.	
Effective Date	No opinion on whether or not NPRR091 is necessary prior to the Texas Nodal Market Implementation Date.	

NPRR091, *Scarcity Pricing and Mitigated Offer Cap During the Period Commencing on the Nodal Market Implementation Date and Continuing for a Total of 45 Days*

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		Estimated cost in the \$50,000 to \$100,000 range
<i>Staffing</i>	★		Temporary staffing impacts to develop functionality
<i>Computer Systems</i>	★		ERCOT Market Management System (MMS) and Market Information System (MIS) will be modified
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

NPRR146, ICCP Telemetry Information Submittals

Purpose (AEP)	This NPRR requires that changes to an existing Network Operations Model Change Request (NOMCR) that modify only Inter-Control Center Communications Protocol (ICCP) data object names be submitted prior to the completion of the testing for the Network Operations Model in which the Transmission Elements represented by the ICCP data object names were first modeled.	
Benefit	Improves the quality of information ERCOT receives on ICCP data object names.	
Market Impact	Reduced burden on TSPs and QSEs to provide needed information in a timely and correct manner. Prevents TSPs and ERCOT from modeling ICCP data object names that may not ever exist and then removing them at a later date.	
System Change	No*	N/A
TAC Vote	TAC voted to recommend approval of NPRR146 as revised by the 5/28/10 ERCOT comments and as amended by TAC and to assign a priority of High to the proposed grey boxed language. There was one objection from the Municipal Market Segment and one abstention from the Independent Generator Market Segment.	
Effective Date	Partially Upon Texas Nodal Market Implementation. Grey-boxed language will be Post Texas Nodal Market Implementation Date.	

NPRR146, ICCP Telemetry Information Submittals

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

NPRR210, Wind Forecasting Change to P50, Synchronization with PRR841

Purpose (Morgan Stanley)	Changes the wind forecasting methodology to use a 50% probability of exceedance calculation instead of an 80% for Reliability Unit Commitment (RUC) considerations. This NPRR would align the Nodal Protocols with changes made to the zonal Protocols pursuant to PRR841.	
Market Impact	N/A	
System Change	No*	N/A
TAC Vote	TAC unanimously voted to recommend approval of NPRR210 as recommended by PRS in the 5/20/10 PRS Report and to assign a priority of High to the proposed grey boxed language.	
CEO Determination	Partially necessary prior to the Texas Nodal Market Implementation Date. Grey-boxed item (2) of Section 5.7.4, is not necessary prior Texas Nodal Market Implementation Date. Impact Analysis for the grey boxed section will be performed at a later date.	
Effective Date	Partially Upon Texas Nodal Market Implementation. Grey-boxed item (2) of Section 5.7.4, RUC Make-Whole Charges, will be Post Texas Nodal Market Implementation Date.	

PRR210, Wind Forecasting Change to P50, Synchronization with PRR841 (non-grey boxed section)

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

NPRR212, Disputing Fuel Oil Price (FOP) Costs

Purpose (CPS Energy)	This NPRR allows for disputes of FOP.	
Market Impact	N/A	
System Change	No	N/A
TAC Vote	TAC unanimously voted to recommend approval of NPRR212 as recommended by PRS in the 5/20/10 PRS Report.	
CEO Determination	No Opinion	
Effective Date	Upon Texas Nodal Market Implementation	

NPRR212, Disputing Fuel Oil Price (FOP) Costs

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

NPRR217, Resolution of Alignment Item A58 - Use of Different Computational Modules

Purpose (ERCOT)	Clarifies the Security Sequence since ERCOT does not use the same computational modules to perform both the Real-Time sequence and Day-Ahead and hour-ahead security analysis.	
Market Impact	N/A	
System Change	No	N/A
TAC Vote	TAC unanimously voted to recommend approval of NPRR217 as recommended by PRS in the 5/20/10 PRS Report.	
CEO Determination	Necessary for Nodal Implementation	
Effective Date	Upon Texas Nodal Market Implementation	

NPRR217, Resolution of Alignment Item A58 - Use of Different Computational Modules

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

NPRR221, Day-Ahead Market and Real-Time Market Default Allocation Changes

Purpose (MCWG)	Changes the way default amounts (amounts owed to ERCOT by defaulting Counter-Party 180 days after the default occurs) in the DAM and Real-Time Market (RTM) are allocated. This NPRR assigns a share of the default to each Counter-Party based on the greatest of the Counter-Party's MWh activity in either the Congestion Revenue Right (CRR) market or DAM or RTM at the Counter-Party level for the calendar month prior to the month in which the default occurs.	
Market Impact	N/A	
System Change	No*	Manual workaround for go-live – automated implementation to follow
TAC Vote	TAC voted to recommend approval of NPRR221 as recommended by PRS in the 5/20/10 PRS Report. There was one opposing vote from the IREP Market Segment and one abstention from the Consumer Market Segment.	
CEO Determination	Necessary for Nodal Implementation	
Effective Date	Upon Texas Nodal Market Implementation	

NPRR221, Day-Ahead Market and Real-Time Market Default Allocation Changes

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

NPRR222, Half-Hour Start Unit RUC Clawback (Companion to NPRR207)

Purpose (WMS)	Removes RUC Clawback on all Half-Hour Start Units (a) that participate in the DAM and (b) during Energy Emergency Alert (EEA) events. This NPRR also changes the RUC Clawback on all Half-Hour Start Units that did not participate in the DAM to 50%.	
Market Impact	N/A	
System Change	Yes	N/A
TAC Vote	TAC unanimously voted to recommend approval of NPRR222 as recommended by PRS in the 5/20/10 PRS Report and to recommend a priority of High.	
CEO Determination	Not Necessary before Nodal Implementation	
Effective Date	Post-Texas Nodal Market Implementation	

NPRR223, Resolution of Alignment Item A73 – Removal of IMM and PUC Staff Nightly Report

Purpose (WMS)	This NPRR removes a reporting requirement. There are no specific reporting requirements from the Independent Market Monitor (IMM) and Public Utility Commission of Texas (PUCT) for ERCOT to provide a nightly report. Based on IMM requirements, a nightly report is not required.	
Market Impact	N/A	
System Change	No	N/A
TAC Vote	TAC unanimously voted to recommend approval of NPRR223 as recommended by PRS in the 5/20/10 PRS Report and as revised by TAC.	
CEO Determination	Necessary for Nodal Implementation	
Effective Date	Upon Texas Nodal Market Implementation	

NPRR223, Resolution of Alignment Item A73 – Removal of IMM and PUC Staff Nightly Report

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

NPRR225, Standard Cost Option in Verifiable Costs

Purpose (WMS)	Provides the option for the election of standard Operations and Maintenance (O&M) costs as a component of Startup Costs and minimum energy costs in place of filing verifiable costs.	
Market Impact	N/A	
System Change	No	N/A
TAC Vote	TAC voted to recommend approval of NPRR225 as recommended in the 5/20/10 PRS Report and as revised by TAC. There were ten abstentions from the Cooperative (2), IPM (4), IREP, IOU (2), and Municipal Market Segments.	
CEO Determination	No Opinion	
Effective Date	Upon Texas Nodal Market Implementation	

NPRR225, Standard Cost Option in Verifiable Costs

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>	★		
<i>Staffing</i>	★		
<i>Computer Systems</i>	★		
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

RMGRR087, Meter Tampering Business Processes – URGENT

Purpose (Meter Tampering TF)	Provides a process that facilitates Market Participant compliance with P.U.C. Subst. R. 25.126, Adjustments Due to Non-Compliant Meters and Meter Tampering in Areas Where Customer Choice Has Been Introduced.	
Market Impact	N/A	
System Change	Yes	N/A
TAC Vote	TAC unanimously recommended approval of RMGRR087 as amended by the 5/17/10 Oncor comments.	
CEO Determination	Necessary before Nodal Implementation	
Effective Date	July 1, 2010	

RMGRR087, Meter Tampering Business Processes – URGENT

<i>Item Reviewed</i>	<i>No Impact</i>	<i>Impact</i>	<i>Description</i>
<i>Budget</i>		★	Less than \$50,000
<i>Staffing</i>	★		
<i>Computer Systems</i>		★	Minor configuration changes will be made to ERCOT MarkeTrak application
<i>Business Functions</i>	★		
<i>Grid Operations</i>	★		
<i>Credit Monitoring/ Liability</i>	★		

Parking Deck Priority

- *[Partial]* - NPPRR146, ICCP Telemetry Information Submittals - **High**
- *[Partial]* - NPPRR210, Wind Forecasting Change to P50, Synchronization with PRR841 - **High**
- NPPRR222, Half-Hour Start Unit RUC Clawback (Companion to NPPRR207) - **High**

Nodal Parking Deck - Approved by ERCOT Board

Source Document	Title	Priority	Current Status
NPRR131	•Ancillary Service Trades with ERCOT	High	Board Approved 1/19/10
NPRR181	FIP Definition Revision	High	Board Approved 1/19/10
NPRR153	Generation Resource Fixed Quantity Block Offer	Medium	Board Approved 1/19/10
NPRR164	Resubmitting Ancillary Service offers in SASM	Medium	Board Approved 1/19/10
SCR755	ERCOT.com Website Enhancements	Medium	Board approved 2/16/10

Nodal Parking Deck – Pending Approval

Source Document	Title	Suggested Priority	Current Status
NPRR146	ICCP Telemetry Information Submittals (partial)	High	Pending at June Board TAC approved 6/3/10
NPRR207	Unit Deselection (formerly “Hour Start Unit Deselection and Half Hour Start Unit RUC Clawback”).	TBD	Tabled at TAC PRS approved 4/22/10
NPRR210	Wind Forecasting Change to P50, Synchronization with PRR841 (partial)	High	Pending at June Board TAC approved 6/3/10
NPRR222	Half-Hour Start Unit RUC Clawback (Companion to NPRR207).	High	Pending at June Board TAC approved 6/3/10
SCR756	Enhancements to the MarkeTrack Application	Critical	Pending at July Board TAC approved 6/3/10

Guide Revision Requests approved by TAC

- RMGRR087, Meter Tampering Business Processes Urgent (Vote)
- RMGRR083, Update Timings Associated with the Expedited Switch Process
- RMGRR084, Revisions for Texas Nodal Market Implementation (Part 1)
- RMGRR085, Revisions for Texas Nodal Market Implementation (Part 2) and Synchronization with PRR821
- OGRR238, WGR Primary Frequency Response
- OGRR240, CREZ Facility Protection and Control Requirements

Discussion Topics

- TAC endorsement of the NATF unanimous vote to move execution of the Day Ahead Market to November 30, 2010 to align with the Real-Time Market go-live on December 1, 2020
- Guiding Principles

Preview: Issues for Consideration at Future Board Meetings

- Texas Renewables Integration Plan (TRIP) Report (August)