



Date: July 13, 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: July 20, 2010

Agenda Item No.: 16b

Issue:

Consideration of the following NPRRs:

- NPRR207 – Unit Deselection (formerly “Hour Start Unit Deselection and Half Hour Start Unit Reliability Unit Commitment (RUC) Clawback”)
- NPRR208 – Registration and Settlement of Distributed Generation (DG) Less Than One (1) Megawatt (MW)
- NPRR213 – Deadlines for Initiating Alternative Dispute Resolution (ADR)
- NPRR224 – Remove Dynamic Rating Requirements for Annual Planning Models
- NPRR226 – Procedure for Setting Day Ahead Market (DAM) Credit Requirement Parameters (formerly “Procedure for Setting DAM Auction Credit Requirement Parameters”)
- NPRR227 – Termination of Access Privileges to Restricted Computer Systems and Control Systems
- NPRR229 – Additions to Section 2, Definitions and Acronyms
- NPRR230 – Resolution of Alignment Items A40, A108, A127 and A138 and Clarification/Updates to Load and Demand Forecast, Statement of Opportunities, and Long Term Wind Power Forecast
- NPRR235 – Resolution of Alignment Items A36 and A131 and Clarification of Miscellaneous Requirements
- NPRR239 – Ramp Rate Limitation of Ten Percent (10%) per minute of On-Line Installed Capability for Wind-powered Generation Resources

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.

- **NPRR207 – Unit Deselection (formerly “Hour Start Unit Deselection and Half Hour Start Unit RUC Clawback”) [Wholesale Market Subcommittee (WMS)].**
Proposed Effective Date: Partially Upon Texas Nodal Market Implementation. Grey-boxed items will be post Texas Nodal Market Implementation Date.
Chief Executive Officer (CEO) Determination: Grey-boxed portions of NPRR207 are not necessary prior to the Texas Nodal Market Implementation Date. No opinion on whether or not remaining language revisions are 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; no impacts to ERCOT grid operations and practices. The Impact Analysis for the grey-boxed language will be conducted at a future date.

Revision Description: This NPRR would provide that ERCOT may deselect units from RUC processes. The NPRR also creates the term “RUC Notification” to refer to an ERCOT instruction preceding a Resource’s startup time. The NPRR enables the Qualified Scheduling Entity (QSE) to self-commit, a Resource after receiving a RUC Notification but before the Resource’s startup time.

Procedural History: NPRR207 was posted on January, 22, 2010. On February 18, 2010, the Protocol Revision Subcommittee (PRS) voted to recommend approval of NPRR207 as submitted, to forward NPRR207 to TAC, and to recommend a priority of High. There was one (1) abstention from the Consumer Market Segment. On March 4, 2010, TAC unanimously voted to table NPRR207 for one (1) month. On April 8, 2010, TAC unanimously voted to remand NPRR207 to PRS. On April 22, 2010, PRS voted to recommend approval of NPRR207 as amended by the April 22, 2010 WMS comments and as revised by PRS. There was one (1) abstention from the Consumer Market Segment. On May 6, 2010, TAC unanimously voted to table NPRR207. On June 3, 2010, TAC unanimously voted to table NPRR207 and to request that WMS review ERCOT’s draft deselection procedures. On July 1, 2010, TAC unanimously voted to recommend approval of NPRR207 as amended by the May 26, 2010 WMS comments as revised by TAC, to assign a priority of High for the grey-boxed portion, and to recommend that ERCOT incorporate the revisions to the ERCOT RUC desk procedure relating to NPRR207 proposed in the June 24, 2010 Nodal Advisory Task Force (NATF) comments.

- **NPRR208 – Registration and Settlement of DG Less Than One MW [Non-Opt-In Entity Distributed Renewable Generation Task Force (NOIE DRG TF)].**

Proposed Effective Date: Partially Upon Texas Nodal Market Implementation. Grey-boxed items will be post Texas Nodal Market Implementation Date.

CEO Determination: Grey-boxed sections of NPRR208 are not necessary prior to the Texas Nodal Market Implementation Date. No opinion on whether or not remaining revisions of 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; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices. The Impact Analysis for the grey-boxed language will be conducted at a future date.

Revision Description: The NPRR includes proposed language changes by the NOIE DRG Settlements Task Force in regards to the registration requirements for DG greater than fifty (50) kilowatts (kW) and less than or equal to one (1) MW. In addition, this NPRR synchronizes language approved through PRR756, Distributed Renewable Generation Modifications, with some recommended revisions consistent with the NOIE DRG Settlements 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 2, 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. On May 18, 2010, the ERCOT Board remanded NPRR208 to TAC. On June 3, 2010, TAC unanimously voted to refer NPRR208 to the Commercial Operations Subcommittee (COPS). On July 1, 2010, TAC voted to recommend approval of NPRR208 as amended by the June 24, 2010 ERCOT comments with a recommended priority of High/Medium to the grey-boxed language. There were two (2) abstentions from the Consumer Market Segment.

- **NPRR213 – Deadlines for Initiating ADR [Horizon Wind Energy].**

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; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR amends Section 20, ADR Procedures, to establish deadlines for the ADR procedures.

Procedural History: NPRR213 was posted on February 25, 2010. On March 25, 2010, PRS unanimously voted to recommend approval of NPRR213 as amended by the March 18, 2010 ERCOT comments and as revised by PRS. On April 22, 2010, PRS unanimously voted to table NPRR213 for one (1) month. On May 20, 2010, PRS voted to endorse and forward the March 25, 2010 PRS Report as amended by the May 17, 2010 Horizon Wind Energy comments and as revised by PRS and Impact Analysis for NPRR213 to TAC via roll call vote. On June 3, 2010, TAC voted to table NPRR213 for one (1) month. There was one (1) opposing vote from the Independent Generator Market Segment and three (3) abstentions from the Consumer, Investor Owned Utility (IOU) and Independent Generator Market Segments. On July 1, 2010, TAC unanimously voted to recommend approval of NPRR213 as recommended by PRS in the May 20, 2010 PRS Report.

- **NPRR224 – Remove Dynamic Rating Requirements for Annual Planning Models [Steady State Working Group (SSWG)].**

Proposed Effective Date: Upon Texas Nodal Market Implementation.

CEO Determination: No opinion on whether or not NPRR224 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 functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR removes the use of Dynamic Rating for Annual Planning Models.

Procedural History: NPRR224 was posted on April 9, 2010. On April 22, 2010, PRS



unanimously voted to refer NPRR224 to the Reliability and Operations Subcommittee (ROS). On May 20, 2010, PRS voted to recommend approval of NPRR224 as submitted. There was one (1) opposing vote from the Independent Generator Market Segment. On June 17, 2010, PRS voted to endorse and forward the May 20, 2010 PRS Report and Impact Analysis for NPRR224 to TAC. There was one (1) opposing vote from the Independent Generator Market Segment. On July 1, 2010, TAC voted to recommend approval of NPRR224 as recommended by PRS in the June 17, 2010 PRS Report as revised by TAC. There was one (1) abstention from the Municipal Market Segment.

- **NPRR226 – Procedure for Setting DAM Credit Requirement Parameters (formerly “Procedure for Setting DAM Auction Credit Requirement Parameters”) [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; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR provides language revisions to align the Nodal Protocols with the procedure developed to implement the changes approved by the ERCOT Board in NPRR206, Nodal Market Day-Ahead Market Credit Requirements, on February 16, 2010.

Procedural History: NPRR226 was posted on April 16, 2010. On May 20, 2010, PRS voted to recommend approval of NPRR226 as amended by the May 19, 2010 WMS comments. There were three (3) abstentions from the Independent Power Marketer (IPM), Consumer, and Municipal Market Segments. On June 17, 2010, PRS voted to endorse and forward the May 20, 2010 PRS Report as revised by PRS and Impact Analysis for NPRR226 to TAC. There were two (2) abstentions from the IPM and Consumer Market Segments. On July 1, 2010, TAC voted to recommend approval of NPRR226 as recommended by PRS in the June 17, 2010 PRS Report. There was one (1) abstention from the Municipal Market Segment.

- **NPRR227 – Termination of Access Privileges to Restricted Computer Systems and Control Systems [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; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR synchronizes the Nodal Protocols with the language in the zonal Protocols pursuant to PRR822, Termination of Access Privileges to Restricted Computer Systems, Control Systems and Facilities formerly Removing of Access to Restricted Computer Systems, Control Systems, and Facilities. PRR822 was approved by the ERCOT Board on October 21, 2009.

Procedural History: NPRR227 was posted on April 23, 2010. On May 20, 2010, PRS unanimously voted to recommend approval of NPRR227 as submitted. On June 17, 2010, PRS unanimously voted to endorse and forward the May 20, 2010 PRS Report and Impact Analysis for NPRR227 to TAC. On July 1, 2010, TAC unanimously voted to recommend approval of NPRR227 as recommended by PRS in the June 17, 2010 PRS Report.

- **NPRR229 – Additions to Section 2, Definitions and Acronyms [ERCOT].**
Proposed Effective Date: Upon Texas Nodal Market Implementation.
CEO Determination: No opinion on whether or not NPRR229 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 functions; no impacts to ERCOT grid operations and practices.
Revision Description: This NPRR incorporates certain definitions and acronyms from the zonal Protocols for terms that are used in the Nodal Protocols but are not defined in Section 2, Definitions and Acronyms.
Procedural History: NPRR229 was posted on April 29, 2010. On May 20, 2010, PRS unanimously voted to recommend approval of NPRR229 as submitted. On June 17, 2010, PRS unanimously voted to endorse and forward the May 20, 2010 PRS Report as revised by PRS and Impact Analysis for NPRR229 to TAC. On July 1, 2010, TAC unanimously voted to recommend approval of NPRR229 as recommended by PRS in the June 17, 2010 PRS Report as revised by TAC.

- **NPRR230 – Resolution of Alignment Items A40, A108, A127 and A138 and Clarification/Updates to Load and Demand Forecast, Statement of Opportunities, and Long Term Wind Power Forecast [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; no impacts to ERCOT grid operations and practices.
Revision Description: This NPRR resolves Alignment Items A40, A108, A127, and A138 and provides clarification of the three-year Load and Demand forecast requirements as well as consistency for the medium-term System Adequacy Report. The requirement to develop profile functionality for a Long-Term Wind Power Forecast has been removed.
Procedural History: NPRR230 was posted on May 7, 2010. On May 20, 2010, PRS unanimously voted to recommend approval of NPRR230 as revised by PRS. On June 17, 2010, PRS voted to endorse and forward the May 20, 2010 PRS Report and Impact Analysis for NPRR230 to TAC. There was one (1) abstention from the Independent Generator Market Segment. On July 1, 2010, TAC voted to recommend approval of NPRR230 as recommended by PRS in the June 17, 2010 PRS Report. There was one (1) abstention from the Municipal Market Segment.

- **NPRR235 – Resolution of Alignment Items A36 and A131 and Clarification of Miscellaneous Requirements [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; no impacts to ERCOT grid operations and practices.
Revision Description: This NPRR resolves Alignment Items A36 and A131 by clarifying



Market Information System (MIS) posting requirements and validation of QSE telemetry for Ancillary Services Resource Responsibility and clarifies RUC initialization to data bases.

Procedural History: NPRR235 was posted on May 13, 2010. On May 20, 2010, PRS voted to approve NPRR235 as submitted. There was one (1) abstention from the Consumer Market Segment. On June 17, 2010, PRS unanimously voted to endorse and forward the May 20, 2010 PRS Report and Impact Analysis for NPRR235 to TAC. On July 1, 2010, TAC voted to recommend approval of NPRR235 as recommended by PRS in the June 17, 2010 PRS Report. There was one (1) abstention from the Municipal Market Segment.

- **NPRR239 – Ramp Rate Limitation of 10% per minute of On-Line Installed Capability for Wind-powered Generation Resources [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; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR proposes a requirement that certain Wind-powered Generation Resources (WGRs) limit the unit ramp rate to ten percent (10%) per minute of their nameplate rating as registered with ERCOT. The proposed language is based on the concept set forth in zonal Protocol Section 6.5.13, WGR Ramp Rate Limitations.

Procedural History: NPRR239 was posted on May 13, 2010. On May 20, 2010, PRS voted to recommend approval of NPRR239 as submitted. There were two (2) abstentions from the Consumer and Independent Generator Market Segments. On June 17, 2010, the motion to endorse and forward the May 20, 2010 PRS Report as amended by the June 10, 2010 Wind Coalition comments and Impact Analysis for NPRR239 to TAC failed via roll call vote. PRS then voted to endorse and forward the May 20, 2010 PRS Report and Impact Analysis for NPRR239 to TAC. There were three (3) abstentions from the Consumer (2) and Municipal Market Segments. On July 1, 2010, TAC voted to recommend approval of NPRR239 as recommended by PRS in the June 17, 2010 PRS Report. There was one (1) abstention from the Municipal Market Segment.

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 the following link: <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 207, 208, 213, 224, 226, 227, 229, 230, 235, and/or 239 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on NPRRs 207, 208, 213, 224, 226, 227, 229, 230, 235,



and/or 239;

3. Defer decision on the TAC recommendation on NPRRs 207, 208, 213, 224, 226, 227, 229, 230, 235, and/or 239; or
4. Remand NPRRs 207, 208, 213, 224, 226, 227, 229, 230, 235, and/or 239 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 207, 208, 213, 224, 226, 227, 229, 230, 235, and 239 as described herein.



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 Nodal Protocol Revision Requests (NPRRs):

- NPRR207 – Unit Deselection (formerly “Hour Start Unit Deselection and Half Hour Start Unit Reliability Unit Commitment (RUC) Clawback”)
- NPRR208 – Registration and Settlement of Distributed Generation (DG) Less Than One (1) Megawatt (MW)
- NPRR213 – Deadlines for Initiating Alternative Dispute Resolution (ADR)
- NPRR224 – Remove Dynamic Rating Requirements for Annual Planning Models
- NPRR226 – Procedure for Setting Day Ahead Market (DAM) Credit Requirement Parameters (formerly “Procedure for Setting DAM Auction Credit Requirement Parameters”)
- NPRR227 – Termination of Access Privileges to Restricted Computer Systems and Control Systems
- NPRR229 – Additions to Section 2, Definitions and Acronyms
- NPRR230 – Resolution of Alignment Items A40, A108, A127 and A138 and Clarification/Updates to Load and Demand Forecast, Statement of Opportunities, and Long Term Wind Power Forecast
- NPRR235 – Resolution of Alignment Items A36 and A131 and Clarification of Miscellaneous Requirements
- NPRR239 – Ramp Rate Limitation of Ten Percent (10%) per minute of On-Line Installed Capability for Wind-powered Generation Resources

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 207, 208, 213, 224, 226, 227, 229, 230, 235, and 239.

CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Interim Corporate Secretary of ERCOT, do hereby certify that, at its July 20, 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 July, 2010.

Bill Magness
Interim Corporate Secretary