



Date: July 13, 2010
To: Board of Directors
From: Brad Jones, Technical Advisory Committee (TAC) Chair
Subject: Network Operations Model Go-Live

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: July 20, 2010

Agenda Item No.: 17

Issue:

ERCOT Board approval is sought to certify that all Market Readiness Criteria have been met for Network Operations Model go-live on September 1, 2010.

Background/History:

Zonal Protocol Section 21.12.3, Notice to Market Participants of Effective Date for Nodal Protocol Provisions and Retirement of Zonal Protocol Provision, states the following:

No part of the nodal market design may start operation until all the Market Readiness Criteria for that part of the nodal market design have been met. Certification that all Market Readiness Criteria have been met must be made at least by each of the following: the Technical Advisory Committee (TAC), ERCOT and the ERCOT Board.

Certain provisions of the Nodal Protocols must be effectuated in advance of the operating day to be prepared for full market operation on December 1, 2010.

Key Factors Influencing Issue:

ERCOT reviewed the readiness criteria at the June 23, 2010 Nodal Advisory Task Force Meeting and the July 1, 201 TAC meeting. TAC unanimously voted to hold a special TAC meeting on July 20, 2010 to consider Market Readiness Criteria for the Network Operations Model Go-Live. TAC will consider this matter immediately prior to the July 20, 2010 ERCOT Board meeting at 7:00 a.m. and report its decision.

Alternatives:

1. Certify ERCOT and Market Participant readiness to implement the Network Operations Model; or
2. Do not certify ERCOT and Market Participant readiness to implement the Network Operations Model and instruct ERCOT Staff and TAC complete readiness activities and develop a revised Network Operations Model Go-Live schedule.



Conclusion/Recommendation:

TAC will provide a recommendation to the ERCOT Board on July 20 following the conclusion of TAC deliberations that morning regarding the certification that Market Readiness Criteria has been met for the planned September 1, 2010 Network Operations Model Go-Live.



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

WHEREAS, Protocols Section 21.12.3 (Notice to Market Participants of Effective Date for Nodal Protocol Provisions and Retirement of Zonal Protocol Provisions) requires that the Technical Advisory Committee (TAC) and the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) certify that all Market Readiness Criteria have been met prior to implementing any nodal market design activities; and

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to approve and certify that all Market Readiness Criteria have been met for Network Operations Model Go-Live on September 1, 2010;

THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves certification that all Market Readiness Criteria have been met for Network Operations Model Go-Live on September 1, 2010.

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