



Date: April 12, 2011
To: Board of Directors
From: Brad Jones, Technical Advisory Committee (TAC) Chair
Subject: Unanimous Nodal Protocol Revision Requests (NPRRs)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: April 19, 2011

Agenda Item No.: 14a

Issue:

Consideration of the following NPRRs unanimously recommended for approval by TAC:

- NPRR290 – ERCOT Publication of Day-Ahead Market (DAM) Power System Simulator for Engineering (PSS/E) Files
- NPRR294 – Texas Standard Electronic Transaction (TX SET) 4.0 Including: Acquisition and Transfer of Customers From One Retail Energy Provider (REP) to Another; Meter Tampering Transactional Solution
- NPRR298 – New Definitions Related to Black Start and Clarification to the Hourly Standby Fee Payments for Black Start Resources (formerly “New Definitions Related to Black Start”)
- NPRR301 – Correct Energy Trade Language for Adjustment Period
- NPRR304 – Removal of Frequency Bias Methodology Approval Requirement
- NPRR331 – Addition of the Balance of the Year Pre-Assigned Congestion Revenue Right (PCRR) Allocation – URGENT
- NPRR335 – Transmission Services Provider (TSP) Request for Interval Data – URGENT
- NPRR339 – Modifications to Heuristic Rules to Determine Locational Marginal Price (LMP) at De-energized Electrical Bus and Treatment of Congestion Revenue Right (CRR) Offers at De-energized Settlement Points – URGENT
- NPRR341 – Remove Ancillary Service Offers from Supplemental Ancillary Services Market (SASM) that do not Meet the Lead Time – URGENT
- NPRR343 – CRR Bid and Point-to-Point (PTP) Obligation Bid Criteria Change – URGENT

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.

- **NPRR290 – ERCOT Publication of DAM PSS/E Files [Luminant].**
Proposed Effective Date: Upon System Implementation – Priority High; Rank 13.
ERCOT Impact Analysis: \$20 to 25k; no impact to ERCOT staffing; impacts to Market Management System (MMS) and Market Information System (MIS); impact to business functions to enhance the MMS system to support the creation of a PSS/E model and supporting files for posting prior to the DAM; no impact to grid operations or practices.
Revision Description: This NPRR enhances transparency of the transmission topology (including all scheduled Outages) used in the DAM by requiring ERCOT to publish certain

data files (in PSS/E) format for easy review by all Market Participants with standard power flow tools such as Power Technologies Inc. (PTI) PSS/E, Power World Simulator, etc. Much of the tools needed by ERCOT to meet the requirements of this NPRR were developed and semi-automated during the Nodal DAM market trials and this NPRR seeks to leverage that work for long term market benefit.

Procedural History: NPRR290 was posted on October 28, 2010. On November 18, 2010, the Protocol Revision Subcommittee (PRS) unanimously voted to table NPRR290 for one (1) month to request that ERCOT implement the manual workaround based on the model Load schedule as done in market trials and as resources allow and to bring back estimated costs for the various options of implementation. On December 16, 2010, PRS unanimously voted to table NPRR290 for one (1) month. On January 20, 2011, PRS voted to recommend approval of NPRR290 as amended by the January 19, 2011 Luminant comments and as revised by PRS. There was one (1) opposing vote from the Municipal Market Segment. On February 17, 2011, PRS unanimously voted to endorse and forward the January 20, 2011 PRS Report as amended by the February 16, 2011 ERCOT comments, Impact Analysis, and Cost Benefit Analysis for NPRR290 to TAC with a recommended priority of High and rank of thirteen (13). On March 3, 2011, TAC unanimously voted to recommend approval of NPRR290 as recommended by PRS in the February 17, 2011 PRS Report as revised by TAC.

- **NPRR294 – Texas SET 4.0 Including: Acquisition and Transfer of Customers From One REP to Another; Meter Tampering Transactional Solution [Texas SET Working Group].**

Proposed Effective Date: Upon System Implementation – Priority Critical; Rank Three (3).

ERCOT Impact Analysis: \$1.5 to 1.6 million; no impact to ERCOT staffing anticipated; impacts to Siebel, Paperfree, Enterprise Information Services (EIS), MIS, Data Track Reporting (DTR), Retail API (PiApp); new internal processes to be developed to comply with business requirements; no impact to grid operations or practices.

Revision Description: This NPRR defines the process for Mass Transition of Electric Service Identifiers (ESI IDs) from one Competitive Retailer (CR) to another CR when transitioning due to an acquisition, the process for switch hold indicator addition and removal, and other various changes deemed to be implemented with TX SET version 4.0.

Procedural History: NPRR294 was posted on November 5, 2010. On November 18, 2010, PRS unanimously voted to table NPRR294. On January 20, 2011, PRS unanimously voted to recommend approval of NPRR294 as amended by the January 14, 2011 Texas SET Working Group comments. On February 17, 2011, PRS unanimously voted to endorse and forward the January 20, 2011 PRS Report, Impact Analysis, and Cost Benefit Analysis for NPRR294 to TAC with a recommended priority of Critical and rank of three (3). On March 3, 2011, TAC unanimously voted to recommend approval of NPRR294 as recommended by PRS in the February 17, 2011 PRS Report. On April 7, 2011, TAC discussed the March 29, 2011 Retail Market Subcommittee (RMS) comments submitted to the ERCOT Board and unanimously voted to endorse NPRR294 as amended by the March 29, 2011 RMS comments.

- **NPRR298 – New Definitions Related to Black Start and Clarification to the Hourly Standby Fee Payments for Black Start Resources (formerly “New Definitions Related**

to Black Start”) [Operations Working Group (OWG)].

Proposed Effective Date: May 1, 2011

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impact to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR proposes new definitions for Section 2.1, Definitions, and clarifies the use of Black Start terminology in other sections of the Nodal Protocols. This NPRR also identifies uses of the proposed terms(s) and makes language changes if applicable and aligns the terminology and acronym related to the Hourly Standby Fee Payment with Section 6.6.8.1, Black Start Capacity Payment.

Procedural History: NPRR298 was posted on November 29, 2010. On December 16, 2010, PRS unanimously voted to table NPRR298. On January 20, 2011, PRS unanimously voted to recommend approval of NPRR298 as amended by the January 20, 2011 Operations Working Group (OWG) comments. On February 17, 2011, PRS unanimously voted to endorse and forward the January 20, 2011 PRS Report and Impact Analysis for NPRR298 to TAC. On March 3, 2011, TAC unanimously voted to recommend approval of NPRR298 as recommended by PRS in the February 17, 2011 PRS Report.

- **NPRR301 – Correct Energy Trade Language for Adjustment Period [Morgan Stanley].**

Proposed Effective Date: May 1, 2011

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impact to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR revises the language in Section 4.4.2, Energy Trades, for entering Energy Trades in the Adjustment Period to match that of the latest Edison Electric Institute (EEI) Amendment.

Procedural History: NPRR301 was posted on December 3, 2010. On January 20, 2011, PRS unanimously voted to recommend approval of NPRR301 as revised by PRS. On February 17, 2011, PRS unanimously voted to endorse and forward the January 20, 2011 PRS Report and Impact Analysis for NPRR301 to TAC. On March 3, 2011, TAC unanimously voted to recommend approval of NPRR301 as recommended by PRS in the February 17, 2011 PRS Report.

- **NPRR304 – Removal of Frequency Bias Methodology Approval Requirement [ERCOT].**

Proposed Effective Date: May 1, 2011

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impact to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR removes the requirement for ERCOT to develop a methodology, subject to TAC approval, to determine the optimal frequency bias for given system conditions.

Procedural History: NPRR304 was posted on December 17, 2010. On January 20, 2011, PRS unanimously voted to recommend approval of NPRR304 as submitted. On February 17, 2011, PRS unanimously voted to endorse and forward the January 20, 2011 PRS Report

and Impact Analysis for NPRR304 to TAC. On March 3, 2011, TAC unanimously voted to recommend approval of NPRR304 as recommended by PRS in the February 17, 2011 PRS Report.

- **NPRR331 – Addition of the Balance of the Year PCRR Allocation – URGENT. [ERCOT].**

Proposed Effective Date: Upon ERCOT Board approval.

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impact to ERCOT computer systems; modification of ERCOT business processes; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR adds language to paragraphs (c) and (d) of Section 7.4.2, PCRR Allocation Terms and Conditions, to substantiate the allocation of PCRRs for the balance of calendar year 2011.

Procedural History: NPRR331 was posted on February 25, 2011. On March 24, 2011, PRS unanimously voted to grant NPRR331 Urgent status. PRS then unanimously voted to recommend approval of NPRR331 as revised by PRS and to forward NPRR331 to TAC. On April 7, 2011, TAC unanimously voted to recommend approval of NPRR331 as recommended by PRS in the March 24, 2011 PRS Report with a recommended effective date of “Upon ERCOT Board approval.”

- **NPRR335 – TSP Request for Interval Data – URGENT [AEP].**

Proposed Effective Date: May 1, 2011.

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impact to ERCOT computer systems; minimal modifications to ERCOT business functions in the planning group; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR aligns the Nodal Protocols with the zonal Protocols, providing TSPs the ability to request and receive interval data from ERCOT.

Procedural History: NPRR335 was posted on March 1, 2011. On March 24, 2011, PRS unanimously voted to grant NPRR335 Urgent status. PRS then voted to recommend approval of NPRR335 as amended by the March 23, 2011 AEP comments and as revised by PRS and to forward NPRR335 to TAC. There were three (3) abstentions from the Independent Generator, Independent Power Marketer (IPM) and Consumer Market Segments. On April 7, 2011, TAC unanimously voted to recommend approval of NPRR335 as recommended by PRS in the March 24, 2011 PRS Report and as revised by TAC.

- **NPRR339 – Modifications to Heuristic Rules to Determine LMP at De-energized Electrical Bus and Treatment of CRR Offers at De-energized Settlement Points – URGENT [ERCOT].**

Proposed Effective Date: Upon System Implementation – Priority Critical; Rank 9.3.

ERCOT Impact Analysis: Less than \$100k; no impacts to ERCOT staffing; impacts to MMS, Commercial System Integration (CSI), Settlements and Billing (S&B); impacts to Real-Time and DAM business practices; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR extends the heuristic rules to determine the LMP at de-energized Electrical Buses; and changes the treatment of CRR offers when either the source or sink Settlement Point is de-energized in the DAM.

Procedural History: NPRR339 was posted on March 18, 2011. On March 24, 2011, PRS voted to grant NRR339 Urgent status. There was one (1) abstention from the IPM Market Segment. PRS then unanimously voted to recommend approval of NPRR339 as submitted with a recommended priority of Critical and rank of 9.3 and to forward NPRR339 to TAC. On April 7, 2011, TAC unanimously voted to recommend approval of NPRR339 as recommended by PRS in the March 24, 2011 PRS Report.

- **NPRR341 – Remove Ancillary Service Offers from SASM that do not Meet the Lead Time – URGENT [ERCOT].**

Proposed Effective Date: Upon System Implementation – Priority High; Rank 9.5.

ERCOT Impact Analysis: \$10 to 15k; no impacts to ERCOT staffing; impacts to MMS; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR proposes to modify input data processing of SASMs to remove offers that do not meet the lead time for each hour in the SASM study period.

Procedural History: NPRR341 was posted on March 23, 2011. On March 24, 2011, PRS unanimously voted to grant NRR341 Urgent status. PRS then voted to recommend approval of NPRR341 as submitted with a recommended priority of High and rank 9.5 and to forward NPRR341 to TAC. There was one (1) abstention from the Consumer Market Segment. On April 7, 2011, TAC unanimously voted to recommend approval of NPRR341 as recommended by PRS in the March 24, 2011 PRS Report.

- **NPRR343 – CRR Bid and PTP Obligation Bid Criteria Change – URGENT [ERCOT].**

Proposed Effective Date: Upon System Implementation – Priority High; Rank 13.1.

ERCOT Impact Analysis: \$400 to 450k (interim solution \$25k plus \$11k average monthly cost); no impacts to ERCOT staffing (staffing impacts to Market Operations during interim solution); impacts to MMS, CRR System, Current Day Report (CDR), EIS, MIS, and Enterprise Integration (EIP); appropriate changes will be made to DAM Business Practices; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR would remove the ability to bid for CRRs in the CRR Auction or bid for PTP Obligations in the DAM that exist entirely within a station.

Procedural History: NPRR343 was posted on March 30, 2011. On April 1, 2011, PRS unanimously voted to grant NPRR343 Urgent status. PRS then unanimously voted to recommend approval of NPRR343 as revised by PRS, to recommend a priority of High and a rank of 13.1 for the grey-boxed language, and to forward NPRR343 to TAC. On April 7, 2011, TAC unanimously voted to recommend approval of NPRR343 as amended by the April 6, 2011 ERCOT comments and as revised by TAC. Credit review is pending.

The TAC Reports, Impact Analyses, and Cost Benefit Analyses (if applicable) 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 NPRRs 290, 294, 298, 301, 304, 331, 335, 339, 341, and 343 described herein. TAC considered the issues and voted to



take action on NPRRs 290, 294, 298, 301, 304, 331, 335, 339, 341, and 343 as described above.

Alternatives:

1. Approve the TAC recommendation on NPRRs 290, 294, 298, 301, 304, 331, 335, 339, 341, and/or 343, as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on NPRRs 290, 294, 298, 301, 304, 331, 335, 339, 341, and/or 343;
3. Defer decision on the TAC recommendation on NPRRs 290, 294, 298, 301, 304, 331, 335, 339, 341, and/or 343; or
4. Remand NPRRs 290, 294, 298, 301, 304, 331, 335, 339, 341, and/or 343 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 290, 294, 298, 301, 304, 331, 335, 339, 341, and 343 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):

- NPRR290 – ERCOT Publication of Day-Ahead Market (DAM) Power System Simulator for Engineering (PSS/E) Files
- NPRR294 – Texas Standard Electronic Transaction (TX SET) 4.0 Including: Acquisition and Transfer of Customers From One Retail Energy Provider (REP) to Another; Meter Tampering Transactional Solution
- NPRR298 – New Definitions Related to Black Start and Clarification to the Hourly Standby Fee Payments for Black Start Resources (formerly "New Definitions Related to Black Start")
- NPRR301 – Correct Energy Trade Language for Adjustment Period
- NPRR304 – Removal of Frequency Bias Methodology Approval Requirement
- NPRR331 – Addition of the Balance of the Year Pre-Assigned Congestion Revenue Right (PCRR) Allocation – URGENT
- NPRR335 – Transmission Services Provider (TSP) Request for Interval Data – URGENT
- NPRR339 – Modifications to Heuristic Rules to Determine Locational Marginal Price (LMP) at De-energized Electrical Bus and Treatment of Congestion Revenue Right (CRR) Offers at De-energized Settlement Points – URGENT
- NPRR341 – Remove Ancillary Service Offers from Supplemental Ancillary Services Market (SASM) that do not Meet the Lead Time – URGENT
- NPRR343 – CRR Bid and Point-to-Point (PTP) Obligation Bid Criteria Change – URGENT

THEREFORE be it RESOLVED, that the ERCOT Board hereby approve NPRRs 290, 294, 298, 301, 304, 331, 335, 339, 341, and 343.

CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its April 19, 2011 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of April, 2011.

Bill Magness
Corporate Secretary