



Date: April 12, 2011
To: Board of Directors
From: Brad Jones, Technical Advisory Committee (TAC) Chair
Subject: Unanimous Planning Guide Revision Request (PGRR)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: April 19, 2011

Agenda Item No.: 14c

Issue:

Consideration of PGRR002 – New Planning Guide Section 2, Definitions and Acronyms, and Section 8, Planning Reserve Margin (PRM) and Associated Change Process for the PRM (formerly “New Planning Guide Section 2, Definitions and Acronyms, and Section 8, Planning Reserve Margin”).

Background/History:

Unless otherwise noted all Market Segments were present for each vote.

- **PGRR002 – New Planning Guide Section 2, Definitions and Acronyms, and Section 8, PRM and Associated Change Process for the PRM (formerly “New Planning Guide Section 2, Definitions and Acronyms, and Section 8, Planning Reserve Margin”) [Planning Working Group (PLWG)].**

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 PGRR incorporates the following into the Planning Guide: (a) PRM and the minimum PRM requirement; (b) Methodology to be used by ERCOT to calculate its Seasonal (i.e., Summer and Winter) PRM; (c) Changes in the PRM calculation methodology developed by the Generation Adequacy Task Force (GATF) and approved by TAC in February 2010; (d) Current ERCOT reserve margin planning criterion of 13.75%; (e) New Section 2 to the Planning Guide which adds relevant terms and definitions used in the Planning Guide not defined in the Protocols; and (f) Changes in Section 2.1 to incorporate an administrative change process for the PRM.

Procedural History: PGRR002 was posted on November 12, 2010. On December 13, 2010, the PLWG was in consensus to recommend approval of PGRR002 as revised by the PLWG. On January 21, 2011, the PLWG was in consensus to endorse and forward the December 13, 2010 PLWG Report and the Impact Analysis for PGRR002 to the Reliability and Operations Subcommittee (ROS). On February 18, 2011, ROS unanimously voted to recommend approval of PGRR002 as amended by the February 4, 2011 ERCOT comments. On March 3, 2011, TAC unanimously voted to recommend approval of PGRR002 as recommended by ROS in the February 18, 2011 ROS Report.

The TAC Report and Impact Analysis for PGRR002 are included in the ERCOT Board meeting materials. In addition, this PGRR and supporting materials are posted on the ERCOT website at



the following link: <http://www.ercot.com/mktrules/issues/pgrr/001-025/002/index>.

Key Factors Influencing Issue:

ROS met, discussed the issues, and submitted a report to TAC regarding PGRR002 described herein. TAC considered the issues and voted to take action on PGRR002 as described above.

Alternatives:

1. Approve the TAC recommendation on PGRR002, as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on PGRR002;
3. Defer decision on the TAC recommendation on PGRR002; or
4. Remand PGRR002 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve PGRR002 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 PGRR002 – New Planning Guide Section 2, Definitions and Acronyms, and Section 8, Planning Reserve Margin (PRM) and Associated Change Process for the PRM (formerly “New Planning Guide Section 2, Definitions and Acronyms, and Section 8, Planning Reserve Margin”).

THEREFORE be it RESOLVED, that the ERCOT Board hereby approve PGRR002.

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