



Date: December 5, 2011
To: Board of Directors
From: Brad Jones, Technical Advisory Committee (TAC) Chair
Subject: Unanimous Revision Requests

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: December 12-13, 2011

Agenda Item No.: 2a

Issue:

Consideration of the following Revision Requests unanimously recommended for approval by TAC:

- NPPR377 – Alternate Inputs to Base Point Deviation Charge
- NPPR395 – Congestion Revenue Rights (CRR) Auction Offer Award Disclosure
- NPPR398 – Changes to Resource Category Minimum-Energy Generic Heat Rates
- NPPR399 – Updates to Protocol Sections Related to Settlements and Billing
- NPPR401 – Clarification of Timing for a Generation Resource to be Considered Self-Committed
- NPPR403 – Revised First Available Switch Date (FASD) Calculation for Texas Standard Electronic Transaction (TX SET) Version 4.0 Release
- NPPR404 – Clarification of Form of Notice of Suspension of Operations
- NPPR406 – Clarification of the Timeline for Calculating the Value of X at Minimum Energy Level
- NPPR426 – Standing Non-Spin Deployment in the Operating Hour for Generation Resources Providing On-Line Non-Spin – URGENT
- NPPR427 – Energy Offer Curve Requirements for Generation Resources Assigned Reg-Up and Responsive Reserve Service (RRS) – URGENT
- NPPR428 – Energy Offer Curve Requirements for Generation Resources Assigned Non-Spin Responsibility – URGENT
- PGRR009 – New Planning Guide Section 6.8, Resource Registration Procedures

Background/History:

Unless otherwise noted: (i) all Market Segments were present for each vote and (ii) ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed the revision request and do not believe it requires changes to credit monitoring activity or the calculation of liability.

Nodal Protocol Revision Requests (NPPRs):

- **NPPR377 – Alternate Inputs to Base Point Deviation Charge [ERCOT].**
Proposed Effective Date: Upon System Implementation – Priority High; Rank 35.
ERCOT Impact Analysis: \$150 to 165k; no impacts to ERCOT staffing; impacts to Energy Management System (EMS), Commercial Systems Integration (CSI), Settlements and Billing (S&B), Extracts and Reporting (EIS), and ERCOT Storage; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
Revision Description: This NPPR will align the Adjusted Aggregated Base Points (AABP) formula with the inputs to the Generation Resource Energy Deployment Performance



(GREDP) measure. The current formula for AABP inaccurately assesses Base Point Deviation charges for under and over generation when shortened Security-Constrained Economic Dispatch (SCED) intervals occur. Additionally, this NPRR includes bill determinants to track the over and under generated volumes and correct language for bill determinants P1 and P2.

TAC Decision: On November 3, 2011, TAC unanimously voted to recommend approval of NPRR377 as recommended by PRS in the October 20, 2011 PRS Report.

- **NPRR395 – CRR Auction Offer Award Disclosure [DC Energy].**
Proposed Effective Date: Upon System Implementation – Priority High; Rank 19.5.
ERCOT Impact Analysis: \$40 to 50k; no impacts to ERCOT staffing; impacts to CRR systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
Revision Description: This NPRR adds a requirement for ERCOT to post CRR Auction offer awards following each CRR Auction in the exact fashion CRR Auction bid awards are currently posted on the Market Information System (MIS) Public Area.
TAC Decision: On October 6, 2011, TAC unanimously voted to recommend approval of NPRR395 as recommended by TAC in the September 22, 2011 PRS Report.

- **NPRR398 – Changes to Resource Category Minimum-Energy Generic Heat Rates [ERCOT].**
Proposed Effective Date: January 1, 2012.
ERCOT Impact Analysis: Less than \$5k to be absorbed as part of operations and management (O&M) budget of affected departments; no impacts to ERCOT staffing; minor impacts to S&B and Market Management System (MMS); no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.
Revision Description: This NPRR changes the Resource Category Minimum-Energy Generic Heat Rates for several fuel type Resource categories as described below.
TAC Decision: On October 6, 2011, TAC voted to recommend approval of NPRR398 as recommended by PRS in the September 22, 2011 PRS Report. There were two (2) abstentions from the Independent Generator Market Segment.

- **NPRR399 – Updates to Protocol Sections Related to Settlements and Billing [ERCOT].**
Proposed Effective Date: January 1, 2012.
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 Protocol sections related to Settlements and billing to include corrections to Protocol references and clarifications to variables.
TAC Decision: On October 6, 2011, TAC unanimously voted to recommend approval of NPRR399 as recommended by PRS in the September 22, 2011 PRS Report and as amended by the October 5, 2011 ERCOT comments.

- **NPRR401 – Clarification of Timing for a Generation Resource to be Considered Self-Committed [ERCOT].**
Proposed Effective Date: January 1, 2012.



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

Revision Description: This NPRR removes language that broadly allows Qualified Scheduling Entities (QSEs) to self-commit between the time Reliability Unit Commitment (RUC) executes and the time that the QSE receives the RUC instruction, but does not speak to the Settlement treatment and can result in conflicting commitment information. This NPRR also clarifies the timing by which a QSE may self-commit a Generation Resource, specifically the timing of the self-commitment required in order for the Generation Resource to be considered self-committed by a RUC process and in Settlement of that same RUC process.

TAC Decision: On November 3, 2011, TAC unanimously voted to recommend approval of NPRR401 as recommended by PRS in the October 20, 2011 PRS Report.

- **NPRR403 – Revised FASD Calculation for TX SET Version 4.0 Release [Market Coordination Team (MCT)].**

Proposed Effective Date: Upon System Implementation of PR11002_01, Texas SET 4.0.

ERCOT Impact Analysis: No budgetary impacts (costs will be managed under PR11002_01); no impacts to ECOT staffing; minor impacts to Siebel and PaperFree; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR revises the FASD calculation to include the availability of same day switches on Saturday.

TAC Decision: On November 3, 2011, TAC unanimously voted to recommend approval of NPRR403 as recommended by PRS in the October 20, 2011 PRS Report.

- **NPRR404 – Clarification of Form of Notification of Suspension of Operations [ERCOT].**

Proposed Effective Date: January 1, 2012.

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 an obsolete reference to excess energy payment options from the form of Notification of Suspension of Operations in Section 22, Attachment E, Notification of Suspension of Operations.

TAC Decision: On November 3, 2011, TAC unanimously voted to recommend approval of NPRR404 as recommended by PRS in the October 20, 2011 PRS Report.

- **NPRR406 – Clarification of the Timeline for Calculating the Value of X at Minimum Energy Level [ERCOT].**

Proposed Effective Date: January 1, 2012.

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 clarifies that the effective date for the value of X as applied to fuel at the minimum energy level is described in the Verifiable Cost Manual.

TAC Decision: On November 3, 2011, TAC unanimously voted to recommend approval of



NPRR406 as recommended by PRS in the October 20, 2011 PRS Report.

- **NPRR426 – Standing Non-Spin Deployment in the Operating Hour for Generation Resources Providing On-Line Non-Spin [ERCOT] – URGENT.**
Proposed Effective Date: January 5, 2012.
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 requires QSE action that routinely releases certain On-Line Non-Spinning Reserve (Non-Spin) energy to SCED without the need for ERCOT to issue a Non-Spin deployment Instruction. The changes in Section 6.5.7.6.2.3 do not invalidate any other existing requirements contained in this section. Those Generation Resources not subject to the provisions contained in paragraph (5) of Section 6.5.7.6.2.3 must respond to any Non-Spin deployment or recall Instruction issued by ERCOT Operators in accordance with the TAC-approved procedure to deploy Resources providing Non-Spin Service.
TAC Decision: On December 1, 2011, TAC unanimously voted to recommend approval of NPRR426 as recommended by PRS in the November 17, 2011 PRS Report.
- **NPRR427 – Energy Offer Curve Requirements for Generation Resources Assigned Reg-Up and RRS [ERCOT] – URGENT.**
Proposed Effective Date: January 5, 2012.
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 adds a requirement for the Energy Offer Curve to be set at the System-Wide Offer Cap (SWCAP) for the capacity reserved for RRS Service Ancillary Service Resource Responsibility and Regulation Up (Reg-Up) Ancillary Service Resource Responsibility because of the Day-Ahead Market (DAM) or Supplemental Ancillary Services Market (SASM) Ancillary Service awards, or Self-Arranged Ancillary Service Quantity.
TAC Decision: On December 1, 2011, TAC voted to recommend approval of NPRR427 as recommended by PRS in the November 17, 2011 PRS Report, as amended by the November 29, 2011 ERCOT comments and as revised by TAC. There were two (2) abstentions from the Cooperative and Consumer Market Segments.
- **NPRR428 – Energy Offer Curve Requirements for Generation Resources Assigned Non-Spin Responsibility [ERCOT] – URGENT.**
Proposed Effective Date: January 5, 2012.
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 adds a requirement for the Energy Offer Curve to be at or above \$120 for On-Line Non-Spin capacity and at or above \$180 for Off-Line Non-Spin capacity.
TAC Decision: On December 1, 2011, TAC voted to recommend approval of NPRR428 as



recommended by PRS in the November 17, 2011 PRS Report, as amended by the November 29, 2011 ERCOT comments and as revised by TAC. There was one (1) abstention from the Cooperative Market Segment.

Planning Guide Revision Request (PGRR):

- **PGRR009 – New Planning Guide Section 6.8, Resource Registration Procedures [Planning Working Group (Planning Working Group (PLWG))].**

Proposed Effective Date: January 1, 2012.

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 adds new Section 6.8 to the Planning Guide. Specifically, this PGRR establishes the basic processes to be used by Resource Entities to supply Resource information to ERCOT through the Resource registration process.

TAC Decision: On October 6, 2011, TAC unanimously voted to recommend approval of PGRR009 as recommended by the Reliability and Operations Subcommittee (ROS) in the September 15, 2011 ROS Report and as amended by the October 5, 2011 Luminant Energy comments. *Credit review not applicable.*

The TAC Reports and Impact Analyses for these Revision Requests are included in the ERCOT Board meeting materials which can found at the following link: <http://www.ercot.com/calendar/2011/12/20111212-BOD>.

In addition, these Revision Requests and supporting materials are posted on the ERCOT website at the following links: <http://www.ercot.com/mktrules/guides/planning/pgrr> and <http://www.ercot.com/mktrules/nprotocols/npr>.

Key Factors Influencing Issue:

PRS met, discussed the issues, and submitted reports to TAC regarding NPRRs 377, 395, 398, 399, 401, 403, 404, 406, 426, 427, and 428 described herein. TAC considered the issues and voted to take action on NPRRs 377, 395, 398, 399, 401, 403, 404, 406, 426, 427, and 428 as described above.

ROS met, discussed the issues, and submitted a report to TAC regarding PGRR009 described herein. TAC considered the issues and voted to take action on PGRR009 as described above.

Alternatives:

1. Approve the TAC recommendation on NPRRs 377, 395, 398, 399, 401, 403, 404, 406, 426, 427, 428 and/or PGRR009 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on NPRRs 377, 395, 398, 399, 401, 403, 404, 406, 426, 427, 428 and/or PGRR009;
3. Defer decision on the TAC recommendation on NPRRs 377, 395, 398, 399, 401, 403, 404, 406, 426, 427, 428 and/or PGRR009; or
4. Remand NPRRs 377, 395, 398, 399, 401, 403, 404, 406, 426, 427, 428 and/or PGRR009 to TAC with instructions.



Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 377, 395, 398, 399, 401, 403, 404, 406, 426, 427, 428 and PGRR009 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 the following Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Request (PGRR);

- NPRR377 – Alternate Inputs to Base Point Deviation Charge
- NPRR395 – Congestion Revenue Rights (CRR) Auction Offer Award Disclosure
- NPRR398 – Changes to Resource Category Minimum-Energy Generic Heat Rates
- NPRR399 – Updates to Protocol Sections Related to Settlements and Billing
- NPRR401 – Clarification of Timing for a Generation Resource to be Considered Self-Committed
- NPRR403 – Revised First Available Switch Date (FASD) Calculation for Texas Standard Electronic Transaction (TX SET) Version 4.0 Release
- NPRR404 – Clarification of Form of Notice of Suspension of Operations
- NPRR406 – Clarification of the Timeline for Calculating the Value of X at Minimum Energy Level
- NPRR426 – Standing Non-Spin Deployment in the Operating Hour for Generation Resources Providing On-Line Non-Spin – URGENT
- NPRR427 – Energy Offer Curve Requirements for Generation Resources Assigned Reg-Up and Responsive Reserve Service (RRS) – URGENT
- NPRR428 – Energy Offer Curve Requirements for Generation Resources Assigned Non-Spin Responsibility – URGENT
- PGRR009 – New Planning Guide Section 6.8, Resource Registration Procedures

THEREFORE, BE IT RESOLVED, that the ERCOT Board hereby approves NPRRs 377, 395, 398, 399, 401, 403, 404, 406, 426, 427, 428 and PGRR009.

CORPORATE SECRETARY’S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its December 12-13, 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 December, 2011.

Vickie G. Leady
Assistant Corporate Secretary