



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

**Issue for the ERCOT Board of Directors**

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

**Agenda Item No.:** 2b

**Issue:**

Consideration of NPRR351 – Security Constrained Economic Dispatch (SCED) Look-Ahead Step 1: Pricing: Calculate Non-Binding Prices and Basepoints for Initial Research into SCED Look-Ahead and allow Consumers to have a Forward Price Projection (formerly “Calculate and Post Projected Non-Binding Locational Marginal Pricing (LMPs) for the Next 15 Minutes”) – URGENT, which was non-unanimously recommended for approval by TAC.

**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.

- **NPRR351 – SCED Look-Ahead Step 1: Pricing: Calculate Non-Binding Prices and Basepoints for Initial Research into SCED Look-Ahead and allow Consumers to have a Forward Price Projection (formerly “Calculate and Post Projected Non-Binding LMPs for the Next 15 Minutes”) [WMS] – URGENT.**

**Proposed Effective Date:** Upon System Implementation – Priority 2012; Rank 100.

**ERCOT Impact Analysis:** \$650 to 750k (system implementation), \$30 to 40k per year (ongoing infrastructure); no impacts to ERCOT staffing; impacts to Market Management System (MMS), Energy Management System (EMS), Market Information System (MIS), Current Day Reports (CDR), and Information Systems Master (ISM); impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

**Revision Description:** Using the inputs specified in this NPRR, ERCOT will calculate prices and base points over the next hour, using an hour-long optimization instead of a five-minute optimization. These calculated prices and base points will initially be non-binding, although it is anticipated that these will become binding as SCED Look-Ahead progresses in future phases.

**TAC Decision:** On December 1, 2011, TAC voted via roll call vote to recommend approval of NPRR351 as recommended by the Protocol Revision Subcommittee (PRS) in the November 29, 2011 PRS Report. There were two (2) opposing votes from the Independent Power Marketer (IPM) Market Segment and four (4) abstentions from the IPM, Independent Generator, and Investor Owned Utility (IOU) (2) Market Segments.

The TAC Report and Impact Analysis for NPRR351 are included in the ERCOT Board meeting materials which can found at: <http://www.ercot.com/calendar/2011/12/20111212-BOD>.



In addition, NPRR351 and supporting materials are posted on the ERCOT website at: <http://www.ercot.com/mktrules/nprotocols/npr>.

**Key Factors Influencing Issue:**

PRS met, discussed the issues, and submitted a report to TAC regarding NPRR351 described herein. TAC considered the issues and voted to take action on NPRR351 as described above.

**Alternatives:**

1. Approve the TAC recommendation on NPRR351 as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation on NPRR351;
3. Defer decision on the TAC recommendation on NPRR351; or
4. Remand NPRR351 to TAC with instructions.

**Conclusion/Recommendation:**

As more specifically described above, TAC recommends that the ERCOT Board approve NPRR351 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 NPRR351 – Security Constrained Economic Dispatch (SCED) Look-Ahead Step 1: Pricing: Calculate Non-Binding Prices and Basepoints for Initial Research into SCED Look-Ahead and allow Consumers to have a Forward Price Projection (formerly “Calculate and Post Projected Non-Binding Locational Marginal Pricing (LMPs) for the Next 15 Minutes”) – URGENT.

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRR351.

**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