


NRG Texas Position Statement Concerning the  
October 11, 2011 TAC Action Regarding the  
Holistic Approach to Congestion Irresolvable by SCED

November 30, 2011

NRG Texas supports the October 11, 2011 TAC recommendation regarding the holistic approach to congestion irresolvable by SCED. Market participants and ERCOT have done a good job of balancing numerous competing objectives. The work done on this issue proves that it is difficult, if not impossible, to find a solution that will be perfectly acceptable to every stakeholder. Nonetheless, the TAC recommendation provides a well balanced solution that: 1) properly defines the conditions in which congestion shall be deemed irresolvable by SCED, 2) significantly reduces the existing shadow price caps, yet does not overly interfere with efficient pricing outcomes when scarcity conditions do exist, 3) is consistent with the Public Utility Commission's Rules concerning the energy-only market design, and 4) provides a circuit breaker that lowers the shadow price cap even further (to \$500/MWh) if and when a defined margin threshold is met. NRG Texas recommends the ERCOT board approve the TAC recommendation regarding the holistic approach to congestion irresolvable by SCED.

Respectfully submitted,

  
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