



**Attachment A**

**Technical Advisory Committee**

**2011 Structural and Procedural Review**

**TAC Approved: November 3, 2011**

## 1. Process

In July of each year, TAC leadership, including the leadership of each of the TAC subcommittees, meet for the purpose of generating proposals for possible structural and procedural improvements. The meeting was held on July 20, 2011 and was posted and open to any interested party.

All meetings were posted and open to any interested party. All improvement proposals developed at the TAC leadership meeting were presented to the TAC membership at a regular meeting of TAC to gather further input. Following this gathering of input, a draft Structural and Procedural Review document was circulated to all TAC members and comments were solicited. The comments received were discussed at the November 3, 2011 TAC meeting and are documented below along with the TAC decisions for presentation to the ERCOT Board of Directors.

## 2. Four Major Structural and Process Improvement Target Areas

Irrespective of the task, it is important that each task is designed and periodically reviewed, improved, or substituted by another task, with a view to continuous improvement in four major areas:

Effectiveness;

Efficiency;

Transparency; and

Fairness

The recommendations will be divided below into Structural Improvement Proposals and Procedural Improvement Proposals.

## 3. Structural Improvement Proposals

There were no proposals for Structural improvements in this review cycle. Each Subcommittee chair has been asked to discuss potential structural improvements with their Subcommittee and report on any proposals for improvement at the September TAC meeting.

### Comments Received:

9/26/11 ERCOT Comments: ERCOT has observed that during the first nine months of 2011, the average meeting length of the Commercial Operations Subcommittee (COPS) and Retail Market Subcommittee (RMS) has been 2.7 hours and 2.4 hours respectively. In an effort to more efficiently utilize the time of both ERCOT and Market Participant staff who participate in both meetings, ERCOT requests that TAC consider directing COPS and RMS to meet on the same day, or to meet concurrently when appropriate. In many cases, ERCOT staff finds it is providing the same updates to meetings of both subcommittees on different meeting days. Concurrent or same day meetings would prevent this duplication of effort.

10/11/11 COPS and 10/19/11 RMS Comments: COPS and RMS members discussed ERCOT's above comments in their scheduled October Meetings and respectfully disagree with ERCOT's comments for the following reasons:

- The issue of COPS and RMS meetings being shorter than others groups and even dissolving COPS have already been discussed in detail during last year's review and it was decided that these groups are needed and kept separately.
- RMS and COPS have different voting members and moving one of the meetings to afternoon will be burdensome for the parties who travel out of town since morning meeting is preferred.
- ERCOT Staff does not have to attend the meetings in person and both groups have no problems for them to dial in to the WEBEX. Allowing ERCOT Staff to attend meetings remotely reduces cost and time that would be spent on travel.
- We don't believe both groups share too many common resources other than Trey Felton and Kelly Landry.
- Combining both meetings does not allow us to have any wiggle room on the agenda if we do run longer.
- RMS has multiple market initiatives (AMS near full deployment and TX SET 4.0 release) that are scheduled for 2012, which may cause extended discussions for the RMS.
- One of the reasons for COPS/RMS meetings being shorter than other groups is that most of the detail work is being done at the working group level.
- RMS and COPS would like to review the cost savings ERCOT will realize if both meetings are combined.

**Decision:**

On November 3, 2011, TAC unanimously voted to request that TAC and each subcommittee review their agendas each month to consider if can reduce their meeting schedule.

## 4. Procedural Improvement Proposals and Recommendations

### 4.1 Board Priority Action

#### **Proposal Description:**

Develop a process that would allow the Board to take a vote to direct ERCOT Staff to develop an NPRR that will address a specific issue raised at the Board, to officially designate that NPRR as Urgent, and to request that a resolution of the issue be worked through the Market Participant process by a specific time.

#### **Discussion:**

An NPRR will be necessary to make this change. This may also require adjustments to the notification and comment period to allow Board ability to request completion of the issue by a specific time.

#### **Comments Received:**

9/26/11 ERCOT Comments: ERCOT agrees that a unique status to designate Board priority action items would be helpful in advancing Board directives. ERCOT will submit an NPRR to propose language to accomplish this recommendation.

#### **Decision:**

On November 3, 2011, TAC unanimously endorsed ERCOT drafting an NPRR on the Board Priority action concept to review in the stakeholder process.

### 4.2 Alignment NPRRs

#### **Proposal Description:**

Allow ERCOT to submit NPRRs with an “alignment” designation that will alert Market Participants that the NPRR should be limited in scope.

#### **Discussion:**

This may be accomplished without an NPRR.

#### **Comments Received:**

9/26/11 ERCOT Comments: ERCOT agrees with the recommendation that ERCOT staff should be able to designate NPRRs that they believe have a limited purpose, and to urge that

additional content should be considered via separate NPRRs. ERCOT can designate “alignment” NPRRs in this way without additional action by TAC.

**Decision:**

On November 3, 2011, TAC endorsed the alignment NPRR concept as presented. There was one abstention from the Independent Power Marketer Market Segment.

## 4.3 Business Need

**Proposal Description:**

Do not allow an NPRR to progress beyond PRS without a Business Need.

**Discussion:**

Create a requirement that the completion of the Business Need is the responsibility of the sponsor. Consider improving the fields that are completed when an NPRR is developed and require that adequate information for creation of the Business Need be included at that time.

**Comments Received:**

9/22/11 PRS Comments: On 9/22/11 PRS unanimously voted to endorse improvements to the CBA process and including the Business Case Analysis before sending an NPRR to TAC.

9/21/11 RMS Comments: RMS thinks this needs to be stressed to RMS working groups and taskforces so that they can be proactive in providing what is needed for NPRR approval.

9/26/11 ERCOT Comments: ERCOT agrees that it is important for a submitter to provide a Business Case for their proposed revision before both stakeholders and ERCOT expend resources analyzing the change. ERCOT, in conjunction with PRS, has recently made improvements to the revision request submission forms to consolidate submission fields to focus attention on populating the initial Business Case. ERCOT believes it is the responsibility of the submitter to initially populate the Business Case and the responsibility of PRS and TAC to review the Business Case as part of its recommendation to the next level.

**Decision:**

On November 3, 2011, TAC unanimously rejected the recommendation on business need. The stakeholder services group already has the necessary authority to reject incomplete NPRR submittals and the chair is able to enforce a requirement that the business needs provided are sufficient to support decision making by the stakeholder groups.

## 4.4 Eliminate Email Urgency Votes at PRS

### Proposal Description:

Terminate the practice of allowing urgency votes to be settled by an email vote of PRS.

### Comments Received:

9/22/11 PRS Comments: On 9/22/11, PRS unanimously voted to endorse the elimination of email urgency votes.

9/26/11 ERCOT Comments: ERCOT highlights that it is important for all interested parties to be made aware that a submitter may request Urgent status at the PRS meeting. The current NPRR and SCR forms include a field for the submitter to indicate whether they will be requesting Urgent status. If the field indicates Urgent status will be requested, ERCOT will also highlight that request when distributing the new revision to the PRS distribution list. ERCOT notes that the PRS Procedures will need to be revised to implement this recommendation.

### Decision:

On November 3, 2011, TAC unanimously endorsed the recommendation to eliminate email urgency votes at PRS.

## 4.5 Require ERCOT Opinion on All NPRRs

### Proposal Description:

Require that ERCOT designate their support, opposition, or no opinion to all NPRRs at TAC. Their opposition or support would be recorded on the TAC recommendation and presented to the Board.

### Comments Received:

9/26/11 ERCOT Comments: ERCOT has been working to file comments to the revision process when it opposes a revision or disagrees with suggested language. ERCOT understands the market's desire to understand ERCOT's position on NPRRs and does not oppose designating support, opposition or no opinion on NPRRs at TAC.

### Decision:

On November 3, 2011, TAC unanimously endorsed the concept of requiring an ERCOT opinion on all NPRRs and requested that ERCOT develop an NPRR to codify within the Protocols.

## 4.6 Add ERCOT as Voting Entity at TAC

### **Proposal Description:**

Add ERCOT as a voting entity to the TAC.

### **Discussion:**

Proposal would likely require a bylaw change.

### **Comments Received:**

9/26/11 ERCOT Comments: ERCOT appreciates the consideration of adding it as a voting Entity at TAC; however, given ERCOT's role in the market as the Independent System Operator reporting to the Public Utility Commission of Texas and an advisor to the Board, ERCOT does not believe this would be an appropriate change for the ERCOT stakeholder process. Moreover, adding ERCOT staff as a voting member would introduce complications regarding the weight of ERCOT staff's votes, questions of whether ERCOT represents a "segment" for other purposes, and the role of the ERCOT CEO as a member of the Board voting on NPRRs also voted on by ERCOT staff at TAC. As noted in section 4.5 above, ERCOT will designate its position on NPRRs that are considered at TAC so it will be accountable on each issue that goes from TAC for a Board vote without being added as a voting member of TAC.

### **Decision:**

On November 3, 2011, TAC, TAC unanimously voted to reject the concept of adding ERCOT as a voting entity at TAC.

## 4.7 Appeals

### **Proposal Description:**

Alter the appeal process to allow for an appeal of affirmative votes of the TAC. In this manner, the Board will know that all issues for each NPRR have either been resolved or a motivated party has filed an appeal.

**Comments Received:**

9/26/11 ERCOT Comments: ERCOT does not think it is necessary to revise the appeals process to allow for an appeal of affirmative votes of the TAC. If a party disagrees with the recommendation of TAC, they have the opportunity to file comments for the Board's consideration.

**Decision:**

On November 3, 2011, TAC unanimously referred to PRS an assignment to review the appeals process and to ensure consistency between the Protocols and the Board Policies and Procedures.

## **4.8 Representation for Affiliated Organizations**

**Proposal Description:**

Revise the TAC Procedures to specify that an Entity (including the organization and all of its Affiliates) (1) must designate which segment it will vote in at COPS and PRS for the calendar year and that it may not change segments mid-year and (2) cannot have more than one vote at any subcommittee.

**Comments Received:**

9/22/11 PRS Comments: On 9/22/11, PRS unanimously voted to endorse the development of a procedure that would require Affiliates to designate each year the segment they will vote in at PRS and COPS.

9/26/11 ERCOT Comments: ERCOT notes that ERCOT Bylaws Section 3.6, Participation, defines Affiliate voting procedures at the ERCOT Board and TAC level and agrees that it would be beneficial to refine the TAC Procedures to clarify Affiliate voting at the subcommittee level.

**Decision:**

On November 3, 2011, TAC unanimously endorsed the recommendation and revised the TAC procedures accordingly.

## **4.9 AMIT**

**Proposal Description:**



Move AMIT activities/meetings to ERCOT.

**Discussion:**

These meetings are currently coordinated by the PUCT. Several parties indicated some concern with moving these activities. Other parties suggested that more coordination between AMIT and RMS meeting schedules could facilitate more participation at each.

**Comments Received:**

9/21/11 RMS Comments: RMS noted AMIT responsibilities and activities will continue to be under the PUCT and RMS will continue to welcome the PUCT's AMIT updates during the monthly RMS meetings.

9/26/11 ERCOT Comments: ERCOT understands the desire of the PUCT to retain the AMIT activities and does not have a position on this recommendation. ERCOT continues to encourage broad participation of all stakeholders in the AMIT activities so all are aware of any future changes or requirements.

**Decision:**

On November 3, 2011, TAC unanimously voted to not endorse the proposed change.

## **4.10 Improve Coordination of Draft NPRRs across Subcommittees**

**Proposal Description:**

Improve coordination of draft NPRRs across Subcommittees and Working Groups with similar ownership/scope prior to submitting to Market Rules.

**Discussion:**

**Comments Received:**

9/21/11 RMS Comments: RMS agrees that draft NPRRs should be able to have review prior to submission when possible.

9/26/11 ERCOT Comments: ERCOT encourages stakeholder review of all NPRRs, but notes that often it is beneficial for NPRRs to be officially filed because it triggers a documented process for notice of the new revision and allows comments and the history of the revision to be preserved in one location.

**Decision:**

On November 3, 2011, TAC discussed that no change was necessary to improve coordination across stakeholder groups.