



ERCOT CRR Update

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CMWG Meeting

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Recap of Annual CRR Auction and Lessons Learned

Market Bidding

Run-times

Model summary

Review of CRR bidding trends

Per protocols- need TAC review of Minimum PTP Option Bid Price

Recap of Annual CRR Auction for 2012/2013

2012 Annual Auction (55% of system capacity)

- Bids/Offers received
 - **Oversubscribed in round 1 with total of 226,749 (10k bid limit -> 1,765)**
 - ~~147,708 Options~~
 - ~~79,041 Obligations~~
 - Round 2 with 90,620
 - 54,535 Options
 - 36,085 Obligations
 - Credit Lock = \$1,210,866,611

2013 Annual Auction (15% of system capacity)

- Bids/Offers received
 - Round 1 with total of 190,359
 - 122,788 Options
 - 67,581 Obligations
 - Credit Lock = \$441,763,674

Execution times of Annual CRR Auction

2012 Annual Auction (55% of system capacity)

- 60 hours for final run of Peak WD
- 14 hours for final run of Peak WE
- 7.5 hours for final run of Peak Off-Peak

2013 Annual Auction (15% of system capacity)

- **194 hours for final run of Peak WD**
- 50 hours for final run of Peak WE
- 36 hours for final run of Peak Off-Peak

Recap of Annual CRR Auction for 2012/2013

NOMCR and Outage Metrics

Built 72 models for auction (3TOU x 12 months x 2 years)

2012 Annual Auction (55% of system capacity)

- Snapshot taken 8/17/2011
- **NOMCRs:**
 - 526 NOMCRs part of model build
 - 490 Approved status (for Testing or Production)
 - 36 Other status (Received, Resubmitted, Submitted, Add'l data required)
- **Outages- 18 Outages part of model build**
 - Used 8 in model build

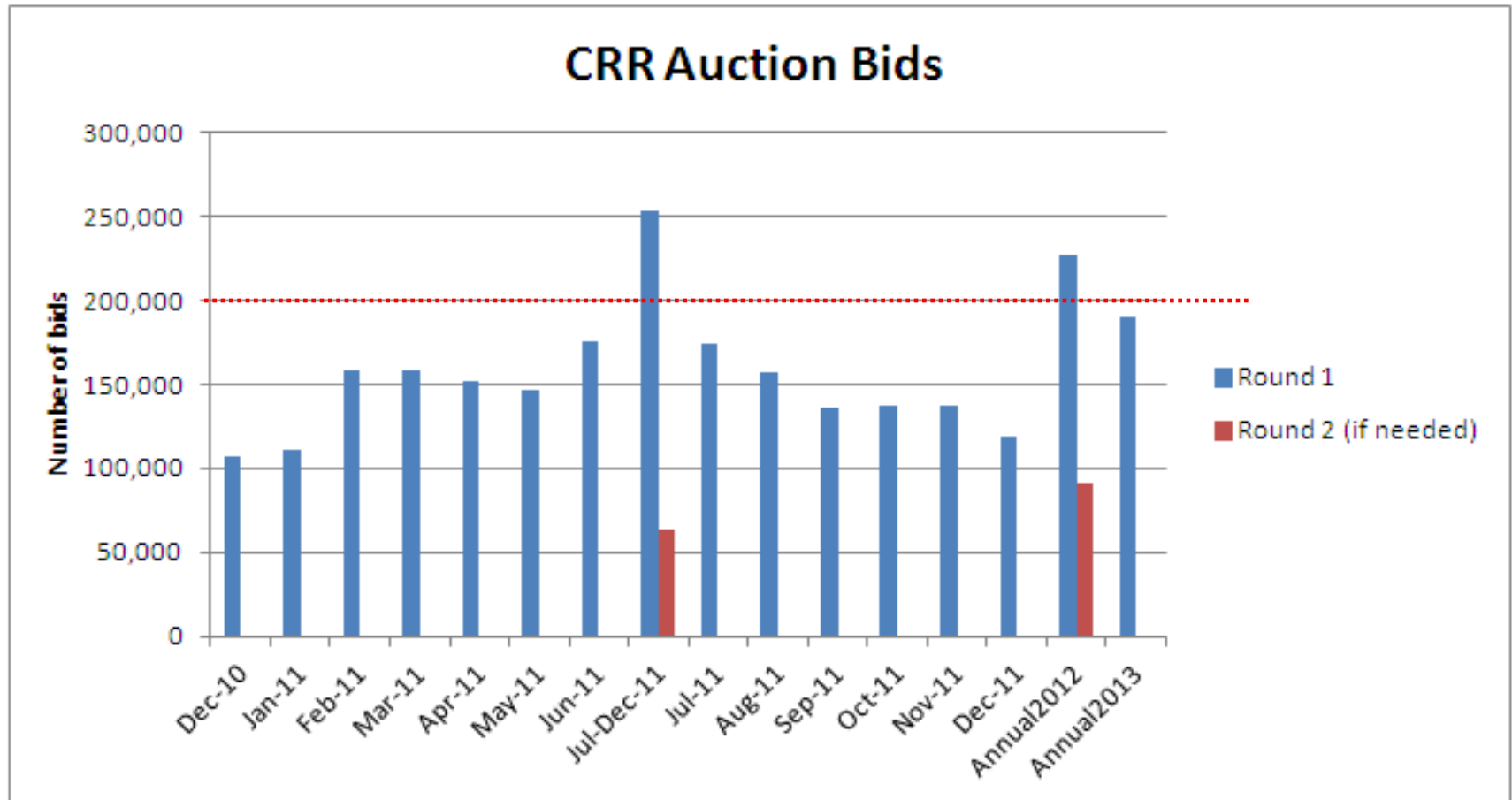
2013 Annual Auction (15% of system capacity)

- Snapshot taken 6/28/2011
- **NOMCRs:**
 - 725 NOMCRs part of model build
 - 674 Approved status (for Testing or Production)
 - 51 Other status (Received, Resubmitted, Submitted, Add'l data required)
- **Outages- 8 Outages part of model build**
 - Used 1 in model build

CRR Bidding Trends since go-live

Bids trending of all auctions since go live

Exceeded 200,000 bid limit two times resulting in Round 2



Lessons Learned:

- Both years of Auction published on time (completed execution between Oct31- Nov16)
- Lessons learned:
 - Credit- Significant market credit hold of \$1.6 billion for 2 weeks, so team looking for feedback to propose changes to timing and sequence to alleviate coinciding credit collateral posting (next bullet).
 - Sequence/timing- considering with market changes to execute 2-year auction in separate bid and credit windows for each year to relieve market credit and improve analysis of results.
 - Technical- 2013 PeakWeekDay auction executed for 194 hours, so evaluating performance improvement options for next year's auction (software, servers, configuration).
 - Bid Limit of 200,000- Market was oversubscribed for 2012 so looking at options whether to consider no changes, or to consider alternative minimum bids prices, reduce maximum bids per CRRAH in first round, or curtailment of least value bids prior to running auctions.

Section 2:

Minimum Point-to-Point (PTP) Option Bid Price

A value of \$0.010 representing the minimum price that can be submitted into the CRR Auction for a PTP Option bid.

Section 7:

7.7.1 Charging of PTP Option Award Fee

(1) ERCOT will charge each Congestion Revenue Right (CRR) Account Holder a Point-to-Point (PTP) Option Award Fee for each PTP Option bid awarded where the clearing price for the PTP Option bid awarded is less than the Minimum PTP Option Bid Price.

(2) **The Technical Advisory Committee (TAC) and the ERCOT Board shall review the current Minimum PTP Option Bid Price at least every January and may recommend to the ERCOT Board changes to these values by submitting a Nodal Protocol Revision Request (NPRR).**