



**Date:** January 10, 2012  
**To:** ERCOT Board of Directors  
**From:** Kenan Ogelman, Technical Advisory Committee (TAC) Chair  
**Subject:** Annual Review of Minimum Point-to-Point (PTP) Option Bid Price Required by Protocol

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors (ERCOT Board) Meeting Date:** January 17, 2012

**Agenda Item No.:** 12b

**Issue:**

Protocol required annual review of the Minimum PTP Option Bid Price.

**Background/History:**

Paragraph (2) of Protocol Section 7.7.1, Charging of PTP Option Award Fee states:

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).

Protocol Section 2, Definitions and Acronyms, defines Minimum PTP Option Bid Price as:

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

On December 7, 2011, the Wholesale Market Subcommittee (WMS) reviewed the Congestion Management Working Group (CMWG) recommendation to not make any changes to the Minimum PTP Option Bid Price. There were no objections made to retaining the current Minimum PTP Option Bid Price.

On January 5, 2012, TAC voted to not recommend a change to the Minimum PTP Option Bid Price. There was one (1) abstention from the Independent Power Marketer Market Segment.

**Key Factors Influencing Issue:**

TAC met, discussed the issue and voted to not recommend a change to the Minimum PTP Option Bid Price.

**Alternatives:**

1. Approve the TAC recommendation to not change the Minimum PTP Option Bid Price, as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation and instruct ERCOT staff to file a Nodal Protocol Revision Request to revise the Minimum PTP Option Bid;
3. Defer decision on whether a revision is needed to the Minimum PTP Option Bid Price; or
4. Remand to the issue to TAC with instructions.



**Conclusion/Recommendation:**

As more specifically described above, TAC respectfully requests that the ERCOT Board approve the TAC recommendation to not revise the Minimum PTP Option Bid Price.



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**BOARD OF DIRECTORS RESOLUTION**

WHEREAS, Paragraph (2) of Protocol Section 7.7.1, Charging of Point-to-Point (PTP) Option Award Fee requires the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) to review the current Minimum PTP Option Bid Price at least every January; and

WHEREAS, the Technical Advisory Committee (TAC) recommended no revision to the Minimum PTP Option Bid Price at this time.

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves the TAC recommendation to not revise the Minimum PTP Option Bid Price.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its January 17, 2012 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of January, 2012.

\_\_\_\_\_  
Vickie G. Leady  
Assistant Corporate Secretary