

Date: February 14, 2011
To: ERCOT Board of Directors
From: Kenan Ogelman, Technical Advisory Committee (TAC) Chair
Subject: Revision Requests with Opposing Votes

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: February 21, 2012

Agenda Item No.: 10a

Issue:

Consideration of the following Revision Requests recommended for approval by TAC which had opposing votes recorded:

- NPRR432, Deployment of Resources to Alleviate Anticipated Emergency Conditions (formerly “Deployment of Resources to Alleviate Imminent Emergency Conditions”) - URGENT
- NPRR434, Increase the Capacity Limitation of a Generation Resource Providing RRS - URGENT
- NPRR435, Requirements for Energy Offer Curves in the Real Time SCED for Generation Resources Committed in RUC - URGENT

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.

- *NPRR432, Deployment of Resources to Alleviate Anticipated Emergency Conditions (formerly “Deployment of Resources to Alleviate Imminent Emergency Conditions”) [ERCOT] - URGENT.*

Proposed Effective Date: March 1, 2012

ERCOT Impact Analysis: No budgetary impacts; minor impacts to ERCOT Legal and Settlements and Billing departments absorbed by existing staff; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR institutes parameters governing ERCOT’s utilization of emergency authority under Section 6.5.1.1, ERCOT Control Area Authority, when ERCOT seeks to deploy Resources to maintain ERCOT System reliability when Emergency Conditions are anticipated; provides a process for ERCOT to procure and deploy Resources that may be used to alleviate imminent Emergency Conditions in a manner not otherwise delineated in the Protocols and Operating Guides, and requires that such procurements be made only upon approval of the ERCOT Board; and includes steps to minimize impacts on the broader market.

TAC Decision: On 2/2/12, TAC voted via roll call vote to recommend approval of NPRR432 as recommended by PRS in the 1/19/12 PRS Report, as amended by the 2/1/12 TIEC-NRG Texas LLC Comments, and as revised by TAC. There were five opposing votes

from the Independent Retail Electric Provider (IREP) (4) and Independent Power Marketer (IPM) Market Segments.

- ***NPRR434, Increase the Capacity Limitation of a Generation Resource Providing RRS [RDTF] - URGENT.***

Proposed Effective Date: Upon System Implementation – Priority 2012; Rank 95

ERCOT Impact Analysis: \$70k - \$80k; no impacts to ERCOT staffing; impacts to Energy Management System (EMS) and Market Management System (MMS); business processes will need to be updated; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR increases the amount of Responsive Reserve (RRS) that can be supplied by a Generation Resource to 24%.

TAC Decision: On 2/2/12, TAC voted to recommend approval of NPRR434 as recommended by PRS in the 1/19/12 PRS Report with a priority of 2012 and rank of 95. There was one opposing vote from the Consumer Market Segment.

- ***NPRR435, Requirements for Energy Offer Curves in the Real Time SCED for Generation Resources Committed in RUC [ERCOT] - URGENT.***

Proposed Effective Date: March 1, 2012

ERCOT Impact Analysis: No budgetary impacts; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

Revision Description: This NPRR adds a requirement for the Qualified Scheduling Entity (QSE) of a Generation Resource committed by the Reliability Unit Commitment (RUC) process to submit an Energy Offer Curve that prices all energy from Low Sustained Limit (LSL) to High Sustained Limit (HSL) at or above the System-Wide Offer Cap (SWCAP) for RUC committed intervals.

TAC Decision: On 2/2/12, TAC voted via roll call vote to recommend approval of NPRR435 as recommended by PRS in the 1/19/12 PRS Report and as revised by TAC. There were six opposing votes from the Consumer Market Segment and one abstention from the Cooperative Market Segment.

The TAC Reports and Impact Analyses for these Revision Requests are included in the ERCOT Board meeting materials which can found at the following link:

<http://www.ercot.com/calendar/2012/02/20120221-BOD>

In addition, these Revision Requests and supporting materials are posted on the ERCOT website at the following links:

<http://www.ercot.com/mktrules/nprotocols/npr>

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted reports to TAC regarding NPRRs 432, 434 and 435 described herein. TAC considered the issues and voted to take action on NPRRs 432, 434, and 435 as described above.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 432, 434 and 435 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 the following Revision Requests:

- NPRR432, Deployment of Resources to Alleviate Anticipated Emergency Conditions (formerly "Deployment of Resources to Alleviate Imminent Emergency Conditions") - URGENT
- NPRR434, Increase the Capacity Limitation of a Generation Resource Providing RRS – URGENT
- NPRR435, Requirements for Energy Offer Curves in the Real Time SCED for Generation Resources Committed in RUC – URGENT

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 432, 434, and 435.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its February meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of February, 2012.

Vickie G. Leady
Assistant Corporate Secretary