

Date: April 9, 2012
To: ERCOT Board of Directors
From: Kenan Ogelman, Technical Advisory Committee (TAC) Chair
Subject: Unopposed Revision Requests

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: April 16-17, 2012
Agenda Item No.: 06

Issue:

Consideration of the following Revision Requests recommended for approval by TAC (with no opposing votes recorded):

- NPRR393, SCED Constraint Management Transparency
- NPRR394, Outage Reporting
- NPRR397, Balance of the Day Ancillary Service Market
- NPRR402, Clarification of Pre-DAM RUC Instruction Sequence
- NPRR419, Revise Real-Time Energy Imbalance and RMR Adjustment Charge
- NPRR421, Clarification of RMR Notification
- NPRR424, Reactive Capability Testing Requirements for IRRs
- NPRR430, Corrections Related to NPRR357, Revisions to Collateral Requirements Concerning CRR Auctions, and Clarification to Collateral Requirements
- NPRR431, Board Priority Revision Requests
- NPRR433, Clarification of Ancillary Service Obligation Calculation Process
- NPRR448, Clarification of Database Query Results – URGENT
- NPRR449, Reduce Maximum CRR Transaction Limit in Auctions - URGENT
- SCR768, Automatic Non-Spin Redeployment and Deployment Based on Resource Availability
- SCR769, CRR Digital Certificate New Role for Read Only Access
- NPRR407, Credit Monitoring Posting Requirements (formerly “Credit Monitoring Credit Parameters Posting Requirements”)
- PGRR010, New Planning Guide Section 6.7, ERCOT Data Dictionary
- PGRR012, Dynamics Working Group Guidelines
- PGRR013, New Section 6.3, Process for Developing Short Circuit Cases (Portion of SPWG Procedures)
- PGRR014, Synchronization with NPRR374, Modification of SCR Process and Urgency Requirements

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.

Nodal Protocol Revision Requests (NPRRs):

- ***NPRR393, SCED Constraint Management Transparency [J. Aron].***

Revision Description: This NPRR creates a reporting requirement to provide transparency into Security-Constrained Economic Dispatch (SCED) constraint management decisions.

Proposed Effective Date: Upon system implementation and fulfillment of ERCOT staffing requirements – Priority 2012; Rank 660

ERCOT Impact Analysis: \$80k - \$85k (system implementation); \$110k - \$130k (annual Operations and Maintenance (O&M)); staffing impacts of one full-time employee (FTE) for Operations Support; impacts to Market Information System (MIS), Information Systems Master (ISM), Energy Management System (EMS); business functions will need to be updated to implement posting and redaction requirements; no impacts on ERCOT grid operations and practices.

ERCOT Opinion: No opinion; however ERCOT recognizes the benefits for added transparency and clarity for the health of the market.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of NPRR393 as recommended by PRS in the 1/19/12 PRS Report.

- ***NPRR394, Outage Reporting [Edison Mission].***

Revision Description: This NPRR clarifies that material derates for Resources are greater than 10 MW.

Proposed Effective Date: May 1, 2012

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

ERCOT Opinion: ERCOT supports approval of NPRR394 as it provides clarity and additional data that ERCOT was not previously receiving.

TAC Decision: On 3/1/12, TAC unanimously voted to recommend approval of NPRR394 as recommended by PRS in the 2/23/12 PRS Report.

- ***NPRR397, Balance of the Day Ancillary Service Market [Morgan Stanley].***

Revision Description: This NPRR allows the Supplemental Ancillary Service Market (SASM) to be operated as a balance of the day market for Ancillary Services.

Proposed Effective Date: Upon system implementation – Priority 2012; Rank 640

ERCOT Impact Analysis: \$20k - \$25k; staffing impacts absorbed by existing ERCOT staff; impacts to Market Management System (MMS); business functions will need to be updated; control room procedures will need to be updated

ERCOT Opinion: ERCOT has no opinion on NPRR397. ERCOT recognizes the potential efficiencies for QSEs to reconfigure services and run this additional Ancillary Service (AS) market. As stated in the Impact Analysis, the staffing impacts can be absorbed to execute, analyze, and settle this additional market once per day. ERCOT also believes it can work around the impacted Hourly Reliability Unit Commitment (HRUC) studies where the system will reflect deficient AS capacities across resources during this market sequence each morning, assuming the AS reconfiguration activity is not significant. The long-term solution of real-time AS co-optimization would replace this market.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of NPRR397 as recommended by PRS in the 1/19/12 PRS Report.

- ***NPRR402, Clarification of Pre-DAM RUC Instruction Sequence [ERCOT].***

Revision Description: This NPRR clarifies the treatment of Reliability Unit Commitment

(RUC) instructions for instances in which ERCOT issues instructions prior to the closing of the Day-Ahead Market (DAM) submission window and how a Qualified Scheduling Entity (QSE) may self-commit in such a scenario.

Proposed Effective Date: May 1, 2012

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

ERCOT Opinion: ERCOT supports approval of NPRR402.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of NPRR402 as recommended by PRS in the 1/19/12 PRS Report.

- ***NPRR419, Revise Real-Time Energy Imbalance and RMR Adjustment Charge [ERCOT].***

Revision Description: This NPRR revises the Real-Time Energy Imbalance equations to determine intermediate data elements for the Resource's share of the generation site total revenues; revises the Resource Node, Load Zone, and Hub Real-Time Energy Imbalance equations to determine volumetric imbalance for each QSE and Settlement Point; and revises the Reliability Must-Run (RMR) Adjustment Charge to charge the QSE for the revenues paid in accordance with the energy imbalance calculation.

Proposed Effective Date: Upon system implementation – Priority 2012; Rank 650

ERCOT Impact Analysis: \$25k - \$30k; ongoing O&M expense of \$867/year for infrastructure; no impacts to ERCOT staffing; impacts to Settlements & Billing (S&B); no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR419.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of NPRR419 as recommended by PRS in the 1/19/12 PRS Report.

- ***NPRR421, Clarification of RMR Notifications [Edison Mission].***

Revision Description: This NPRR updates the Protocols to ensure that ERCOT issues Market Notices to Market Participants contemporaneously with ERCOT's activities with RMR Unit and Must-Run Alternative (MRA) Resource owners.

Proposed Effective Date: Upon fulfillment of ERCOT staffing requirements.

ERCOT Impact Analysis: \$100k - \$130k (annual O&M); ERCOT staffing impacts of 1.25 FTEs (Operations Analysis requires one new FTE and Wholesale Client Services 0.25 FTE to be absorbed by current staff); no impacts to ERCOT systems; business functions will need to be updated to comply with NPRR requirements; no impacts on ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports the concept of NPRR421 as an effort to improve the overall RMR process.

TAC Decision: On 3/1/12, TAC unanimously voted to recommend approval of NPRR421 as recommended by PRS in the 1/9/12 PRS Report and as amended by the 2/23/12 ERCOT-Edison Mission comments.

- ***NPRR424, Reactive Capability Testing Requirements for IRRs [ERCOT].***

Revision Description: This NPRR defines the reactive capability testing requirement for Intermittent Renewable Resources (IRRs).

Proposed Effective Date: May 1, 2012

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no

impact to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR424.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of NPRR424 as recommended by PRS in the 1/19/12 PRS Report.

- ***NPRR430, Corrections Related to NPRR357, Revisions to Collateral Requirements Concerning CRR Auctions, and Clarification to Collateral Requirements [ERCOT].***

Revision Description: This NPRR clarifies the collateral requirements for Congestion Revenue Right (CRR) Account Holders and Counter-Parties who participate in the CRR market.

Proposed Effective Date: Upon system implementation of NPRR357.

ERCOT Impact Analysis: No budgetary impacts (captured in impacts for NPRR357); no impacts to ERCOT staffing; no impact to ERCOT computer systems; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR430.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of NPRR430 as recommended by PRS in the 1/19/12 PRS Report. *Credit WG supports implementation of NPRR430. Credit WG was in consensus to endorse the concepts contained in the white paper presented by ERCOT Staff at the 12/5/11 Credit WG meeting.*

- ***NPRR431, Board Priority Revision Requests [ERCOT].***

Revision Description: This NPRR proposes a unique status for Revision Requests to designate ERCOT Board priority action items – Board Priority Revision Request. A Board Priority Revision Request would be the result of a vote from the ERCOT Board to direct ERCOT Staff to develop a Revision Request that would address a specific issue raised at the ERCOT Board, to officially designate that NPRR as a Board Priority NPRR that will be processed similar to an NPRR with Urgent status, and to request that a resolution of the issue be worked through the Market Participant process by a specific time. This NPRR also requires ERCOT's opinion on a Revision Request in the TAC recommendation to the ERCOT Board.

Proposed Effective Date: May 1, 2012

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

ERCOT Opinion: ERCOT supports approval of NPRR431.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of NPRR431 as recommended by PRS in the 1/19/12 PRS Report.

- ***NPRR433, Clarification of Ancillary Service Obligation Calculation Process [ERCOT].***

Revision Description: This NPRR clarifies the ERCOT process regarding the calculation of Ancillary Service Obligations.

Proposed Effective Date: May 1, 2012

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

ERCOT Opinion: ERCOT supports approval of NPRR433.

TAC Decision: On 3/1/12, TAC unanimously voted to recommend approval of NPRR433 as recommended by PRS in the 2/23/12 PRS Report.

- ***NPRR448, Clarification of Database Query Results [Texas SET Working Group] - URGENT.***

Revision Description: This NPRR clarifies the information returned through a database query or an extract on the MIS Public Area.

Proposed Effective Date: Upon system implementation of PR11002_01, Texas SET 4.0.

ERCOT Impact Analysis: No budgetary impact (costs are captured under NPRR 294, Texas SET 4.0 Including: Acquisition and Transfer of Customers From One REP to Another; Meter Tampering Transactional Solution. ERCOT is currently implementing NPRR294 via capital project PR11002_01, Texas SET 4.0); 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.

ERCOT Opinion: ERCOT supports approval of NPRR448 as it clarifies what ESI ID information will be returned via a particular query upon the implementation of TX SET 4.0. If the NPRR is not approved, there will be a cost to revise systems prior to TX SET 4.0.

TAC Decision: On 4/5/12, TAC unanimously voted to recommend approval of NPRR448 as recommended by PRS in the 3/22/12 PRS Report and as amended by the 4/3/12 Green Mountain comments.

- ***NPRR449, Reduce Maximum CRR Transaction Limit in Auctions [WMS] - URGENT.***

Revision Description: This NPRR reduces the potential of oversubscription of CRR Auctions due to bid volumes by reducing the first round transaction limit from 10,000 to a value established by TAC.

Proposed Effective Date: May 1, 2012

ERCOT Impact Analysis: Less than \$10k (O&M budget); no impacts to ERCOT staffing; no impacts to ERCOT computer systems; ERCOT business functions to be updated; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR449 as it is a manageable parameter change which based off of historical activity should provide the opportunity for a more liquid CRR market by allowing more transactions into the market.

TAC Decision: On 4/5/12, TAC voted to recommend approval of NPRR449 as recommended by PRS in the 3/22/12 PRS Report, as amended by the 4/4/12 ERCOT comments and as revised by TAC; to recommend a 5,000 transaction limit for annual CRR Auctions and a 7,500 transaction limit for monthly CRR Auctions; and to direct WMS to review the process and timelines associated with setting transaction limits for future CRR auctions. There were two abstentions from the Investor Owned Utility (IOU) Market Segment.

System Change Requests (SCRs):

- ***SCR768, Automatic Non-Spin Redeployment and Deployment Based on Resource Availability [ERCOT].***

Revision Description: This SCR modifies the MMS Automatic Redeployment function such that it accounts for the delay involved in deployment of Off-Line Non-Spin Resources.

Proposed Effective Date: Upon System Implementation - Priority 2012; Rank 680

ERCOT Impact Analysis: \$55k - \$70k; no impacts to ERCOT staffing; impacts to MMS, Enterprise Information System (EIS), and ISM; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of SCR768.

TAC Decision: On 3/1/12, TAC unanimously voted to recommend approval of SCR768 as recommended by PRS in the 2/23/12 PRS Report. *Credit review is not applicable.*

- **SCR769, CRRAH Digital Certificate New Role for Read Only Access [Austin Energy].**

Revision Description: This SCR will provide the capability to a read only role in addition to the read and write role for CRR Account Holders. Currently Digital Certificates for CRR Account Holders provides read and write capabilities to the certificate holder.

Proposed Effective Date: Upon System Implementation - Priority 2012; Rank 690

ERCOT Impact Analysis: \$100k - \$110k; no impacts to ERCOT staffing; impacts to CRR and Market Participant Identity Management (MPIM); business process impacts to Client Services and Enterprise Information Management; no impact to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT has no opinion on SCR769. However, ERCOT recognizes the value to Market Participants to mitigate risk by having a clear separation of duties via a read only CRR Account Holder role similar to that of other ERCOT systems.

TAC Decision: On 3/1/12, TAC unanimously voted to recommend approval of SCR769 as recommended by PRS in the 2/23/12 PRS Report. *Credit review is not applicable.*

Planning Guide Revision Request (PGRRs):

- **PGRR010, New Planning Guide Section 6.7, Data Dictionary [PLWG].**

Revision Description: This PGRR adds new Section 6.7 to the Planning Guide. There is currently no specific language in either the Nodal Protocols or Nodal Operating Guides related to the process associated with the submission of Transmission Facility information. Since this type of information is primarily used for planning, it is deemed appropriate to be part of the Planning Guide.

Proposed Effective Date: May 1, 2012

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

ERCOT Opinion: ERCOT supports approval of PGRR010 as it promotes transparency.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of PGRR010 as recommended by ROS in the 1/12/12 ROS Report.

- **PGRR012, Dynamics Working Group Guidelines [LCRA].**

Revision Description: This PGRR incorporates portions of the Dynamics Working Group Procedure Manual into the Planning Guide.

Proposed Effective Date: May 1, 2012

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

ERCOT Opinion: ERCOT supports approval of PGRR012 as it promotes transparency.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of PGRR012

as recommended by ROS in the 1/12/12 ROS Report.

- ***PGRR013, New Section 6.3, Process for Developing Short Circuit Cases (Portion of SPWG Procedures) [SPWG].***

Revision Description: This PGRR proposes a new Section 6.3 to incorporate Section 4, Procedure for the Short Circuit Database, of the ERCOT ROS System Protection Working Group (SPWG) Procedures into the Planning Guide.

Proposed Effective Date: May 1, 2012

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

ERCOT Opinion: ERCOT supports approval of PGRR013 as it promotes transparency.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of PGRR013 as recommended by ROS in the 1/12/12 ROS Report.

- ***PGRR014, Synchronization with NPRR374, Modification of SCR Process and Urgency Requirements [ERCOT].***

Revision Description: This PGRR aligns the Planning Guide with NPRR374 which modified the requirements for Urgency and was approved by the ERCOT Board on September 20, 2011.

Proposed Effective Date: May 1, 2012

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

ERCOT Opinion: ERCOT supports approval of PGRR014.

TAC Decision: On 2/2/12, TAC unanimously voted to recommend approval of PGRR014 as recommended by ROS in the 1/12/12 ROS Report.

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>

<http://www.ercot.com/mktrules/syschangereq/scrs>

<http://www.ercot.com/mktrules/issues/pgrr/001-025/008/index>

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted reports to TAC regarding NPRRs 393, 394, 397, 402, 419, 421, 424, 430, 431, 433, 448, 449; SCR 768, 769; and PGRRs 010, 011, 012, 013, and 014 described herein. TAC considered the issues and voted to take action on NPRRs 393, 394, 397, 402, 419, 421, 424, 430, 431, 433, 448, 449; SCR 768, 769; and PGRRs 010, 011, 012, 013, and 014 as described above.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 393, 394, 397, 402, 419, 421, 424, 430, 431, 433, 448, 449; SCR 768, 769; and/or PGRRs 010, 011, 012, 013, and 014 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:

- NPRR393, SCED Constraint Management Transparency
- NPRR394, Outage Reporting
- NPRR397, Balance of the Day Ancillary Service Market
- NPRR402, Clarification of Pre-DAM RUC Instruction Sequence
- NPRR419, Revise Real-Time Energy Imbalance and RMR Adjustment Charge
- NPRR421, Clarification of RMR Notification
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- NPRR430, Corrections Related to NPRR357, Revisions to Collateral Requirements Concerning CRR Auctions, and Clarification to Collateral Requirements
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- SCR768, Automatic Non-Spin Redeployment and Deployment Based on Resource Availability
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- NPRR407, Credit Monitoring Posting Requirements (formerly "Credit Monitoring Credit Parameters Posting Requirements")
- PGRR010, New Planning Guide Section 6.7, ERCOT Data Dictionary
- PGRR012, Dynamics Working Group Guidelines
- PGRR013, New Section 6.3, Process for Developing Short Circuit Cases (Portion of SPWG Procedures)
- PGRR014, Synchronization with NPRR374, Modification of SCR Process and Urgency Requirements

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 393, 394, 397, 402, 419, 421, 424, 430, 431, 433, 448, 449; SCRs 768, 769; and PGRRs 010, 011, 012, 013, and 014.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its April 16-17, 2012 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

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

Vickie G. Leady
Assistant Corporate Secretary