

**Date:** July 10, 2012  
**To:** ERCOT Board of Directors  
**From:** Kenan Ogelman, Technical Advisory Committee (TAC) Chair  
**Subject:** Unopposed Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Requests (PGRRs) Recommended by Technical Advisory Committee (TAC)

**Issue for the ERCOT Board of Directors**

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

**Agenda Tab No.:** 2.1

**Issue:**

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

- NPRR436, Clarify the Use of the Defined Term Season and Its Derivatives;
- NPRR438, Additional Minimum Counter-Party Qualification Requirements, Including Risk Management Capability Requirements;
- NPRR443, Removal of Switchable Generation Resource Plans from Protected Information;
- NPRR445, DC Tie Load Zone Price Clarification;
- NPRR446, Correction of Non-Spin Ancillary Service Schedule Telemetry for Standing Non-Spin Deployment;
- NPRR447, Remove Day- Ahead QSE Requested Decommit Language;
- NPRR452, Clarification of Reactive Power Requirements;
- NPRR454, Removal of Unfunded Project List Language;
- NPRR455, CRR Shift Factors Report;
- NPRR456, Clarification of Definition of Electrically Similar Settlement Points and Heuristic Pricing Posting;
- NPRR457, Daily Update of New ESI IDs and AMS Meter and Switch Hold Indicators Changes;
- NPRR458, Establishment of ERCOT's Central Counterparty Role;
- NPRR462, Removal of Consumer Benefit Test from the ERCOT Planning Criteria;
- NPRR468, Alignment of System-Wide Offer Cap and Scarcity Pricing Mechanism Language with PUCT Substantive Rules – URGENT;
- PGRR017, New Planning Guide Section 6.1, Steady-State Model Development; and
- PGRR019, New Section 1, Overview

**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):**

- ***NPRR436, Clarify the Use of the Defined Term Season and Its Derivatives [Operations Working Group (Operations Working Group (OWG))].***

**Revision Description:** This NPRR deletes the reference to the Operating Guides and capitalizes uses of the word “Season” and its derivatives where applicable according to the definition in Section 2.1, Definitions.

**Proposed Effective Date:** August 1, 2012

**ERCOT Impact Analysis:** No budgetary impact; 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 NPRR436 as it deletes an obsolete reference and corrects the use of the defined term “Season”.

**TAC Decision:** On 6/28/12, TAC unanimously voted to recommend approval of NPRR436 as recommended by PRS in the 6/21/12 PRS Report.

- ***NPRR438, Additional Minimum Counter-Party Qualification Requirements, Including Risk Management Capability Requirements [ERCOT].***

**Revision Description:** This NPRR establishes minimum requirements for Counter-Parties to participate in the ERCOT markets.

**Proposed Effective Date:** Upon System Implementation of PR014\_01, Implementation of NPRR347 and NPRR400

**ERCOT Impact Analysis:** Less than \$5k (ERCOT systems), \$110k-\$130k (staffing); estimated ongoing impact of one Full-Time Employee (FTE) in the credit department to oversee the verification process; impacts to Credit Monitoring & Management (CMM); ERCOT business functions will be updated; no impacts to ERCOT grid operations and practices.

**ERCOT Opinion:** ERCOT supports approval of NPRR438.

**TAC Decision:** On 6/28/12, TAC unanimously voted to recommend approval of NPRR438 as recommended by PRS in the 6/21/12 PRS Report.

- ***NPRR443, Removal of Switchable Generation Resource Plans from Protected Information [ERCOT].***

**Revision Description:** This NPRR will remove the unavailability plans for Switchable Generation from the list of items considered to be Protected Information under the Protocols. This information will be reflected in the Annual Planning Models.

**Proposed Effective Date:** August 1, 2012

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

**ERCOT Opinion:** ERCOT supports the approval of NPRR443.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of NPRR443 as recommended by PRS in the 5/17/12 PRS Report.

- ***NPRR445, DC Tie Load Zone Price Clarification [ERCOT].***

**Revision Description:** This NPRR clarifies that the Real-Time Settlement Point Price at a

Direct Current Tie (DC Tie) Load Zone is not weighted by the State Estimator Load value, which includes inadvertent energy.

**Proposed Effective Date:** August 1, 2012

**ERCOT Impact Analysis:** No budgetary impact; 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 the approval of NPRR445.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of NPRR445 as recommended by PRS in the 4/19/12 PRS Report with an effective date of 8/1/12.

- ***NPRR446, Correction of Non-Spin Ancillary Service Schedule Telemetry for Standing Non-Spin Deployment [ERCOT].***

**Revision Description:** This NPRR corrects the language that describes how Qualified Scheduling Entities (QSEs) will update the Non-Spinning Reserve (Non-Spin) Ancillary Service Schedule value in telemetry as introduced in NPRR426, Standing Non-Spin Deployment in the Operating Hour for Generation Resources Providing On-Line Non-Spin, which was approved by the ERCOT Board on December 12, 2011.

**Proposed Effective Date:** August 1, 2012

**ERCOT Impact Analysis:** No budgetary impact; 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 NPRR446.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of NPRR446 as recommended by PRS in the 4/19/12 PRS Report.

- ***NPRR447, Remove Day-Ahead QSE Requested Decommit Language [ERCOT].***

**Revision Description:** This NPRR removes eligibility rule language from Section 6.4.6, QSE-Requested Decommitment of Resources and Changes to Ancillary Service Resource Responsibility of Resources, which conflicts with Section 4.6.2.3, Day-Ahead Make-Whole Settlements; thereby allowing the eligibility rules in Section 4.6.2.3 to determine appropriate startup and energy compensation.

**Proposed Effective Date:** August 1, 2012

**ERCOT Impact Analysis:** No budgetary impact; anticipated gained efficiencies of one-half hour per day in Settlements and Billing department; no impact to ERCOT computer systems; ERCOT business functions will be updated; no impacts to ERCOT grid operations and practices.

**ERCOT Opinion:** ERCOT supports the approval of NPRR447.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of NPRR447 as recommended by PRS in the 4/19/12 PRS Report with an effective date of 8/1/12.

- ***NPRR452, Clarification of Reactive Power Requirements [NPRR366 Workshop].***

**Revision Description:** This NPRR clarifies the Reactive Power requirement for Generation Resources required to provide Voltage Support Service (VSS).

**Proposed Effective Date:** August 1, 2012

**ERCOT Impact Analysis:** No budgetary impact; 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 NPRR452 as it provides clarifications on requirements to provide Voltage Support Services.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of NPRR452 as recommended by PRS in the 5/17/12 PRS Report and as revised by TAC.

- ***NPRR454, Removal of Unfunded Project List Language [ERCOT].***

**Revision Description:** This NPRR removes language regarding the Unfunded Project List to bring the Protocols in line with the current planning and budgeting process for the ERCOT project portfolio.

**Proposed Effective Date:** August 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 the approval of NPRR454.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of NPRR454 as recommended by PRS in the 5/17/12 PRS Report.

- ***NPRR455, CRR Shift Factors Report [MIS User Group (MISUG)].***

**Revision Description:** This NPRR creates a report on the Market Information System (MIS) Secure Area that provides Shift Factors for any binding constraints in a CRR Auction.

**Proposed Effective Date:** Upon System Implementation – Priority 2014; Rank 900

**ERCOT Impact Analysis:** \$245k - \$270k; no impacts to ERCOT staffing; impacts to Congestion Revenue Rights (CRR), Information System Master (ISM), and Market Information System (MIS); ERCOT business functions will be updated; no impacts to ERCOT grid operations and practices.

**ERCOT Opinion:** ERCOT supports approval of NPRR455 as it centralizes the calculation effort at ERCOT; however, since the input data is currently available for Market Participant calculation, and given the limited funding available for projects, ERCOT recommends a priority of 2013 or later. If the opportunity arises, ERCOT could bundle this with related changes to reduce the cost to implement.

**TAC Decision:** On 6/28/12, TAC unanimously voted to recommend approval of NPRR455 as recommended by PRS in the 6/21/12 PRS Report.

- ***NPRR456, Clarification of Definition of Electrically Similar Settlement Points and Heuristic Pricing Posting [ERCOT].***

**Revision Description:** This NPRR removes the rating requirement in the current definition for Electrically Similar Settlement Points and introduces a daily public report to post the heuristic pricing associations for Day-Ahead Market (DAM) and Real-Time Market (RTM) price calculations.

**Proposed Effective Date:** Upon System Implementation – Priority 2012; Rank 740

**ERCOT Impact Analysis:** \$30k - \$35k; no impacts to ERCOT staffing; impacts to Market Management System (MMS), MIS, and ERCOT.com; ERCOT business functions will be updated; no impacts to ERCOT grid operations and practices.

**ERCOT Opinion:** ERCOT supports approval of NPRR456.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of NPRR456 as recommended by PRS in the 5/17/12 PRS Report.

- ***NPRR457, Daily Update of New ESI IDs and AMS Meter and Switch Hold Indicators Changes (formerly Conditional TDSP ESIID Attribute Information for 814\_20 Transactions) [MIS User Group (MISUG)].***

**Revision Description:** This NPRR provides for the addition of Electric Service Identifier (ESI ID) attribute information for conditions in which the transaction type of 814\_20, ESI ID Maintenance Request, is submitted that creates an ESI ID or makes changes to an existing ESI ID's Advanced Metering System (AMS) or switch hold indicator flags utilizing the create or maintain option when submitting the 814\_20 transaction.

**Proposed Effective Date:** Upon System Implementation – Priority 2013; Rank 730

**ERCOT Impact Analysis:** \$55k - \$65k; no impacts to ERCOT staffing; impacts to MIS and ISM; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

**ERCOT Opinion:** ERCOT supports approval of NPRR457 as it facilitates quicker information sharing; however, since data is currently available on a weekly basis, and given the limited funding available for projects, ERCOT recommends a priority of 2013 or later. If the opportunity arises, ERCOT could bundle this with related changes to reduce the cost to implement.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of NPRR457 as recommended by PRS in the 5/17/12 PRS Report.

- ***NPRR458, Establishment of ERCOT's Central Counterparty Role [ERCOT].***

**Revision Description:** This NPRR establishes ERCOT as the central counterparty to all transactions in the ERCOT market, except those involving bilateral trades or self-arranged services.

**Proposed Effective Date:** August 1, 2012

**ERCOT Impact Analysis:** No budgetary impact; 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 NPRR458.

**TAC Decision:** On 6/28/12, TAC unanimously voted to recommend approval of NPRR458 as recommended by PRS in the 6/21/12 PRS Report.

- ***NPRR462, Removal of Consumer Benefit Test from the ERCOT Planning Criteria [ERCOT].***

**Revision Description:** This NPRR removes the consumer benefit test from the ERCOT planning criteria consistent with the Public Utility Commission of Texas (PUCT) Project 39537, Rulemaking to Implement HB 971, Relating to Economic Criteria for a Certificate of Convenience and Necessity for an Electric Transmission Project.

**Proposed Effective Date:** August 1, 2012

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

**ERCOT Opinion:** ERCOT supports approval of NPRR462.

**TAC Decision:** On 6/28/12, TAC unanimously voted to recommend approval of NPRR462 as recommended by PRS in the 6/21/12 PRS Report.

- ***NPRR468, Alignment of System-Wide Offer Cap and Scarcity Pricing Mechanism Language with PUCT Substantive Rules [ERCOT] - URGENT.***

**Revision Description:** This NPRR removes the specifics for determining the System-Wide Offer Cap (SWCAP) and operating the scarcity pricing mechanism language from the Protocols. The SWCAP and scarcity pricing mechanism language will be incorporated into the proposed Other Binding Document (OBD), System-Wide Offer Cap and Scarcity Pricing Mechanism Methodology.

**Proposed Effective Date:** August 1, 2012

**ERCOT Impact Analysis:** No budgetary impact; 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 NPRR468.

**TAC Decision:** On 6/28/12, TAC unanimously voted to recommend approval of NPRR468 as recommended by PRS in the 6/21/12 PRS Report and as amended by the 6/27/12 ERCOT comments and the Other Binding Document, “System-Wide Offer Cap and Scarcity Pricing Mechanism Methodology” as recommended by PRS in the 6/21/12 PRS Report.

Planning Guide Revision Requests (PGRRs):

- ***PGRR017, New Planning Guide Section 6.1, Steady-State Model Development [Steady State Working Group (SSWG)]***

**Revision Description:** This PGRR creates a new section in the Planning Guide to establish a process for creating and maintaining planning models referred to as steady-state base cases.

**Proposed Effective Date:** August 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 PGRR017 as it promotes transparency of planning processes.

**TAC Decision:** On 6/7/12, TAC unanimously voted to recommend approval of PGRR017 as recommended by ROS in the 4/12/12 ROS Report with an effective date of August 1, 2012.

- ***PGRR019, New Section 1, Overview [PLWG]***

**Revision Description:** This PGRR proposes new sections to provide an overview and purpose of the Planning Guide.

**Proposed Effective Date:** August 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 PGRR019 as it defines the purpose of the Planning Guide consistent with the other ERCOT Market Guides.

**TAC Decision:** On 6/28/12, TAC unanimously voted to recommend approval of PGRR019 as recommended by ROS in the 6/14/12 ROS Report with an effective date of August 1, 2012.

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/2012/06/20120619-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/guides/planning/pgrr>

**Key Factors Influencing Issue:**

The PRS met, discussed the issues, and submitted reports to TAC regarding NPRRs 436, 438, 443, 445, 446, 447, 452, 454, 455, 456, 457, 458, 462, and 468 as described herein.

The ROS met, discussed the issues, and submitted reports to TAC regarding PGRRs 017 and 019 as described herein.

TAC considered the issues and voted to take action on NPRRs 436, 438, 443, 445, 446, 447, 452, 454, 455, 456, 457, 458, 462, 468; and PGRRs 017 and 019 as described above.

**Conclusion/Recommendation:**

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 436, 438, 443, 445, 446, 447, 452, 454, 455, 456, 457, 458, 462, 468; and PGRRs 017 and 019 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 Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Requests (PGRRs):

- NPRR436 Clarify the Use of the Defined Term Season and Its Derivatives;
- NPRR438 Additional Minimum Counter-Party Qualification Requirements, Including Risk Management Capability Requirements;
- NPRR443 Removal of Switchable Generation Resource Plans from Protected Information;
- NPRR445 DC Tie Load Zone Price Clarification;
- NPRR446 Correction of Non-Spin Ancillary Service Schedule Telemetry for Standing Non-Spin Deployment;
- NPRR447 Remove Day- Ahead QSE Requested Decommit Language;
- NPRR452 Clarification of Reactive Power Requirements;
- NPRR454 Removal of Unfunded Project List Language;
- NPRR45, CRR Shift Factors Report;
- NPRR456 Clarification of Definition of Electrically Similar Settlement Points and Heuristic Pricing Posting;
- NPRR457 Daily Update of New ESI IDs and AMS Meter and Switch Hold Indicators Changes;
- NPRR458 Establishment of ERCOT's Central Counterparty Role;
- NPRR462 Removal of Consumer Benefit Test from the ERCOT Planning Criteria;
- NPRR468 Alignment of System-Wide Offer Cap and Scarcity Pricing Mechanism Language with PUCT Substantive Rules – URGENT;
- PGRR017 New Planning Guide Section 6.1, Steady-State Model Development; and
- PGRR019 New Section 1, Overview

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 436, 438, 443, 445, 446, 447, 452, 454, 455, 456, 457, 458, 462, 468; and PGRRs 017 and 019.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its July 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 July, 2012.

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