

## Item 9: IMM Report

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Board of Directors Meeting

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ERCOT Public

- **The IMM recommends stakeholder consideration of the following near-term market initiatives in light of the recent rule changes at the PUCT, issues identified by the IMM, and recommendations in the Brattle Report:**
  1. Complete Protocol revisions and implement the changes necessary to address the SCED “over-mitigation” issues
  2. Modify the slope of the existing power balance penalty curve and the offer floors for RRS to provide a more gradual slope up to the higher offer caps such that the cap is reached at approximately EEA3 (a more “well-behaved” reserve shortage pricing function)
  3. Complete Protocol revisions and implement changes to establish simple administrative shortage pricing rules during the deployment of LRS or ERS during short-supply conditions
  4. Modify Proxy offer curve provisions in Protocols such that all unoffered capacity is not automatically placed at the SWOC