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Mr. Trip Doggett
President and Chief Executive Officer
Electric Reliability Council of Texas
7620 Metro Center Drive
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Mr. Doggett:

As you are aware, Xtreme Power raised a concern at the December 2012 meeting of the ERCOT Board of Directors relating to the planned implementation of NPRR 461 *Energy Storage Settlements Consistent with PUCT Project 39917*.

Xtreme Power believes the solution to be proposed to the Board on January 15 by ERCOT, as described in the motion approved by TAC on January 3, is an equitable solution which will provide the appropriate wholesale settlement treatment for our operational Energy Storage Resource sooner than was contemplated under the previous implementation plan. Whilst imperfect, given the inapplicability of the solution during January and much of February, it is a fair and reasonable compromise given other variables and resource limitations. We are pleased to endorse ERCOT's revised implementation plan.

Thanks to you and your team for earnestly working to address Xtreme Power's concerns. I appreciate the spirit in which ERCOT has responded to the Board's direction to explore more timely implementation strategies.

With kind regards,

A handwritten signature in black ink, appearing to read 'A. Brown'.

Amanda Brown
Vice President, Policy & Regulatory Affairs



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