

**Date:** September 10, 2013  
**To:** ERCOT Board of Directors  
**From:** Kenan Ogelman, Technical Advisory Committee (TAC) Chair  
**Subject:** Non-Unanimous NPRRs Recommended by TAC for Approval

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors (ERCOT Board) Meeting Date:** September 17, 2013

**Agenda Item No.:** 7.1

**Issue:**

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

- NPRR519, Exemption of ERS-Only QSEs from Collateral and Capitalization Requirements
- NPRR539, Amend Wholesale Storage Load Definition

**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.**

- ***NPRR519, Exemption of ERS-Only QSEs from Collateral and Capitalization Requirements [ERCOT].***

**Revision Description:** This Nodal Protocol Revision Request (NPRR) exempts those Qualified Scheduling Entities (QSEs) that represent only Emergency Response Service (ERS) Resources and that do not participate in the Day-Ahead Market (DAM), Real-Time Market (RTM) and Congestion Revenue Right (CRR) market (“ERS-only QSEs”) from the collateral and financial statement reporting requirements in Section 16.11, Financial Security for Counter-Parties, and from each of the various requirements in Section 16.16, Additional Counter-Party Qualification Requirements, including those relating to capitalization, certification, and the verification of a risk management framework.

**Proposed Effective Date:** Upon System Implementation – Priority 2014; Rank 970

**ERCOT Impact Analysis:** \$40k - \$60k; no impacts to ERCOT staffing; impacts to Registration (REG), Enterprise Integration (EI), and Market Participant Identity Manager (MPIM); no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

**ERCOT Opinion:** ERCOT supports approval of NPRR519.

**TAC Decision:** On 7/2/13, TAC voted to recommend approval of NPRR519 as recommended by PRS in the 6/20/13 PRS Report. There was one opposing vote from the Independent Generator Market Segment and seven abstentions from Independent Generator (3), Independent Power Marketer (IPM) (2), Consumer, and Municipal Market Segments.

- ***NPRR539, Amend Wholesale Storage Load Definition [Emerging Technologies Working Group (ETWG)].***

**Revision Description:** This NPRR adds thermal energy storage associated with turbine inlet chilling to the list of technologies eligible for Wholesale Storage Load (WSL) Settlement treatment.

**Proposed Effective Date:** October 1, 2013

**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 amending the definition of Wholesale Storage Load to include specifically defined storage technology as amended by this NPRR.

**TAC Decision:** On 7/2/13, TAC voted to recommend approval of NPRR539 as recommended by PRS in the 6/20/13 PRS Report. There was one opposing vote from the Consumer Market Segment and one abstention from the Investor Owned Utility (IOU) Market Segment.

The TAC Reports and Impact Analyses for NPRRs 519 and 539 are included in the ERCOT Board meeting materials which can found at the following link:

<http://www.ercot.com/calendar/2013/09/20130917-BOD>

In addition, NPRRs 519 and 539 and supporting materials are posted on the ERCOT website at the following link:

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

**Key Factors Influencing Issue:**

The PRS met, discussed the issues, and submitted reports to TAC regarding NPRRs 519 and 539 as described herein.

TAC considered the issues and voted to take action on NPRRs 519 and 539 as described above.

**Conclusion/Recommendation:**

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 519 and 539 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):

- NPRR519, Exemption of ERS-Only QSEs from Collateral and Capitalization Requirements; and
- NPRR539, Amend Wholesale Storage Load Definition

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 519 and 539.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its September 17, 2013 meeting, the ERCOT Board passed a motion approving the above Resolution by \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of September, 2013.

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