



Item 5: Congestion Revenue Rights (CRR) Review

John Dumas

Director, Wholesale Market Operations

Board of Directors Meeting

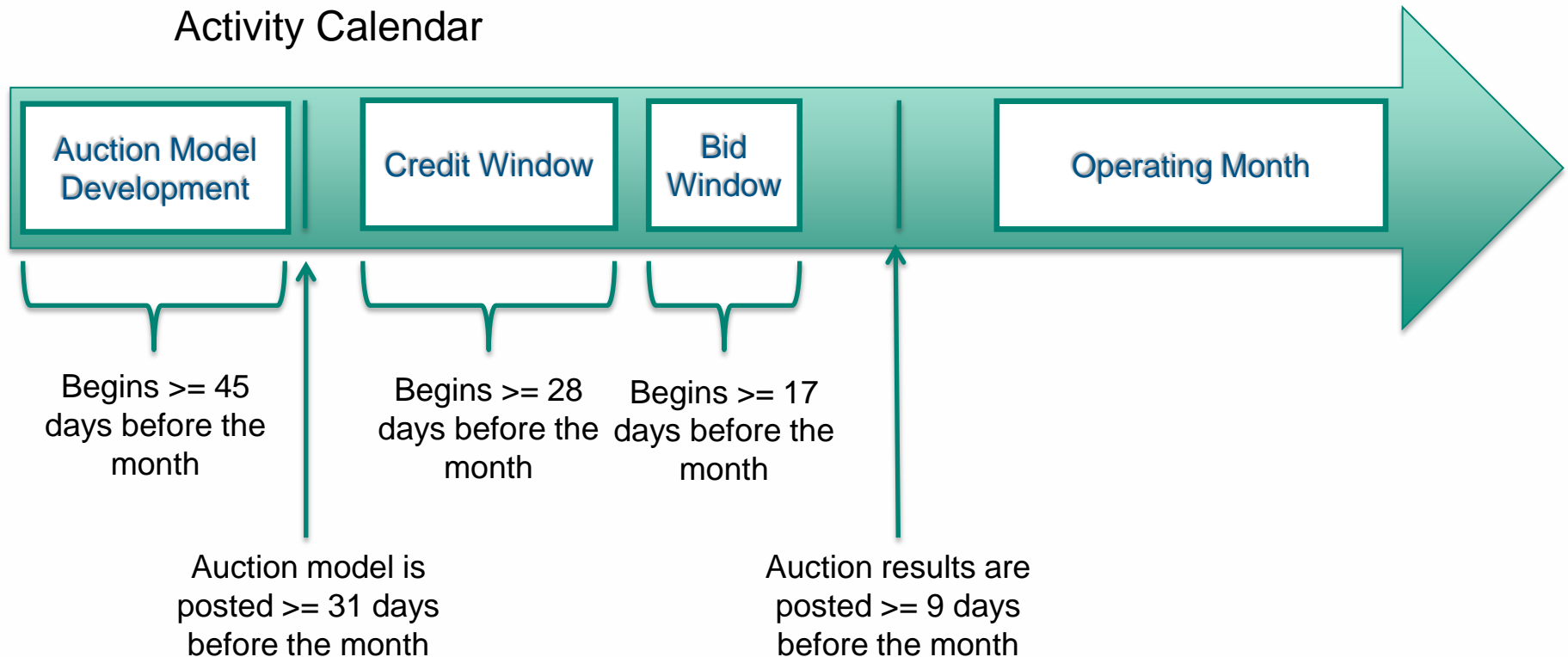
ERCOT Public

September 17, 2013

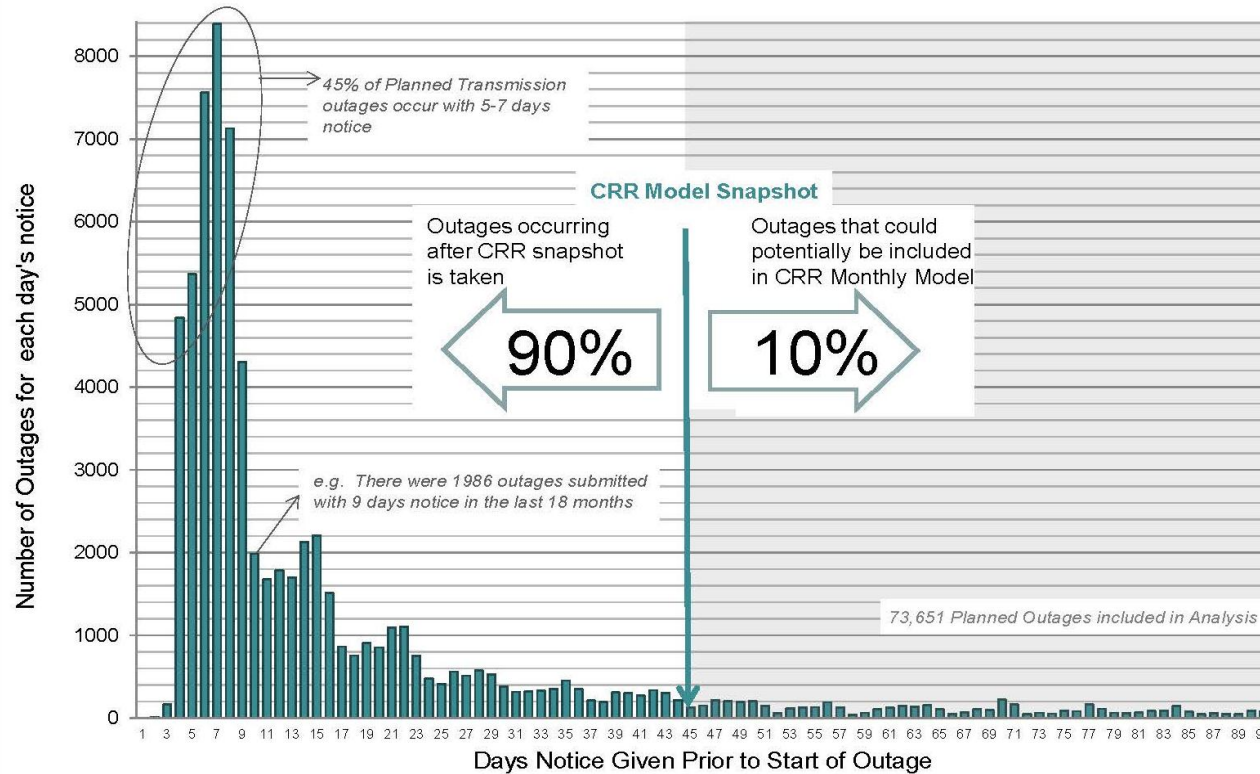


Monthly CRR Auction Timeline

- The current timeline for the CRR auctions is fairly compressed
- The model posting dates for the auctions drive the dates on which ERCOT staff begins collecting network model and outage information
 - Model building typically begins ~2 weeks prior to the posting deadline
 - The 45 timeline is a best case scenario based on the approved CRR Activity Calendar

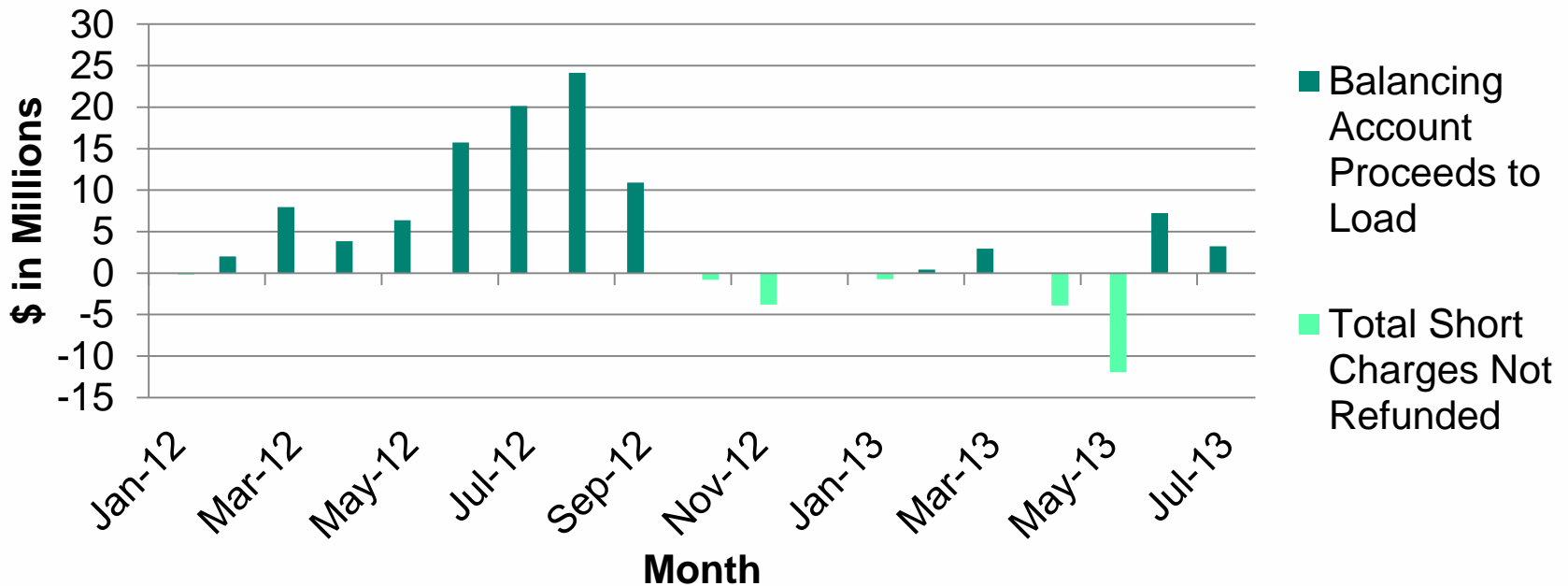


Including Additional Planned Outages



- Options that have been considered to improve the number of outages in the model or reduce the risk of over-selling CRRs in the auctions include:
 - Delaying the posting of the CRR auction models
 - Selling less transmission capacity in the CRR auctions
 - This would reduce the ability of Market Participants to hedge in the auctions
 - Changing how outages are being submitted

Rolling Balancing Account Fund



- Methods to address the concern of CRR shortfall:
 - A rolling Balancing Account fund to retain some level of funding in the Balancing Account at the end of each month to minimize the likelihood of having insufficient funds to covered short-paid CRR Owners in the future; or
 - Changing the current processes to clear the CRR Balancing Account on an annual basis, as oppose to on a monthly basis