



Item 9: Congestion Revenue Rights (CRR) Modeling Update

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Board of Directors Meeting

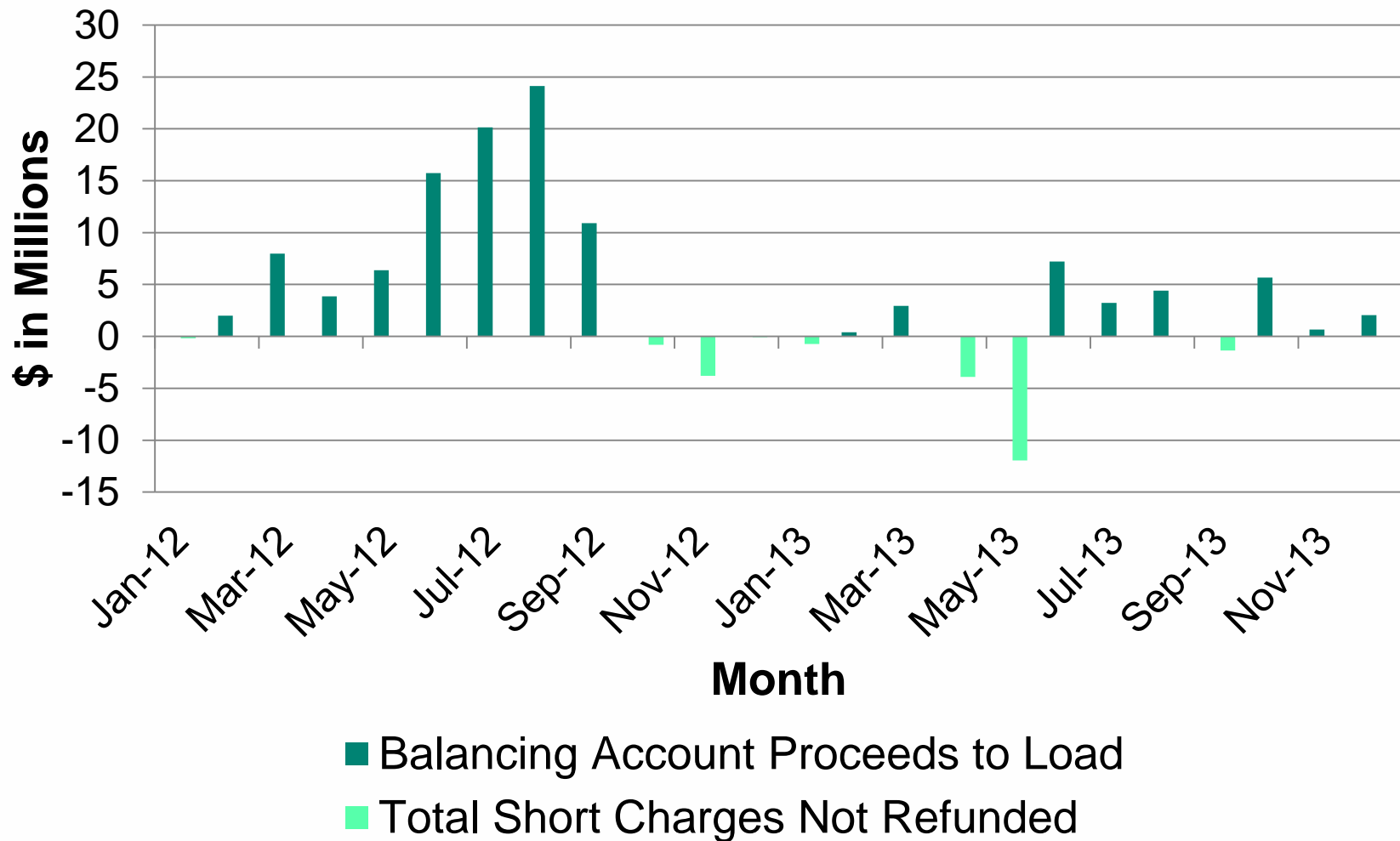
ERCOT Public

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Actions taken to minimize CRR Shortfall Risks

- Methods to address the concern of CRR shortfall discussed in September
 - Create 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 cover short-paid CRR Owners in the future
 - Action taken – NPRR580 passed by TAC on 1/28/2014
 - Compress the CRR auction timelines
 - Not able to compress the timelines further
 - Sell less transmission capacity in the CRR auction
 - Would reduce the ability of Market Participants to hedge
 - Change how outages are being submitted
 - Action taken – Operations met with TDSPs; TDSP-entered outages have improved, positively impacting the CRR auctions

Monthly Balancing Account Fund



Appendix

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-day timeline is a best-case scenario based on the approved CRR Activity Calendar.

