



ERS Update on Changes to Standard Contract Terms and Time Periods

2014 DSWG Goal #10

Presented to: DSWG
March 3, 2014

Purpose of Proposed Changes

- **Align ERS time periods with the seasonal and hourly changes in the risk of entering into an EEA**
 - Winter Peaks, currently winter peak hours (less than 2% of the annual hours) require contacting for all NBHs for both the Oct-Jan and Feb-May standard contract terms (43% of the annual hours)
 - Address peak load hours during weekends and holidays
- **Optimize the allocation of ERS expenditure dollars**

- **Change the ERS Standard Contract Terms (SCT) to create a single SCT that better aligns with the historical winter peaks**
- **Modify the time periods within each SCT to better align with the risk of needing to deploy ERS as well as creating a weekend and holiday time period**
- **This option will need to be implemented at either the beginning of the October through November 2014 SCT or the beginning of the June through September 2015 SCT so as to not create issues with partial SCTs**
- **Would require redefining the ERS budget year, currently Feb-Jan.**

Proposed Contract Terms

Contract Term Name	Duration
March through May	3 months
June through September	4 months
October through November	2 months
December through February	3 months

Proposed Time Period Changes December – February SCT

Time Period Name		Time Period Hours
✓ Winter Peak	*WIN	Hours Ending 0700-0800 (6:00:00a.m. to 8:00:00a.m.) Monday through Friday except ERCOT Holidays. and Hours Ending 0700-1000 (6:00:00a.m. to 10:00:00a.m.) Weekends and Holidays.
✓ Business Hours 1	*BH1	Hours Ending 0900-1000 (8:00:00a.m. to 10:00:00a.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 2	BH2	Hours Ending 1100-1600 (10:00:00a.m. to 4:00:00p.m.) Monday through Friday except ERCOT Holidays.
Business Hours 3	*BH3	Hours Ending 1700-2000 (4:00:00p.m. to 8:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Non Business Hours	NBH	All other hours

* Weather Sensitive Time Periods

✓ Time periods impacted by this proposal

Proposed Time Period Changes October – November & March – May SCTs

Time Period Name		Time Period Hours
✓ Business Hours 0	BH0	Hours Ending 0700-0800 (6:00:00a.m. to 8:00:00a.m.) Monday through Friday except ERCOT Holidays. and Hours Ending 0700-1000 (6:00:00a.m. to 10:00:00a.m.) Weekends and Holidays.
✓ Business Hours 1	BH1	Hours Ending 0900-1000 (8:00:00a.m. to 10:00:00a.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 2	BH2	Hours Ending 1100-1600 (10:00:00a.m. to 4:00:00p.m.) Monday through Friday except ERCOT Holidays.
Business Hours 3	BH3	Hours Ending 1700-2000 (4:00:00p.m. to 8:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Non Business Hours	NBH	All other hours

Note: Weather Sensitive ERS Resources will not be allowed to participate in either Oct-Nov or Mar-May SCTs

✓ Time periods impacted by this proposal

Proposed Time Period Changes June – September SCT

Time Period Name		Time Period Hours
Business Hours 1	BH1	Hours Ending 0900-1300 (8:00:00a.m. to 1:00:00pm.) Monday through Friday except ERCOT Holidays.
Business Hours 2	*BH2	Hours Ending 1400-1600 (1:00:00p.m. to 4:00:00p.m.) Monday through Friday except ERCOT Holidays.
Business Hours 3	*BH3	Hours Ending 1700-2000 (4:00:00p.m. to 8:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ WeekEnd Holidays	*WEH	Hours Ending 1400-2000 (1:00:00p.m. to 8:00:00p.m.) Saturdays, Sundays & Holidays
Non Business Hours	NBH	All other hours

* Weather Sensitive Time Periods

✓ Time periods impacted by this proposal

Option #1 Pros and Cons

- **Pros:**
 - Will allow for time period definitions to be consistent across Standard contract terms
 - Time period definitions constant within a SCT
- **Cons:**
 - Requires 90 day Notice ahead of the start of the ERS Standard Contract term
 - NPRR to change 3.14.3.1 (would need to be at the BOD in June to meet the 90 day notice requirement)
 - Modify TRSOW sections C (5)
 - Change to the current reference of the ERS budget year (Feb-Jan) in the protocols (3.14.3.1 (13))

This option could move on normal timeline and would not be implemented until the 90 day notice requirement could be met.

- **No change to the SCTs**
- **Modify the time periods within each SCT to better align with the risk of needing to deploy ERS as well as creating a weekend and holiday time period**

- **June – September SCT same as with Option #1**

Time Period Name		Time Period Hours
Business Hours 1	BH1	Hours Ending 0900-1300 (8:00:00a.m. to 1:00:00pm.) Monday through Friday except ERCOT Holidays.
Business Hours 2	*BH2	Hours Ending 1400-1600 (1:00:00p.m. to 4:00:00p.m.) Monday through Friday except ERCOT Holidays.
Business Hours 3	*BH3	Hours Ending 1700-2000 (4:00:00p.m. to 8:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ WeekEnd Holidays	*WEH	Hours Ending 1400-2000 (1:00:00p.m. to 8:00:00p.m.) Saturdays, Sundays & Holidays
✓ Non Business Hours	NBH	All other hours

* Weather Sensitive Time Periods

✓ Time periods impacted by this proposal

Proposed Time Period Changes for Oct-Jan SCT

Time Period Name		Time Period Hours
✓ Winter Peak (Dec-Jan Only)	*WIN	Hours Ending 0700-0800 (6:00:00a.m. to 8:00:00a.m.) Monday through Friday except ERCOT Holidays. and Hours Ending 0700-1000 (6:00:00a.m. to 10:00:00a.m.) Weekends and Holidays.
✓ Business Hours 1 (Oct-Nov)	BH1	Hours Ending 0900-1300 (8:00:00a.m. to 1:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 1 (Dec-Jan)	*BH1	Hours Ending 0900-1000 (8:00:00a.m. to 10:00:00a.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 2 (Oct-Nov)	BH2	Hours Ending 1400-1600 (1:00:00p.m. to 4:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 2 (Dec-Jan)	BH2	Hours Ending 1100-1600 (10:00:00a.m. to 4:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 3 (Oct-Nov)	BH3	Hours Ending 1700-2000 (4:00:00p.m. to 8:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours (Dec-Jan)	*BH3	Hours Ending 1700-2000 (4:00:00p.m. to 8:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Non Business Hours	NBH	All other hours

* Weather Sensitive Time Periods

✓ Time periods impacted by this proposal

Proposed Time Period Changes for Feb-May SCT

Time Period Name		Time Period Hours
✓ Winter Peak (February only)	*WIN	Hours Ending 0700-0800 (6:00:00a.m. to 8:00:00a.m.) Monday through Friday except ERCOT Holidays. and Hours Ending 0700-1000 (6:00:00a.m. to 10:00:00a.m.) Weekends and Holidays.
✓ Business Hours 1 (Mar-May)	BH1	Hours Ending 0900-1300 (8:00:00a.m. to 1:00:00pm.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 1 (February only)	*BH1	Hours Ending 0900-1000 (8:00:00a.m. to 10:00:00a.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 2 (Mar-May)	BH2	Hours Ending 1400-1600 (1:00:00p.m. to 4:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Business Hours 2 (February only)	BH2	Hours Ending 1100-1600 (10:00:00a.m. to 4:00:00p.m.) Monday through Friday except ERCOT Holidays.
Business Hours 3	BH3	Hours Ending 1700-2000 (4:00:00p.m. to 8:00:00p.m.) Monday through Friday except ERCOT Holidays.
✓ Non Business Hours	NBH	All other hours

* Weather Sensitive Time Periods

✓ Time periods impacted by this proposal

- **Pros:**
 - Requires only changes to the Technical Requirements and Scope of Work. (No NPRR required to change time periods)
 - No 90 day notice requirement
- **Cons:**
 - May add confusion with time periods changing within the SCT

- No strong support or feeling of urgency among participants to move forward with changes to either the SCTs or time periods at this time
- The proposed Oct-Nov SCT (only 2 months) may not warrant the effort of a separate procurement. Consider rolling those months into the proposed Jun-Sep and/or Dec-Feb SCTs
- Possibly re-evaluate issue in 6 months

