Date: April 1, 2014
To: ERCOT Board of Directors
From: Randa Stephenson, 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: April 8, 2014
Item No.: 6.1

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

- NPRR533, PCRR Eligibility Requirements (formerly "Clarification of PCRR Eligibility Requirements) – URGENT
- NPRR576 Changing Non-Spin Service to be Dispatched by ERCOT (formerly "Changing Non-Spin Service to an Off-Line Service") - URGENT
- NPRR590 Inclusion of WSL in the Default Uplift Invoice Allocation
- NPRR603 ERS Settlement and Service Types - URGENT

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.

- ***NPRR533, PCRR Eligibility Requirements (formerly "Clarification of PCRR Eligibility Requirements) [ERCOT] – URGENT.***
  Revision Description: This Nodal Protocol Revision Request (NPRR) clarifies the eligibility for Pre-Assigned Congestion Revenue Rights (PCRRs) subject to changes over time in contracts, Entity relationships, and Resource Status and capabilities.
  Proposed Effective Date: May 1, 2014
  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 NPRR533 as it clarifies the rules around PCRR eligibility.
  TAC Decision: On 2/27/14, TAC voted via roll call vote to recommend approval of NPRR533 as recommended by PRS in the 2/13/14 PRS Report, as amended by the 2/26/14 San Bernard Electric Cooperative comments and as revised by TAC. There were two opposing votes from the Cooperative Market Segment and six abstentions from the Consumer (3), Independent Generator and Investor Owned Utility (IOU) (2) Market Segments.

- ***NPRR576, Changing Non-Spin Service to be Dispatched by ERCOT (formerly "Changing Non-Spin Service to an Off-Line Service") [GDF Suez] - URGENT.***

Revision Description: This NPRR changes the Non-Spinning Reserve (Non-Spin) Service provided by Generation Resources to be Dispatched by ERCOT.
Proposed Effective Date: Upon system implementation of NPRR568, Real-Time Reserve Price Adder Based on Operating Reserve Demand Curve.
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 this NPRR if desired by stakeholders. However, ERCOT is not convinced that the NPRR is necessary at this time.
TAC Decision: On 3/27/14, TAC voted via roll call vote to recommend approval of NPRR576 as recommended by PRS in the 3/18/14 PRS Report, as amended by the 3/25/14 CPS Energy comments, and as revised by TAC; with a recommendation of $75 per MWh as the minimum offer floor for On-Line Non-Spin. There were five opposing votes from the Independent Generator, Independent Power Marketer (IPM) (3) and IOU Market Segments and one abstention from the Independent Generator Market Segment.

- ***NPRR590, Inclusion of WSL in the Default Uplift Invoice Allocation [ERCOT].***
  Revision Description: This NPRR updates the Default Uplift Invoice allocation process to incorporate Wholesale Storage Load (WSL) volumes in order to equitably distribute costs to the market in case of a market shortfall; provides for monthly posting of the Maximum MWh Activity Total and corrects the definition for the variable Metered Energy for Wholesale Storage Load at bus.
  Proposed Effective Date: Upon System Implementation - no project required
  ERCOT Impact Analysis: Less than $5k (absorbed by the Operations & Maintenance (O&M) budget); no impacts to ERCOT staffing; minor impacts to Market Information System (MIS); ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.
  ERCOT Opinion: ERCOT supports approval of NPRR590.
  TAC Decision: On 3/27/14, TAC voted to recommend approval of NPRR590 as recommended by PRS in the 3/18/14 PRS Report. There were four opposing votes from the IOU (2), Municipal, and Cooperative Market Segments.

- ***NPRR603, ERS Settlement and Service Types [ERCOT] - URGENT.***
  Revision Description: This NPRR clarifies that there are four Emergency Response Service (ERS) service types: Weather Sensitive ERS-10, Non-Weather Sensitive ERS-10, Weather Sensitive ERS-30 and Non-Weather Sensitive ERS-30; corrects the ERS Settlement formulas relating to amounts procured per QSE (SPAMT and COMPAMT); clarifies the deployment duration time for Weather-Sensitive ERS Loads; and clarifies ERS Resource obligations during an ERS deployment.
  Proposed Effective Date: May 1, 2014
  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 NPRR603.

TAC Decision: On 3/27/14, TAC voted to recommend approval of NPRR603 as recommended by PRS in the 3/18/14 PRS Report. There was one opposing vote from the IPM Market Segment and one abstention from the Independent Generator Market Segment.

The TAC Reports and Impact Analyses for these Revision Requests are included in the ERCOT Board meeting materials which can found at the following link:

http://www.ercot.com/calendar/2014/04/20140408-BOD

In addition, these Revision Requests and supporting materials are posted on the ERCOT website at the following links:

http://www.ercot.com/mktrules/nprotocols/nprr

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted a report to TAC regarding NPRRs 533, 576, 590, and 603 as described herein.

TAC considered the issues and voted to take action on NPRRs 533, 576, 590, and 603 as described above.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 533, 576, 590, and 603 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):

- NPRR533, PCRR Eligibility Requirements (formerly "Clarification of PCRR Eligibility Requirements) – URGENT;
- NPRR576, Changing Non-Spin Service to be Dispatched by ERCOT (formerly "Changing Non-Spin Service to an Off-Line Service") – URGENT;
- NPRR590, Inclusion of WSL in the Default Uplift Invoice Allocation; and
- NPRR603, ERS Settlement and Service Types - URGENT

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 533, 576, 590, and 603.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its April 8, 2014 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of April 2014.

_____
Vickie G. Leady
Assistant Corporate Secretary