



Date: ~~April 1, 2014~~ April 2, 2014
To: Board of Directors
From: Mark Patterson, Manager Demand Integration
Subject: Other Binding Document, Emergency Response Service Procurement Methodology – Revised

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: April 8, 2014

Item No.: 7.1

Issue:

Whether the ERCOT Board of Directors (Board) should approve revisions to the Emergency Response Service Procurement Methodology (Methodology) consistent with the recommendations of ERCOT Staff and the Technical Advisory Committee (TAC).

Background/History:

The ERCOT Board approved the original Methodology as an Other Binding Document on November 19, 2013. ERCOT has since determined that the document should specify the appropriate action when accepting all offers at the clearing price would exceed the time period expenditure limit. ERCOT's proposed changes to the Methodology explicitly authorize proration of offers under this circumstance and describe the method for proration.

Key Factors Influencing Issue:

A reasonable method of prorating same-priced offers is necessary to ensure that, when quantities offered at the clearing price exceed the time period expenditure limit, ERCOT will be able to procure all necessary Emergency Response Service (ERS) and all Resources will be treated fairly. At its March 27, 2014 meeting, TAC ~~unanimously~~ voted to endorse this change to the ERS Procurement Methodology with three abstentions (that is, one vote from each of the respective Independent Generator, Independent Power Marketer and Municipal Segments).

Conclusion/Recommendation:

ERCOT staff recommends that the Board approve revision of the ERS Procurement Methodology as set forth in Attachment A.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, the change control process for the Other Binding Document, Emergency Response Service Procurement Methodology, requires the approval of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT); and

WHEREAS, the Board deems it desirable and in the best interest of ERCOT to approve the revised Other Binding Document, Emergency Response Service Procurement Methodology, as described in Attachment A; and

WHEREAS, the ERCOT Technical Advisory Committee (TAC) has voted to endorse the revision to the Other Binding Document, Emergency Response Service Procurement Methodology, as described in Attachment A;

THEREFORE, BE IT RESOLVED, that the Board approves the revised Other Binding Document, Emergency Response Service Procurement Methodology, as described in Attachment A to be effective May 1, 2014.

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