



Item 7: TAC Report

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2014 TAC Chair

Board of Directors Meeting
ERCOT Public
June 10, 2014

Summary of TAC Update

Revision Requests Recommended for Approval by TAC – Unopposed (Vote):

- NPRR588, Clarifications for PV Generation Resources
- NPRR597, Utilize Initial Estimated Liability (IEL) Only During Initial Market Activity
- NPRR599, Removal of FGR-Specific Settlement Language
- NPRR600, Removal of Outdated Language to Scheduling and Operations of BLT Section
- NPRR601, Inclusion of Incremental Exposure in Mass Transitions to Counter-Parties that are Registered as QSEs and LSEs and Provide POLR Service
- NPRR606, Removal of Risk Management Verification Fee
- NPRR607, Short-Term System Adequacy Report Posting Modification
- NPRR609, ERCOT System Administration Fee and User Fees
- NPRR610, Eliminate Late Fees and Late Fee Invoices
- NPRR613, Clarification of Fuel Adder into the Mitigated Offer Cap

Summary of TAC Update – Regular Agenda Items

April and May TAC Highlights

- DAM Collateral Requirements
- Policy Decision on RATF Price Reversal Mitigation Assignment
- Business Case Process Improvements
- LRDF_1 and LRDF_2 Values associated with NPRR555, Load Resource Participation in Security-Constrained Economic Dispatch
- Other Binding Document, Requirements for Aggregate Load Resource Participation in the ERCOT Markets
- ERCOT Independent Review of the Leander-Round Rock RPG Project
- CRR Activity Calendar
- Notice of Rejected NPRR605, Ancillary Service Make-Whole Payments Under a Watch - URGENT

Guide Revisions Approved by TAC



April/May TAC Highlights

DAM Collateral Requirements

- As specified in Protocol Section 4.4.10, Credit Requirement for DAM Bids and Offers, TAC shall review the following DAM Collateral Requirements. At its April 24, 2014 meeting, TAC took the following actions:
- **Procedures for Setting Nodal Day-Ahead Market Credit Requirement Parameters**
 - TAC unanimously voted to affirm the current document, Procedures for Setting Nodal Day-Ahead Market Credit Requirement Parameters, as recommended by both the WMS and the Credit Work Group.
- **Variables to Define the Pre-DAM Credit Validation Process**
 - TAC unanimously voted to recommend to the ERCOT Board maintaining the values for the variables to define the pre-DAM credit validation process as recommended by both the WMS and the Credit Work Group.
- **Point to Point (PTP) Obligation Bid Reduction Factor**
 - TAC unanimously voted to recommend to the ERCOT Board maintaining the 90% PTP Obligation bid reduction factor as recommended by both the WMS and the Credit Work Group.

Policy Decision on RATF Price Reversal Mitigation Assignment

On 5/29/14, a TAC Workshop was held to address the PUC directive to examine price reversal and impacts on ORDC from ERS Deployments, Load RRS Deployments, and RUC (0 – LSL). A compromise solution related to NPRR626, ORDC Price Reversal Mitigation Enhancements, was developed in the TAC Workshop.

On 5/29/14, TAC unanimously voted to endorse the compromise solution related to NPRR626 as follows:

Compromise Proposal to Adjust Pricing Through NPRR626 Type Methodology:

- Adjust Real-Time Settlement Point Price through adder that reflects the impact of (as filed in NPRR626):
 - (a) 0 to LSL RUC energy;
 - (b) Deployed ERS with a 10 hour return;
 - (c) On-Line RMR energy and emergency capacity acquisitions under paragraph (2) of Section 6.5.1.1, ERCOT Control Area Authority
 - (d) Deploy Load Resources other than Controllable Load Resources
- Adder calculated by adding a 3rd SCED run that considers (a), (b), (c), and (d) MWhs and comparing the difference in price to the 2nd SCED run.
- Adder paid to all available online Resources as proposed in NPRR626 as filed.
- For Load Resources other than Controllable Load Resources insert a proxy bid to buy to curtail at a linear curve starting at \$300/MWh to \$700/MWh.
 - (a) A Stakeholder review will occur using the best available data in the proxy bid to buy price points.
- Raise RUC Energy Offer Floor to \$1,500/MWh.

- PRS will move forward a revised NPRR 626 through the stakeholder process this summer

Business Case Process Improvements

- On 4/24/14, TAC discussed the ERCOT Board's request to better assess the cost/benefit of Revision Requests.
 - The PRS and TAC will scrutinize Business Cases for Revision Requests having a cost impact, particularly those crossing the \$100k threshold and/or those benefiting a limited number of Market Segments.
 - The submitter of the Revision Request or those supporting the Revision Request, will take the responsibility to develop a more robust Business Case to justify the cost/benefit of the Revision Request.

Additional TAC Highlights

- **Load Resource Reserve Discount Factors (LRDF_1 and LRDF_2 Values) associated with NPRR555, Load Resource Participation in Security-Constrained Economic Dispatch.** Per Protocol Section 6.5.7.5, LRDF values are subject to review and approval by TAC.
 - On 4/24/14, TAC unanimously voted to approve a value of 1.0 for LRDF_1 and LRDF_2.
- **Other Binding Document, Requirements for Aggregate Load Resource Participation in the ERCOT Markets**
 - On 5/29/14, TAC unanimously voted to approve the Other Binding Document, Requirements for Aggregate Load Resource Participation in the ERCOT Markets, as recommended by WMS and as amended by the 5/8/14 ERCOT comments.
- **ERCOT Independent Review of the Leander-Round Rock RPG Project**
 - On 5/29/14, TAC voted to endorse the Leander-Round Rock RPG Project as presented by ERCOT. There was one abstention from IOU Market Segment.

Additional TAC Highlights

- **CRR Activity Calendar**

As a result of NPRR586, Align Credit Lock for CRR Auctions with Transaction Submission Deadline, which was approved by the ERCOT Board on 4/8/14, CRR Account Holders are provided with an additional three days in which to lock credit for a CRR Auction. Corresponding changes were made to the CRR Activity Calendar to align with NPRR586 changes.

- On 4/24/14, TAC unanimously voted to approve the revised CRR Activity Calendar as presented by ERCOT.

- **Notice of Rejected NPRR605, Ancillary Service Make-Whole Payments Under a Watch - URGENT**

On 5/29/14, TAC voted via roll call ballot on a motion to recommend approval of NPRR605 as amended by the 5/28/14 ERCOT comments. That motion failed with 13 opposing votes from the Consumer (6), Cooperative (2), IREP (3) and Municipal (2) Market Segments and two abstentions from the Cooperative and IOU Market Segments. As no other motion was made, NPRR605 was deemed rejected by TAC pursuant to Protocol Section 21.4.8, Technical Advisory Committee Vote.

Notice of Guide Revisions Approved by TAC

NOGRR124, Additional VRT Requirement for IRRs

This Nodal Operating Guide Revision Request (NOGRR) specifies new high Voltage Ride-Through (VRT) requirements for Intermittent Renewable Resources (IRRs).

NOGRR130, Alignment with NPRR555 and NPRR434

This NOGRR aligns the Nodal Operating Guides with the Protocols as revised by NPRR555, which was approved by the ERCOT Board on September 17, 2013, and NPRR434, Increase the Capacity Limitation of a Generation Resource Providing RRS, which was approved by the ERCOT Board on February 12, 2012.

RMGRR120, Sharyland Updates - URGENT

This Retail Market Guide Revision Request (RMGRR) updates Sharyland business processes and contact information to support the Sharyland transition to competition.

Notice of Guide Revisions Approved by TAC

RMGRR121, Clarification of Inadvertent Gain Process

This RMGRR adds language to the Retail Market Guide to clarify best business practices when processing inadvertent gain issues in MarkeTrak.

SMOGRR014, Communications Regarding EPS Meter Repairs, and Related Notice Deadlines and Clarifications

This SMOGRR provides implementation details in support of NPRR 570, Reduce RTM Settlement Timeline to Operating Day Plus Five.

VCMRR002, Verifiable Costs for Cancellation of RUC- Committed Resources

This Verifiable Cost Manual Revision Request (VCMRR) provides language to document ERCOT's process for calculating payments for Reliability Unit Commitment (RUC)-Committed Resources that have received a RUC Cancellation.