

Date: October 6, 2014
To: ERCOT Board of Directors
From: Randa Stephenson, Technical Advisory Committee (TAC) Chair
Subject: Unopposed Revision Requests

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: October 13-14, 2014

Agenda Item No.: 6.1

Issue:

Consideration of the following Revision Requests recommended for approval by TAC (with no opposing votes recorded):

- NPRR611, Modifications to CDR Wind Capacity Value
- NPRR617, Energy Offer Flexibility
- NPRR632, Eliminate Manual Calculations When Producing 4-CP Billing Determinant Data
- NPRR633, Removes Requirement for Confirmation of Ancillary Service Test Using Primary and Secondary Voice Circuits
- NPRR634, Clarification for the Reporting of Demand Response
- NPRR635, Clarification of Congestion Revenue Right Source and Sink Points
- NPRR636, Cleanup to Remove Software Documentation Posting Requirement and Align Three-Part Supply Offer Language
- NPRR637, Clarification of ERS Language and ERCOT Process for Co-located Resources
- NPRR643, Clarification of MIS Postings for Outages Upon Implementation of SCR774, Enhancement to Outage Scheduler and Reports – URGENT
- NPRR644, Operating Reserve Demand Curve Phase 2 Revisions
- RRGRR003, Modifications to Improve Wind Forecasting - 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.

• ***NPRR611, Modifications to CDR Wind Capacity Value [ERCOT]***

Revision Description: This Nodal Protocol Revision Request (NPRR) proposes modifications to the Capacity, Demand, and Reserves (CDR) methodology for calculating the capacity value of wind during peak Load periods so that the wind capacity value is calculated as the average historical wind availability during the top 20 peak Load hours over a multi-year period, expressed as a percentage of installed wind capacity, rather than the effective load carrying capability as determined by a loss of Load expectation study; and also proposes to calculate the wind capacity values for both the summer and winter Peak Load Seasons, as well as for wind Resources located in non-coastal and coastal wind

regions.

Proposed Effective Date: November 1, 2014

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR611.

TAC Decision: On 8/28/14, TAC unanimously voted to recommend approval of NPRR611 as recommended by PRS in the 8/14/14 PRS Report.

- ***NPRR617, Energy Offer Flexibility [Calpine]***

Revision Description: This NPRR seeks to correct inconsistencies regarding the restrictions on energy offers in the Day-Ahead Market (DAM), removing the caps on Startup Offers and Minimum-Energy Offers (i.e., the “second” and “third” parts of a Three-Part Supply Offer).

Proposed Effective Date: Upon System Implementation - Priority 2014; Rank 1105

ERCOT Impact Analysis: Between \$60k and \$80k; no impacts to ERCOT staffing; impacts to Settlements and Billing (S&B) and Market Management Systems (MMS); no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports Market Participants’ decision on NPRR617 as it allows Resources to submit in the DAM, Startup Offers and Minimum-Energy Offers, that are consistent with actual operational conditions of the generating unit, while keeping Make-Whole Payments and offers in Reliability Unit Commitment (RUC) correlated to the generator’s generic or verifiable costs.

TAC Decision: On 9/25/14, TAC voted to recommend approval of NPRR617 as recommended by PRS in the 9/11/14 PRS Report. There was one abstention from the Industrial Consumer Market Sub-segment (Air Liquide).

- ***NPRR632, Eliminate Manual Calculations When Producing 4-CP Billing Determinant Data [ERCOT]***

Revision Description: This NPRR eliminates manual calculation of Transmission and/or Distribution Service Provider (TDSP) 4-Coincident Peak (4-CP) data using lower-level non-aggregate Electric Service Identifier (ESI ID) data and requires instead the use of Settlement system aggregate data; and clarifies treatment of Block Load Transfer (BLT) Load.

Proposed Effective Date: November 1, 2014

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR632.

TAC Decision: On 8/28/14, TAC unanimously voted to recommend approval of NPRR632 as recommended by PRS in the 8/14/14 PRS Report.

- ***NPRR633, Removes Requirement for Confirmation of Ancillary Service Test Using Primary and Secondary Voice Circuits [ERCOT]***

Revision Description: This NPRR removes the requirement to test the primary and

secondary voice circuits for Ancillary Service qualification tests. This requirement is not needed since ERCOT performs tests on voice circuits with any new Qualified Scheduling Entity (QSE) to establish their operations for the first time.

Proposed Effective Date: November 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 NPRR633.

TAC Decision: On 8/28/14, TAC unanimously voted to recommend approval of NPRR633 as recommended by PRS in the 8/14/14 PRS Report.

- ***NPRR634, Clarification for the Reporting of Demand Response [ERCOT]***

Revision Description: This NPRR clarifies that the reporting of Demand response participation, including Emergency Response Service (ERS), Demand response pilot projects, and Load Resources providing Ancillary Services, will be mapped to the 2003 ERCOT Congestion Management Zones instead of the current Load Zones to ensure confidentiality of MW quantities associated with Non Opt-In Entity (NOIE) participation, so that QSE-specific quantities of self-arranged Ancillary Services will not be disclosed before the time permitted under paragraph (f) of Section 1.3.1.1, Items Considered Protected Information; and also changes the source of the data that will be used to create the reports for Load Resources.

Proposed Effective Date: November 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 NPRR634.

TAC Decision: On 8/28/14, TAC unanimously voted to recommend approval of NPRR634 as recommended by PRS in the 8/14/14 PRS Report.

- ***NPRR635, Clarification of Congestion Revenue Right Source and Sink Points [Boston Energy]***

Revision Description: This NPRR will establish that Resource Settlement Points are retained in ERCOT Congestion Revenue Right (CRR) and DAM models until there is no further Resource association with the Settlement Point.

Proposed Effective Date: November 1, 2014

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports this NPRR as it clarifies and provides transparency to ERCOT processes for managing Resource Nodes in the Network Operations Model.

TAC Decision: On 8/28/14, TAC unanimously voted to recommend approval of NPRR635 as recommended by PRS in the 8/14/14 PRS Report.

- ***NPRR636, Cleanup to Remove Software Documentation Posting Requirement and Align***

Three-Part Supply Offer Language [ERCOT]

Revision Description: This NPRR removes a requirement to post software documentation and code related to validation rules to the extent that this is not Protected Information; and aligns Section 4.4.9.2.1, Startup Offer and Minimum-Energy Offer Criteria, with the limitations on modifying a Startup Offer or Minimum-Energy Offer for a DAM-Committed Interval, which were implemented with NPRR321, Allow Change to Energy Offer Curve MW Amounts in the Adjustment Period (formerly "Allow Change to Energy Offer Curve MW Amounts in the Adjustment Period for Qualifying Facilities,") in Section 4.4.9.3, Energy Offer Curve.

Proposed Effective Date: November 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 NPRR636.

TAC Decision: On 8/28/14, TAC unanimously voted to recommend approval of NPRR636 as recommended by PRS in the 8/14/14 PRS Report.

- ***NPRR637, Clarification of ERS Language and ERCOT Process for Co-located Resources [ERCOT]***

Revision Description: This NPRR provides for changes to ERS including clarifying procedures for ERS procurement, classification and treatment of ERS Generators particularly when they are co-located with an ERS Load, calculating ERS Resource Availability when the obligation of one or more ERS Resources is exhausted, payment reduction for Weather Sensitive and Non-Weather Sensitive ERS Resources, and clarifying rules for testing of ERS Resources.

Proposed Effective Date: November 1, 2014

ERCOT Impact Analysis: Less than \$5k (O&M); no impacts to ERCOT staffing; no impacts to ERCOT computer systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices. (implementation of NPRR637 will require modifications to the ERS submission form and ERS code)

ERCOT Opinion: ERCOT supports approval of NPRR637.

TAC Decision: On 8/28/14, TAC unanimously voted to recommend approval of NPRR637 as recommended by PRS in the 8/14/14 PRS Report.

- ***NPRR643, Clarification of MIS Postings for Outages Upon Implementation of SCR774, Enhancement to Outage Scheduler and Reports – URGENT [ERCOT]***

Revision Description: This NPRR clarifies how ERCOT will process Market Information System (MIS) postings concerning Outages upon system implementation of SCR774.

Proposed Effective Date: November 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. (impacts captured in SCR774)

ERCOT Opinion: ERCOT supports approval of NPRR643.

TAC Decision: On 9/25/14, TAC unanimously voted to recommend approval of NPRR643

as recommended by PRS in the 9/11/14 PRS Report.

- ***NPRR644, Operating Reserve Demand Curve Phase 2 Revisions [ERCOT]***

Revision Description: This NPRR revises previously approved Protocol language related to Operating Reserve Demand Curve (ORDC) Phase 2. The language to implement ORDC Phase 2 is being revised in order to streamline the validation process of the telemetered OFF10 and OFF30 values. Correspondingly, the qualification and testing procedures are bolstered in the interest of a more efficient overarching process.

Proposed Effective Date: Upon System Implementation of NPRR568, Real-Time Reserve Price Adder Based on Operating Reserve Demand Curve, Phase 2

ERCOT Impact Analysis: No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices; eliminates impacts to Resource Asset Registration Form (RARF), Network Model Management System (NMMS), and Common Information Model (CIM) from NPRR568 Phase 2.

ERCOT Opinion: ERCOT supports approval of NPRR644.

TAC Decision: On 9/25/14, TAC unanimously voted to recommend approval of NPRR644 as recommended by PRS in the 9/11/14 PRS Report.

- ***RRGRR003, Modifications to Improve Wind Forecasting – URGENT [ERCOT]***

Revision Description: This Resource Registration Glossary Revision Request (RRGRR) proposes modifications to the Resource Registration Glossary to improve ERCOT wind forecasting during weather related shutdown events.

Proposed Effective Date: Upon System Implementation – Priority 2015; Rank 1230

ERCOT Impact Analysis: Between \$35k and \$50k; no impacts to ERCOT staffing; impacts to RARF; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of RRGRR003.

TAC Decision: On 9/25/14, TAC unanimously voted to recommend approval of RRGRR003 as recommended by ROS in the 9/4/14 ROS Report.

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/2014/10/20141014-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/npr>

<http://www.ercot.com/mktrules/guides/resourcereg/rrgr>

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted reports to TAC regarding NPRRs 611, 617, 632, 633, 634, 635, 636, 637, 643, and 644.

The ROS met, discussed the issues, and submitted a report to TAC regarding RRGRR003.

TAC considered the issues and voted to take action on NPRRs 611, 617, 632, 633, 634, 635, 636, 637, 643, and 644; and RRGRR003.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 611, 617, 632, 633, 634, 635, 636, 637, 643, and 644; and RRGRR003.

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 Revision Requests:

- NPRR611, Modifications to CDR Wind Capacity Value
- NPRR617, Energy Offer Flexibility
- NPRR632, Eliminate Manual Calculations When Producing 4-CP Billing Determinant Data
- NPRR633, Removes Requirement for Confirmation of Ancillary Service Test Using Primary and Secondary Voice Circuits
- NPRR634, Clarification for the Reporting of Demand Response
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- NPRR643, Clarification of MIS Postings for Outages Upon Implementation of SCR774, Enhancement to Outage Scheduler and Reports – URGENT
- NPRR644, Operating Reserve Demand Curve Phase 2 Revisions
- RRGRR003, Modifications to Improve Wind Forecasting – URGENT

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 611, 617, 632, 633, 634, 635, 636, 637, 643, and 644; and RRGRR003.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its October 13-14, 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 October 2014.

Vickie G. Leady
Assistant Corporate Secretary