

The Wholesale Market Subcommittee Update

Prepared for the Mar. 26th
TAC meeting

2015 WMS Goals (Vote)

- The goals were updated and endorsed at our last meeting on March 4th
- WMS revised our list of goals to better align them with the TAC goals

VCMRR006 Fuel Adder Timeline Update (Vote)

- WMS unanimously recommended approval of March 9th ERCOT comments
- ERCOT proposed an adjustment to the timeline required for the fuel adder cost submissions.
 - Applies to those resources who elected to submit an “actual” fuel adder instead of default \$.50/MMBtu
 - Previously update every season (4x/yr)
 - Proposed to reduce the requirement to once every six months
- Also, updates language that allows Resources with all fuel types to submit actual fuel adders.

NPRR 638 Revisions to Certain Price Components of EAL

- On Mar. 10th the MCWG/CWG recommended that the NPRR continued to be tabled in order to allow more time to review the fuel adjustment process; the administration of the MAF; and look-back period
 - The next MCWG/CWG meeting is scheduled for April 22nd
- On Mar. 12th the PRS tabled the NPRR for another month
 - The next PRS meeting is April 16nd
- The PRS would not have MCWG/CWG recommendation until the May PRS meeting

NPRR 638 Outstanding Items

- Look-back period
 - The CWG recommendation of 10-days is being reconsidered in light of additional analysis
- Administration of the Market Adjustment Factor
 - ERCOT submitted comments on March 9th
 - Increase notice period of the MAF 14 days to 45 days
 - MAF may be utilized in response to changes in market conditions
 - ERCOT has sole discretion
- Fuel adjustment process using a FIP ratio
 - Reviewing the applicable heat rate range in order to establish adjustment limits

Consider alternative implementation options for automation of NPRR664

- NPRR 664
 - Created the Fuel Index Resource of HSC, Waha or weighted average
 - Included Real-Time Make-Whole Payment provision for exceptional fuel cost events
- At our last meeting WMS directed the RCWG to draft an NPRR for the following proposed elements
 - Resources can set an Exceptional Fuel Event “Flag” due to an exceptional event, i.e. actual price paid for delivered fuel is greater than the fuel price plus the fuel adder plus a threshold fuel price of \$2/MMBtu
 - Resources with Flag set will not be mitigated
 - Resource must submit a template to ERCOT summarizing the exceptional fuel cost information (price, quantity, duration, etc.) and must be able to verify its EOC

Consider alternative implementation options for automation of NPRR664

- Benefits
 - Exceptional fuel costs reflected in LMP's instead of recovery via make-whole payment
 - Eliminates need for make-whole payment and possibly FIPR
 - Implementation cost expected to be lower than NPRR664

TAC Assignment List Update

WMS Assignments From The TAC		
Date	Assignment	Status
4/24/14	Evaluate concerns with bringing RUC units earlier than required because of start-up failures	Reviewing ERCOT's procedure to utilize the SASM.
8/27/14	Maintenance/Improvement of operational checklist for Resource interconnection	ERCOT posted an updated version of the Resource Interconnection Handbook on 12/18. Revisions would be discussed at QMWG & WMS prior to implementation and a market notice will be sent prior to implementation. WMS is seeking to mark the item as completed.
8/28/14	NPRR181, FIP Definition Revision, tabled	WMS concluded it would best to re-evaluate this after the FERC gas electric coordination NOPRR is finalized (Q1/Q2 2015)
9/25/14	Voltage Reduction – assess cost issues and applicability to loads as well as market impacts	The Voltage Reduction Task Force is nearing completion of a survey of TSPs to ascertain the MW impact of VR. QMWG is on hold waiting the results of that survey.
12/18/14	Consider alternative implementation options for automation of NPRR664, Fuel Index Price for Resource Definition and Real-Time Make-Whole Payments for Exceptional Fuel Cost Events.	RCWG was directed to draft an NPRR at the March 4 th WMS meeting
12/18/14	Review of determination of RRS Under 2015 Ancillary Service Methodology and NERC BAL-003	Review ongoing