



Item 6: TAC Report

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2015 TAC Chair

Board of Directors Meeting
ERCOT Public
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Summary of TAC Update

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

- NPRR642, Constraint Management During Energy Emergency Alerts
- NPRR654, Discontinue Ancillary Service Requirement Methodology Assessment Report
- NPRR655, Discontinue Contingency List Changes Due to Weather Report
- NPRR657, Discontinue Backup Control Plan Submittal Results, Dispatch Instructions Compliance Metrics, and Backup Control Plan Test Dates and Results Summary Reports
- NPRR661, Discontinue Posting Profile Data Evaluation Report
- NPRR670, Clarification of Portfolio Weighted Auction Clearing Price (PWACP)
- NPRR671, Incorporation of DAM Credit Parameters into Protocols
- NPRR672, Clarification of EMR and ONEMR Status
- NPRR673, Correction to Estimated Aggregate Liability (EAL) for a QSE that Represents Neither Load nor Generation
- NPRR676, Emergency Response Service (ERS) Offer Disclosure
- NPRR677, Remove Outdated NERC Reference
- NPRR678, Posting of Wind Peak Average Capacity Percentage Data
- PGRR041, Revise and Add Requirements for NERC TPL-001-4 Standard
- RMGRR126, Additional ERCOT Validations for Customer Billing Contact Information File

Summary of TAC Update – Regular Agenda Items

February/March TAC Highlights

- 2015 DAM Collateral Factors
- NPRR638 Update
- 2015 TAC Goals & Strategic Objectives
- TAC Procedures Amendment
- CRR Account Holder Transaction Limits for CRR Auctions
- Annual Review of Other Binding Document List
- LCRA TSC and CPS Energy Transmission System Additions RPG Project
- 2015 Seasonal Adjustment Factor

Guide Revisions Approved by TAC

- LPGRR054, Alignment with NPRR661, Discontinue Posting Profile Data Evaluation Report
- NOGRR132, Automatic Under-Voltage and Under-Frequency Load Shedding Protection Systems --Load Restoration
- NOGRR136, Verifying QSE Capability to Operate in CFC
- NOGRR139, Under/Over-Frequency Relaying Requirements
- VCMRR006, Fuel Adder Timeline Update
- RMGRR128, Reinstate Critical Care Status After Resolution of an Inadvertent Gain

February/March 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 February 26, 2015 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 Wholesale Market Subcommittee (WMS) and the Credit Work Group (CWG).
- **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 WMS and CWG.
- **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 WMS and CWG.

Update on NPRR638, Revisions to Certain Price Components of EAL

CWG and the Market Credit Working Group (MCWG) are continuing to review NPRR638 and work towards providing a recommendation to PRS/TAC. The next meeting will be on April 22, 2015.

Current status of NPRR638 review:

- **Look-Back Period**
 - The CWG recommendation of 10 days is being reconsidered in light of additional analysis.
- **Administration of the Market Adjustment Factor (MAF)**
 - On 1/20/15, CWG and MCWG endorsed the following:
 - MAF applied based on changes in ERCOT market rules.
 - Revisions to MAF will be recommended by TAC and approved by the ERCOT Board.
 - The 3/9/15 ERCOT comments proposed the following:
 - Increased Notice period for revisions to the MAF from 14 days to 45 days.
 - MAF may be utilized in response to changes in market conditions.
 - ERCOT has sole discretion for revising the MAF.
 - Comments are being developed in an effort to reach a compromise regarding treatment of the MAF.

Update on NPRR638, Revisions to Certain Price Components of EAL

- **Fuel Adjustment Process using a Fuel Index Price (FIP) Ratio**
 - Reviewing the applicable heat rate range in order to establish adjustment limits

Stakeholders and ERCOT staff continue to collaborate on a compromise so that ERCOT has the appropriate tools for credit management and stakeholders have input into the calculation, approval process, and notification of changes to the MAF.

It is currently projected that NPRR638 has a seven-month implementation time frame. To be effective for Summer 2016, NPRR638 would require ERCOT Board approval no later than at the October 2015 Board meeting.

TAC Goals and Strategic Initiatives

On 2/26/15, TAC reviewed and unanimously voted to approve its Goals and Strategic Initiatives for 2015.

At the March Subcommittee meetings, each Subcommittee reviewed its 2015 goals to ensure that they align with the 2015 TAC Goals and Strategic Initiatives.

On 3/26/15, TAC reviewed and unanimously voted to approve the 2015 Subcommittee Goals.

TAC Goals

- 1) Align TAC and Subcommittee Goals with the ERCOT Board of Directors' strategic vision to work with ERCOT staff to achieve the Board's vision for ERCOT.
- 2) Maintain market rules that support ERCOT system reliability and are consistent with PURA, PUC, and NERC Reliability Standards.
- 3) Monitor resource adequacy and make improvements as necessary.
- 4) Collaborate with ERCOT Staff on current trends in fuel prices and installed resource costs through market changes.
- 5) Develop and implement needed market design corrections and improvements which are cost effective.
- 6) Pursue the appropriate implementation of load participation.
- 7) Pursue the appropriate implementation of emerging technologies.
- 8) Implement retail market improvements and requirements.
- 9) Facilitate market improvements necessary to leverage the capabilities of Advanced Metering Systems (AMS) in the retail market.
- 10) Improve Settlement processes to facilitate changes in the ERCOT market design.
- 11) Collaborate with ERCOT staff on the review of ancillary service needs and implement changes as necessary.
- 12) Maintain market rules that support open access to the ERCOT markets and transmission network.
- 13) Work with ERCOT staff to develop Protocols and market improvements that support increased data transparency and data availability to the market.
- 14) Work with ERCOT staff to ensure appropriate credit and collateral rules exist or are created to facilitate market changes.

TAC Strategic Initiatives

- 1) Subsynchronous Oscillation (SSO) – Assigned to ROS
- 2) Loads in SCED Part 2 – Assigned to WMS
- 3) Outage Coordination Improvements – Assigned to ROS
- 4) Switchable Generation – Assigned to WMS
- 5) Distributed Energy Resources – Assigned to WMS
- 6) Real-Time Cooptimization – Assigned to WMS
- 7) Multi-Interval Real-Time Market – Assigned to WMS
- 8) Future Ancillary Services – Assigned to TAC
- 9) Smart Meter Texas Transition Project – Assigned to RMS
- 10) Review of Planning Processes – Assigned to ROS
- 11) Implementation of Outage Scheduler Revisions (NPRR219 and SCR783)
– Assigned to ERCOT

Additional TAC Highlights

TAC Procedures Amendment. On 2/26/15, TAC unanimously voted to amend the TAC Procedures to include that in place of the ERCOT Chief Operating Officer (COO), the CEO's designee can also be the ex-officio, non-voting member of TAC.

CRR Account Holder Transaction Limits for CRR Auctions. On 3/26/15, TAC unanimously voted to approve the new transaction limits of 4,000 for Long-Term Auction Sequences (previously 2,500) and 10,000 for the monthly Auctions (previously 7,500) to accommodate the increase in the maximum number of total transactions for a CRR Auction from 200,000 to 300,000 due to the implementation of System Change Request (SCR) 779, Increase to the CRR Auction Transaction Limit.

Annual Review of Other Binding Document List. On 3/26/15, TAC unanimously voted to approve the Other Binding Document list as presented by ERCOT staff. The Protocols require annual TAC review of the Other Binding Document list.

Additional TAC Highlights

LCRA TSC and CPS Energy Transmission System Additions RPG

Project. On 3/26/15, TAC unanimously voted to endorse the LCRA TSC and CPS Energy Transmission System Additions RPG Project as presented by ERCOT staff.

2015 Seasonal Adjustment Factor. ERCOT staff presented to TAC a change to the Seasonal Adjustment Factor effective June 1, 2015.

Month	2014 Value	2015 Value
June	100%	115%
July	200%	125%
August	300%	200%
September	150%	100%

Notice of Guide Revisions Approved by TAC

- **LPGRR054, Alignment with NPRR661, Discontinue Posting Profile Data Evaluation Report.** This Load Profiling Guide Revision Request (LPGRR) proposes the discontinuation of the posting requirement for the Profile Data Evaluation Report, ERCOT Market Information List (EMIL) ID, ZP18-432-M.
- **NOGRR132, Automatic Under-Voltage and Under-Frequency Load Shedding Protection System – Load Restoration.** This Nodal Operating Guide Revision Request (NOGRR) adds a requirement for Under-Frequency Load Shedding (UFLS) and Under-Voltage Load Shedding (UVLS) systems Load restoration coordination consistent with that of manually shed Load for Energy Emergency Alert (EEA) Level 3 or a Constraint Management Plan (CMP).
- **NOGRR136, Verifying QSE Capability to Operate in CFC.** This NOGRR establishes a process for ERCOT to conduct Constant Frequency Control (CFC) tests to ensure that Qualified Scheduling Entities (QSEs) can provide this service if ERCOT loses its ability to control system frequency; and removes the CFC definition from the Nodal Operating Guides due to the definition being incorporated into the Protocols via associated NPRR646.

Notice of Guide Revisions Approved by TAC

- **NOGRR139, Under/Over-Frequency Relaying Requirements.** This NOGRR adds over-frequency relaying requirements and clarifies under-frequency and over-frequency relay set-points so that Generation Resources know what is expected.
- **VCMRR006, Fuel Adder Timeline Update.** This Verifiable Cost Manual Revision Request (VCMRR) adjusts the timeline required for fuel adder submissions and updates language that allows Resources with all fuel types to submit actual fuel adders.
- **RMGRR128, Reinstate Critical Care Status After Resolution of an Inadvertent Gain.** This Retail Market Guide Revision Request (RMGRR) provides guidelines for a Competitive Retailer (CR) to request that a Transmission and/or Distribution Service Provider (TDSP) restore a critical care status to an Electric Service Identifier (ESI ID) that may have been removed from the ESI ID due to an inadvertent gain.