

Date: April 27, 2015

From: LCRA and Austin Energy

To: Electric Reliability Council of Texas (“ERCOT”), Inc. Board and
ERCOT Technical Advisory Committee

CC: ERCOT Legal

Subject: Application for Permanent Site-Specific Exemption from Compliance
with ERCOT Nodal Metering Protocols, Section 10.3.2.3 (2)(b) and 10.3.2.3
(5) Memo Revision Two

LCRA and Austin Energy submits this Application and requests that ERCOT’s Technical Advisory Committee approves a Permanent Exemption under the provisions of and in accordance with the information and data requirements found in Section 10.14.3.1 of the Nodal Protocols.

10.14.3.1 Information to be Included in the Application

The application for exemption to ERCOT shall include:

- (1) A detailed description of the exemption sought, including specific reference to the relevant Section(s) of these Protocols or the SMOG authorizing ERCOT to grant the exemption, and the Metering Facilities to which the exemption will apply;*

LCRA and Austin Energy seek TAC’s approval of a Permanent Exemption under 10.3.2.3 Generation Netting for ERCOT Polled Settlement Meters. The metering facilities to which the exemption will apply are located at the Fayette Power Project (FPP). The Fayette Power Project consists of three units: FPP Unit 1 is jointly owned by Austin Energy and LCRA and built in 1979, FPP Unit 2 is jointly owned by Austin Energy and LCRA and built in 1980 and FPP Unit 3 is wholly owned by LCRA and built in 1988. Since the units were built at different times, but at a single site, FPP Units 1 and 2 have a separate interconnection request, Resource Asset Registration Forms and EPS Metering plan than FPP Unit 3. (See Attachment #1, Arial View of the Fayette Power Project).

In March 2012, LCRA completed a scrubber project by adding flue gas desulfurization technology to make environmental upgrades that remove about 90% of SO2 emissions plant wide. During this time, new switchgear and feeders were installed that facilitated backfeed options to increase plant reliability among the units (described more fully in the section below). The implementation of modifications for the backfeed options in 2013 and 2014 requires a permanent exemption to ERCOT Nodal Protocols Section 10.3.2.3.

During backfeed configurations, power for FPP Unit 3 would be obtained from FPP Unit 1 or 2, or FPP Unit 1 or 2 power would be obtained from FPP Unit 3. This would only occur during plant shutdowns or startup conditions. The internal interconnecting equipment is not sized for plant operating loads and would not be used to power an operating plant. Power is transferred between FPP Units through the FPP infrastructure are without further recourse to transmission lines. None of the power is diverted around or bypasses any EPS meter. Therefore, the netting of the backfeed load and generation occurs strictly as a function of the internal management between LCRA and Austin Energy.

The Metering Facilities are included in the design proposals FPP Yard Design 1 and FPP Yard Design 2 for FPP Unit 1 and 2 and FPP Unit 3. No changes to these design proposals are required.

(2) *A detailed statement of the reason for seeking the exemption, including any supporting documentation;*

For FPP Unit 3, Station Service can only be derived from the Unit Auxiliary Transformer or Standby Auxiliary Transformer. The Unit Auxiliary Transformer is powered by the generator and therefore only available when the plant is operational. During shutdown or startup conditions, FPP Unit 3 plant loads can only be powered from the Standby Auxiliary Transformer. If the Standby Auxiliary system fails while the plant is in shutdown or startup, there would be no power to FPP Unit 3's plant loads other than batteries and emergency generators. In these conditions, the plant could not be started. The backfeed project makes it possible to provide power from FPP Units 1 or 2 to power FPP Unit 3 plant loads during shutdown or startup conditions.

FPP Units 1 and 2 are similar except that the Standby Auxiliary Transformer is shared between facilities and either FPP Unit 1 or Unit 2's Unit Auxiliary Transformer can feed either plant load. Therefore, if both FPP Unit 1 and 2 are shut down and the Standby Auxiliary source failed, neither FPP Unit 1 nor 2 could be restarted. With the backfeed project, power could be provided from FPP Unit 3 to power or startup either FPP Unit 1 or 2.

During maintenance outages, it is desirable to go on to backfeed to allow maintenance of the Standby Auxiliary equipment. At the present time, this maintenance is performed while the plants are operational. Clearly, this is a reliability concern and introduces a level of risk which can be mitigated by the backfeed project. Therefore in this condition, if the plant trips, there will not be a source for the plant loads other than batteries and emergency generator.

As can be seen in Attachment 1 in an aerial view of the Fayette Power Project, all three plants are located adjacent to each other at the same site. This facilitated internal transfer of power since electrical equipment is in close proximity within the plants for all facilities.

(3) *Details of the Entity(s) to which the exemption will apply;*

The Entity to which the exemption will apply is the Fayette Power Project located in Fayette County and additional information is available on the RARF. FPP is owned by LCRA and Austin Energy as described above in Section (1).

(4) *Details of the location to which the exemption will apply;*

The Facility to which the exemption will apply is the Fayette Power Project located in Fayette County and additional information is available on the RARF. Since this is an internal metering issue and not affecting the POI, we do not have any further information for this section.

(5) *Details of the period of time for which the exemption will apply, including the proposed start and finish dates of that period; and*

The clarification from the requirement is regarding ERCOT Nodal Protocols Section 10.3.2.3 (5) concerning the term "Facility." It is not a defined term in the ERCOT Protocols. LCRA requests that all units of FPP are considered the "Facility" and can be used in the internal netting arrangement. The start date will be coordinated with Resource Owners and ERCOT's Operations and Metering Departments to be implemented as soon as possible to remove the temporary exemption that ERCOT granted.

(6) *Any other information requested by ERCOT.*

None requested as of this date.

Submitted by:



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Attachment #1, Arial View of the Fayette Power Project

