

Date: June 2, 2015
To: ERCOT Board of Directors
From: Randa Stephenson, Technical Advisory Committee (TAC) Chair
Subject: Unopposed Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Request (PGRR) Recommended by TAC for Approval

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: June 9, 2015

Item No.: 2.1

Issue:

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

- NPRR668, Updates to Texas SET Implementation Guide Process;
- NPRR674, Clarification of Water Supply Rights Documentation;
- NPRR679, ONOPTOUT for RUC Given After the Adjustment Period;
- NPRR680, Allow QSEs to Self-Arrange AS Quantities Greater Than Their AS Obligation – URGENT;
- NPRR681, Clarifications to Dynamic Ratings;
- NPRR682, Changes to Notification Method when ERCOT Intends to Procure Additional Ancillary Services;
- NPRR683, Revision to Available Credit Limit Calculation;
- NPRR686, Changing the IRR Forecast from Next 48 Hours to Next 168 Hours;
- NPRR687, Required Telemetry for Operational Awareness and PDCWG Analysis;
- NPRR688, Black Start Services Testing Clarifications;
- NPRR690, Incorporation of Creditworthiness Standards into Protocols;
- NPRR698, Clarifications to NPRR595, RRS Load Resource Treatment In ORDC – URGENT; and
- PGRR040, Clarification of Water Supply Rights Attestation

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.

- ***NPRR668, Updates to Texas SET Implementation Guide Process [Texas SET Working Group]***

Revision Description: This Nodal Protocol Revision Request (NPRR) updates the Texas Standard Electronic Transaction (TX SET) change control process for the Texas SET Implementation Guides to clarify classification of change requests and to remove redundant and outdated language.

Proposed Effective Date: July 1, 2015

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ERCOT Opinion: ERCOT supports approval of NPRR668 as it removes redundant and outdated language.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR668 as recommended by PRS in the 2/12/15 PRS Report and the revised Impact Analysis.

- ***NPRR674, Clarification of Water Supply Rights Documentation [ERCOT]***

Revision Description: This NPRR clarifies that an Interconnecting Entity (IE) meets the water supply condition for including a non-wind Generation Resource in the total capacity estimate when it demonstrates that it has obtained rights to water supplies by way of a contract or permit. The Protocols' current use of the term "water rights" might be interpreted to suggest that only government-issued water permits meet this condition, when both contractual and permit-based rights should be understood to suffice.

Proposed Effective Date: July 1, 2015

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 NPRR674.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR674 as recommended by PRS in the 4/16/15 PRS Report.

- ***NPRR679, ONOPTOUT for RUC Given After the Adjustment Period [Tenaska]***

Revision Description: This NPRR allows for the telemetering of ONOPTOUT status for a Resource where a Reliability Unit Commitment (RUC) instruction is given after the close of the Adjustment Period.

Proposed Effective Date: Upon System Implementation - Priority 2015; Rank 1320

ERCOT Impact Analysis: Between \$15k and \$20k; no impacts to ERCOT staffing; impacts to Settlements and Billing (S&B); no impacts to ERCOT business functions; ERCOT grid operations and practices will be updated.

ERCOT Opinion: ERCOT supports approval of NPRR679 as it provides Qualified Scheduling Entities (QSEs) increased flexibility in managing their RUC assignments without impacting reliability

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR679 as recommended by PRS in the 5/14/15 PRS Report and the revised Impact Analysis.

- ***NPRR680, Allow QSEs to Self-Arrange AS Quantities Greater Than Their AS Obligation [ERCOT] - URGENT***

Revision Description: This NPRR proposes to allow a QSE to submit Self-Arranged Ancillary Service Quantities in excess of its Ancillary Service Obligations by up to 100 MW for each of Responsive Reserve (RRS) and Non-Spinning Reserve (Non-Spin); up to 25 MW for each of Regulation Up Service (Reg-Up) and Regulation Down Service (Reg-Down); and to receive appropriate compensation for those self-arranged quantities. This NPRR does not propose to change the requirement that self-arranged RRS service provided

by a Load Resource must be limited to 50% of a QSE's RRS Ancillary Service Obligation, pursuant to paragraph (7) of Section 3.16, Standards for Determining Ancillary Service Quantities.

Proposed Effective Date: Upon System Implementation - Priority 2015; Rank 1330

ERCOT Impact Analysis: Between \$20k and \$30k; no impacts to ERCOT staffing; impacts to Market Management System (MMS); no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR680.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR680 as recommended by PRS in the 5/14/15 PRS Report and as amended by the 5/21/15 Reliant Energy comments. *See 5/21/15 Credit WG comments.*

- ***NPRR681, Clarifications to Dynamic Ratings [ERCOT]***

Revision Description: This NPRR adds clarification for Dynamic Ratings provided via Inter-Control Center Communications Protocol (ICCP).

Proposed Effective Date: July 1, 2015

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 NPRR681.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR681 as recommended by PRS in the 5/14/15 PRS Report.

- ***NPRR682, Changes to Notification Method when ERCOT Intends to Procure Additional Ancillary Services [ERCOT]***

Revision Description: This NPRR changes the notification to Market Participants from the Market Information System (MIS) Secure Area to the MIS Public Area when ERCOT intends to procure additional Ancillary Services through a Supplemental Ancillary Service Market (SASM).

Proposed Effective Date: Upon System Implementation.

ERCOT Impact Analysis: Less than \$5k (O&M); no impacts to ERCOT staffing; impacts to MIS and ERCOT.com; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR682.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR682 as recommended by PRS in the 4/16/15 PRS Report.

- ***NPRR683, Revision to Available Credit Limit Calculation [Luminant]***

Revision Description: This NPRR revises the calculation of Available Credit Limit for the CRR Auction (ACLC) and Available Credit Limit for the DAM (ACLD) by replacing the existing 10% discount to the ACL based on the Counter-Party's unused letter of credit amount with a 10% gross up of the sum of the Total Potential Exposure Any (TPEA) and the Total Potential Exposure Secured (TPES).

Proposed Effective Date: Upon System Implementation - Priority 2015; Rank 1300

ERCOT Impact Analysis: Between \$40k and \$50k; no impacts to ERCOT staffing; impacts to Credit Monitoring and Management (CMM); no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR683 as it incentivizes Market Participants to provide additional collateral above their credit exposure.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR683 as recommended by PRS in the 4/16/15 PRS Report. *See 3/25/15 Credit WG comments.*

- ***NPRR686, Changing the IRR Forecast from Next 48 Hours to Next 168 Hours [ERCOT]***

Revision Description: This NPRR requires QSEs representing Wind-powered Generation Resources (WGRs) or PhotoVoltaic Generation Resources (PVGRs) to limit the HSL values submitted for the entire 168-hour range of the Current Operating Plan (COP) to the values provided in the most recent Short-Term Wind Power Forecast (STWPF) or Short-Term PhotoVoltaic Power Forecast (STPPF), as applicable. As required by the Protocols, ERCOT will post these extended forecasts to the MIS, as is done with the current 48-hour forecasts.

Proposed Effective Date: Upon System Implementation - Priority 2015; Rank 1130

ERCOT Impact Analysis: Between \$45k and \$65k; no impacts to ERCOT staffing; impacts to Enterprise Information Services (EIS), Energy Management System (EMS), Current Day Reports (CDR), MIS, and Enterprise Integration (EI); no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR686.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR686 as recommended by PRS in the 5/14/15 PRS Report.

- ***NPRR687, Required Telemetry for Operational Awareness and PDCWG Analysis [GDF Suez]***

Revision Description: This NPRR enables, upon ERCOT approval, the telemetry of any Non-Frequency Responsive Capacity (NFRS) to ERCOT for operational awareness. This NPRR allows the Performance, Disturbance, Compliance Working Group (PDCWG) to accurately measure the Primary Frequency Response (PFR) of Generation Resources while using ERCOT collected data necessary to analyze each Measurable Event. Revisions to the User Guide, "ERCOT Nodal ICCP Communications Handbook" will be required as a result of this NPRR.

Proposed Effective Date: July 1, 2015

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

ERCOT Opinion: ERCOT supports approval of NPRR687 as it enables increased operational awareness of available NFRS.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR687 as recommended by PRS in the 5/14/15 PRS Report.

- ***NPRR688, Black Start Services Testing Clarifications [ERCOT]***

Revision Description: This NPRR proposes clarifications regarding Black Start testing periodicity and Black Start random testing requirements.

Proposed Effective Date: July 1, 2015

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 NPRR688.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR688 as recommended by PRS in the 5/14/15 PRS Report.

- ***NPRR690, Incorporation of Creditworthiness Standards into Protocols [ERCOT]***

Revision Description: This NPRR incorporates the ERCOT Creditworthiness Standards (which currently resides in an Other Binding Document) into the Protocols, and deletes references to the Other Binding Document. In addition, it corrects discrepancies between Protocols and the current ERCOT Creditworthiness Standards relating to requirements to receive unsecured credit and in certain terminology, eliminates the annual Finance and Audit Committee review process for letter of credit concentration limits in favor of the change control process used elsewhere in Protocols, corrects a discrepancy between requirements for Electric Cooperatives (ECs) and applicable regulatory standards, and aligns Protocol language with the current ERCOT Creditworthiness Standards to clarify that audited financial statements must be in accordance with Generally Accepted Accounting Principles (GAAP) or International Accounting Standards (IAS).

Proposed Effective Date: Upon System Implementation.

ERCOT Impact Analysis: Less than \$5k (O&M); no impacts to ERCOT staffing; impacts to MIS and ERCOT.com; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR690.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR690 as recommended by PRS in the 5/14/15 PRS Report.

- ***NPRR698, Clarifications to NPRR595, RRS Load Resource Treatment In ORDC [ERCOT] – URGENT***

Revision Description: This NPRR clarifies ERCOT's intended implementation of NPRR595, RRS Load Resource Treatment In ORDC, and allows the use of currently telemetered values to provide the intent of NPRR595 at a lower project cost.

Proposed Effective Date: Upon System Implementation - Priority 2015; Rank 885

ERCOT Impact Analysis: Between \$70k and \$90k (if approved, this cost estimate replaces the \$100k-\$150k estimate previously approved for NPRR595, resulting in a \$40k-\$60k net reduction in 2015 project spending); no impacts to ERCOT staffing; impacts to CSI, EIS, EMS, MMS, and S&B; no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports approval of NPRR698.

TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of NPRR698 as recommended by PRS in the 5/14/15 PRS Report.

- PGRR040, Clarification of Water Supply Rights Attestation Obligation [ERCOT]***
Revision Description: This Planning Guide Revision Request (PGRR) provides further clarification about when a proposed Generation Resource will be included in ERCOT's planning models. This PGRR provides that an Interconnecting Entity (IE) meets the requirement to attest to sufficient water supplies by completing and submitting the Declaration of Adequate Water Supply Rights in Planning Guide Section 8, Attachment B; allows an IE to attest that its Generation Resource does not require water supplies to generate electricity; provides that any IE proposing a Generation Resource powered by wind or photovoltaic solar technology is not required to submit proof of an air permit or an attestation of water supply rights as a condition for ERCOT's inclusion of a proposed Generation Resource in the base cases; and clarifies that all data required by the Resource Registration Glossary must be submitted as a condition for inclusion in the planning models.
Proposed Effective Date: July 1, 2015
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 PGRR040.
TAC Decision: On 5/28/15, TAC unanimously voted to recommend approval of PGRR040 as recommended by ROS in the 5/7/15 ROS Report. *Credit review not applicable.*

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/2015/6/9/31903-BOARD>

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/issues/pgrr>

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted reports to TAC regarding NPRRs 668, 674, 679, 680, 681, 682, 683, 686, 687, 688, 690, and 698.

The ROS met, discussed the issues, and submitted a report to TAC regarding PGRR044.

TAC considered the issues and voted to take action on regarding NPRRs 668, 674, 679, 680, 681, 682, 683, 686, 687, 688, 690, and 698; and PGRR040.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRRs 668, 674, 679, 680, 681, 682, 683, 686, 687, 688, 690, and 698; and PGRR040.

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 Nodal Protocol Revision Requests (NPRRs) and Planning Guide Revision Request (PGRR):

- NPRR668, Updates to Texas SET Implementation Guide Process;
- NPRR674, Clarification of Water Supply Rights Documentation;
- NPRR679, ONOPTOUT for RUC Given After the Adjustment Period;
- NPRR680, Allow QSEs to Self-Arrange AS Quantities Greater Than Their AS Obligation – URGENT;
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- NPRR690, Incorporation of Creditworthiness Standards into Protocols;
- NPRR698, Clarifications to NPRR595, RRS Load Resource Treatment In ORDC – URGENT; and
- PGRR040, Clarification of Water Supply Rights Attestation

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRRs 668, 674, 679, 680, 681, 682, 683, 686, 687, 688, 690, and 698; and PGRR040.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its June 9, 2015 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of June 2015.

Vickie G. Leady
Assistant Corporate Secretary