



Item 8: TAC Report

Randa Stephenson
2015 TAC Chair

Board of Directors Meeting
ERCOT Public
June 9, 2015

Summary of TAC Update

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

- 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
- PGRR040, Clarification of Water Supply Rights Attestation

Summary of TAC Update – Regular Agenda Items

Revision Request Recommended for Approval by TAC – With Opposing Votes (Vote):

- NPRR662, Proxy Energy Offer Curves

May TAC Highlights

- Update on NPRR638, Revisions to Certain Price Components of EAL
- Update on Future Ancillary Services (FAS)
- LCRA/Austin Energy Application for Permanent Site-Specific Exemption from Compliance with ERCOT Nodal Metering

Guide Revisions Approved by TAC

- NOGRR142, Phasor Measurement

Revision Request with Opposing Votes (VOTE)

NPRR662, Proxy Energy Offer Curves

Purpose (TIEC)	This NPRR addresses proxy Energy Offer Curves generated by ERCOT for a Resource that does not submit an Energy Offer Curve or submits an incomplete Energy Offer Curve. For a Resource without an Energy Offer Curve, a monotonically increasing proxy Energy Offer Curve will be created such that the last point on the curve is extended. For a Resource with an incomplete Energy Offer Curve, a proxy Energy Offer Curve will be created to extend the offer price from last point on the submitted Energy Offer Curve up to the Resource's HSL.
TAC Vote	On 5/28/15, TAC voted via roll call vote to recommend approval of NPRR662 as recommended by PRS in the 5/14/15 PRS Report and as revised by TAC. There were four opposing votes from the IOU (2) (Luminant, AEP) and IPM (2) (DC Energy, EDF Trading) Market Segments and six abstentions from the IOU (2) (CenterPoint Energy, TNMP), IPM (2) (Citigroup Energy, Morgan Stanley), and Municipal (2) (GP&L, Denton Municipal Electric) Market Segments..
ERCOT Opinion	ERCOT supports Market Participants' decision on NPRR662 as it aligns proxy Energy Offer Curve creation with recommendations made by the IMM.
Effective Date/Priority	Upon System Implementation – Priority 2015/Rank 1310
ERCOT Impact	Between \$80k and \$120k; impacts to S&B, MMS.
Business Case	Responsiveness to issues raised by the IMM; facilitates more efficient and appropriate scarcity pricing; makes additional energy available to the market sooner based on an automatically generated Energy Offer Curve; creates more appropriate pricing outcomes and will smooth price spikes when proxy energy is dispatched through SCED; lower energy prices; more appropriate price signals and more efficient proxy offers for energy without an offer.



May TAC Highlights

Update on NPRR638, Revisions to Certain Price Components of EAL

- The Credit Work Group's (CWG) and the Market Credit Work Group's (MCWG) review of NPRR638 in conjunction with estimated back-testing results have raised issues including difficulty in shadowing calculations, high volatility in exposure for certain Entities with both generation and load, and overall inaccuracies due to separation of price and volume components.
- Resolution of NPRR638 is ongoing. CWG and MCWG will continue to discuss NPRR638, the path forward and whether to remain focused on addressing the Seasonal Adjustment Factor (SAF) or pursue other options.

Additional TAC Highlights

Update on Future Ancillary Services (FAS)

- On 5/28/15, TAC was presented with multiple pricing proposals that were a result of discussions from FAS Workshops. TAC unanimously voted to consider these proposals as part of NPRR667, Ancillary Service Redesign, instead of as a separate issue.
- ERCOT Staff provided an update on the development of the Cost Benefit Analysis stating that the results would be delayed until the Fall 2015 due to the complexity of and confidence in the model and base cases. ERCOT and TAC will continue to discuss details on the progression of the development of the model and base cases, as well as a projected plan forward.

LCRA/Austin Energy Application for Permanent Site-Specific Exemption from Compliance with ERCOT Nodal Metering

- On 5/28/15, TAC unanimously approved LCRA and Austin Energy's permanent site-specific exemption from compliance with paragraphs (2)(b) and (5) of Protocol Section 10.3.2.3, Generation Netting for ERCOT-Polled Settlement Meters.

Notice of Guide Revision Approved by TAC

- **NOGRR142, Phasor Measurement.** This Nodal Operating Guide Revision Request (NOGRR) represents the consensus recommendation of the Phasor Measurement Task Force (PMTF) as the binding language required to meet the top three synchrophasor use cases identified by ERCOT staff and the PMTF as having merit in the ERCOT region.