Market Continuity Guiding Principles

1. State of emergency declared in ERCOT
	1. ERCOT emergency response plan is to notify PUCT and other appropriate governmental and regulatory agencies (implement statewide Energy Emergency Plan)
		1. Appeal to market participants, fuel service providers, etc. to continue operations and services during the emergency
	2. Ensure that Protocols state that Resources will be compensated for their direct costs incurred during an emergency
		1. Provides clarity and assurance to Resource’s service providers that they will be paid
2. Restore grid operations- physical
	1. Establish communications
	2. Implement Black Start, if needed
	3. Establish Single control area operations
3. Restore ERCOT markets
	1. Restore the RT market
		1. Establish market communications
			* Real time telemetry
		2. other systems (MMS, EMS, etc)
	2. Restore the DAM, CRR markets
4. Provide compensation to Resources for actual verifiable costs
	1. Based on the Resource’s current verifiable costs and a proxy fuel price
		1. Proxy fuel price would be the most recently available FIP
	2. Resources can request a true-up to actual direct costs (similar to RUC make-whole)
	3. Compensation to be provided as soon as reasonably possible after grid and market services have been restored
5. Identify funds and process for Resource compensation and uplift
	1. ERCOT to utilize available funds and instruments to cover interim liquidity needs
		1. Available CRR funds
		2. Letter of credit or other financial instrument
		3. Short-term loan/debt
	2. Allocate costs to load based on a levelized or average total cost to generate