**APPROVED**

**Minutes of the Wholesale Market Subcommittee (WMS) Meeting**

**ERCOT Austin – 7620 Metro Center Drive – Austin, Texas 78744**

**Wednesday, September 7, 2016 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
| Barnes, Bill | Reliant Energy Retail Services |  |
| Bierschbach, Erika | Austin Energy |  |
| Bonskowski, Ned | Luminant |  |
| Carpenter, Jeremy | Tenaska |  |
| Coleman, Diana | OPUC |  |
| Dotson-Westphalen, Peter | Enerwise Global Technologies |  |
| Dumas, John | LCRA |  |
| Franklin, Russell | Garland Power and Light |  |
| Goff, Eric | Citigroup Energy |  |
| Greer, Clayton | Morgan Stanley |  |
| Gross, Blake | AEP Service Corporation |  |
| Helton, Bob | GDF Suez |  |
| Kee, David | CPS Energy |  |
| Lindberg, Ken | Bryan Texas Utilities |  |
| Lyons, Chris | Exelon |  |
| Maduzia, Franklin | Dow Chemical |  |
| Messer, Tayaun | Brazos Electric Power |  |
| Morris, Sandy | Direct Energy |  |
| Schwarz, Brad | Sharyland Utilities |  |
| Spankuch, Andrew | Source Power and Gas | Alt. Rep for P. O’Hair |
| Such, Chris | E.ON |  |
| Thurnher, Greg | Shell Energy |  |
| Turner, Lucas | South Texas Electric Cooperative | Alt. Rep for C. Lange |
| Wall, Perrin | CenterPoint Energy |  |
| Wise, Mike | Golden Spread Electric Cooperative | Alt. Rep for M. Moore |
|  |  |  |

The following proxy was assigned:

* Chris Brewster to Diana Coleman
* Mike Grimes to Chris Such

*Guests:*

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| --- | --- | --- |
| Ainspan, Malcolm | NRG | Via Teleconference |
| Anderson, Kevin | CES | Via Teleconference |
| Babu, Sathi | Austin Energy | Via Teleconference |
| Bailey, Robert | NRG | Via Teleconference |
| Bern, Alan | Oncor |  |
| Boyle, Sean | Exelon | Via Teleconference |
| Brandt, Adrianne | CPS Energy |  |
| Bryant, Mark | PUCT | Via Teleconference |
| Bunch, Kevin | EDF Trading | Via Teleconference |
| Clark, Jack | NextEra | Via Teleconference |
| Cobos, Lori | Talen Energy |  |
| Corona, Connie | NRG | Via Teleconference |
| Cripe, Ramsey | Schneider Engineering | Via Teleconference |
| DeLaRosa, Lewis | Texas Reliability Entity | Via Teleconference |
| Denney, Kristi | Potomac Economics |  |
| Donahoo, Ken | Oncor | Via Teleconference |
| Downey, Marty | Viridity Energy |  |
| Dubberly, Aaron | Tenaska | Via Teleconference |
| Elliott, Christopher | Bank of America Merrill Lynch | Via Teleconference |
| English, Rock | Luminant | Via Teleconference |
| Frazier, Amanda | Luminant |  |
| Garza, Beth | Potomac Economics |  |
| Graham, Greg | Texas Reliability Entity | Via Teleconference |
| Henson, Martha | Oncor |  |
| Hoatson, Tom | LS Power | Via Teleconference |
| Huang, Feiran | Luminant | Via Teleconference |
| Hughes, Darren | LCRA | Via Teleconference |
| Jones, Randy | Calpine |  |
| Jones, Liz | Oncor |  |
| Kroskey, Tony | Brazos Electric Power | Via Teleconference |
| Looney, Sherry | Luminant | Via Teleconference |
| Markham, Craig | CPower |  |
| Matos, Chris | Golden Spread Electric Cooperative | Via Teleconference |
| McAndrew, Thomas | Enchanted Rock |  |
| McElreath, Alex | Uniper Energy | Via Teleconference |
| McCamant, Frank | McCamant Consulting | Via Teleconference |
| Moore, Sheri | CenterPoint Energy | Via Teleconference |
| Mueller, Paula | Texas Reliability Entity | Reliability Entity |
| Nease, Nelson | American Petroleum Institute |  |
| Ordonez, Camilo | Luminant | Via Teleconference |
| Reed, Cyrus | Sierra Club |  |
| Reedy, Steve | Potomac Economics |  |
| Reid, Walter | Wind Coalition |  |
| Ricketts, David | Energy Future Holdings | Via Teleconference |
| Roth, Werner | PUCT | Via Teleconference |
| Rothschild, Eric | GDS | Via Teleconference |
| Sams, Bryan | NRG |  |
| Siddiqi, Shams | Crescent Power |  |
| Sithuraj, Murali | Austin Energy |  |
| Smith, Caitlin | ClearResult | Via Teleconference |
| Tijerina, Jonathan | CPS Energy |  |
| Trefny, Floyd |  | Via Teleconference |
| Varnell, John | Tenaska | Via Teleconference |
| Vinson, Paul | CPS Energy |  |
| Walker, Mark | NRG |  |
| Wallin, Shane | DME Power |  |
| Watson, Mark | S & P Global Platts | Via Teleconference |
| White, Lauri | AEP |  |
| Whittle, Brandon | Megawatt Analytics |  |
| Whitworth, Doug | Texas Reliability Entity | Via Teleconference |
| Wilson, Joe Dan | Golden Spread Electric Cooperative | Via Teleconference |
| Wittmeyer, Bob | DME |  |
| Woitt, Wes | CenterPoint Energy | Via Teleconference |
| Woodruff, Taylor | Oncor | Via Teleconference |
|  |  |  |

*ERCOT Staff:*

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| --- | --- | --- |
| Albracht, Brittney |  | Via Teleconference |
| Annab, Magie |  | Via Teleconference |
| Billo, Jeff |  |  |
| Bivens, Carrie |  | Via Teleconference |
| Borkar, Sandeep |  | Via Teleconference |
| Bracy, Phil |  | Via Teleconference |
| Chang, Sean |  | Via Teleconference |
| Chen, Jian |  | Via Teleconference |
| Clifton, Suzy |  |  |
| Coon, Patrick |  | Via Teleconference |
| Gonzalez, Ino |  |  |
| Gnanam, Prabhu |  | Via Teleconference |
| Guo, Jack |  | Via Teleconference |
| Hailu, Ted |  | Via Teleconference |
| Hanson, Kevin |  | Via Teleconference |
| Holt, Blake |  | Via Teleconference |
| Hunsucker, Brett |  | Via Teleconference |
| Jin, Julie |  | Via Teleconference |
| Jones, Dan |  |  |
| Krein, Steve |  | Via Teleconference |
| Landry, Kelly |  |  |
| Lazarus, Dana |  | Via Teleconference |
| Maggio, Dave |  | Via Teleconference |
| Opheim, Calvin |  |  |
| Orr, Rob |  | Via Teleconference |
| Pabbisetty, Suresh |  | Via Teleconference |
| Phillips, Cory |  | Via Teleconference |
| Rosel, Austin |  |  |
| Shaw, Pamela |  |  |
| Simons, Diane |  | Via Teleconference |
| Surendran, Resmi |  |  |
| Thompson, David |  | Via Teleconference |
| Townsend, Aaron |  | Via Teleconference |
| Tucker, Don |  | Reliability Entity |
| Warnken, Pete |  | Via Teleconference |
| Wattles, Paul |  | Via Teleconference |

***Unless otherwise indicated, all Market Segments were present for a vote.***

2016 WMS Chair Jeremy Carpenter called the September 7, 2016 WMS meeting to order at 9:30 a.m.

Antitrust Admonition

Mr. Carpenter directed attention to the Antitrust Admonition, which was displayed.

Agenda Review

Mr. Carpenter reviewed proposed changes to the agenda order.

Approval of WMS Meeting Minutes (see Key Documents)[[1]](#footnote-1)

*August 3, 2016*

**Blake Gross moved to approve the August 3, 2016 WMS meeting minutes as submitted. Greg Thurnher seconded the motion. The motion carried unanimously.**

Technical Advisory Committee (TAC) Update and Assignments

*Annual TAC/Subcommittee Structural and Procedural Review*

Mr. Carpenter provided an update on the annual TAC/TAC Subcommittee Structural and Procedural Review, and conveyed the request that consideration be given to the efficiency of meetings for working groups under WMS. Market Participants considered combining the Demand Side Working Group (DSWG) and Emerging Technologies Working Group (ETWG) but were in consensus to leave it as is.

*Monthly Report WMS Open Action Items for TAC*

*4/24/14 – Evaluate concerns with bringing RUC units earlier than required because of start-up failures*

*9/25/14 – Voltage Reduction – assess cost issues and applicability to loads as well as market impacts*

*12/18/14 – Consider alternative implementation options for automation of NPRR664, Fuel Index Price for Resource Definition and Real-Time Make-Whole Payments for Exceptional Fuel Cost Events.*

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*12/18/14 – Review of determination of RRS Under 2015 Ancillary Service Methodology and NERC BAL-003*

*5/28/15 – Review ways to improve SASM*

*2/25/16 – Regional Haze Discussion – Joint ROS/WMS Workshop*

Market Participants discussed WMS open action items for TAC. Mr. Carpenter requested monthly status reports on open action items from WMS working groups.

ERCOT Operations and Market Items

*Update – Communication during SCED/Operational anomalies*

Resmi Surendran provided an update on ERCOT’s market communications during Security-Constrained Economic Dispatch (SCED) or operational anomalies.

New Protocol Revision Subcommittee (PRS) Referrals

*NPRR791, Clarifications to IEL, MCE and Aggregate Amount Owed by Breaching Party*

Mr. Carpenter noted that the Credit Work Group (Credit WG) endorsed NPRR791 as submitted. WMS took no action on this item.

Revision Requests Tabled at PRS, Referred to WMS (see Key Documents)

*NPRR759, Segmentation of the Total New Capacity Estimate in the ERCOT CDR*

Market Participants discussed NPRR759 and noted the merits described in the ERCOT Capacity, Demand and Reserves (CDR) Modification Proposal presented at the August 15, 2016 Supply Analysis Working Group (SAWG) Meeting.

**Bill Barnes moved to recommend the Reliability and Operations Subcommittee (ROS) and Planning Working Group (PLWG) withdraw NPRR759 due to the related endorsement of recommendation 2, to add supplemental information around planned Resources including criteria in Planning Guide Section 6.9, Addition of Proposed Generation Resources to the Planning Model, which obviates the need for NPRR759. Chris Lyons seconded the motion. The motion carried unanimously.**

*NPRR768, Revisions to Real-Time On-Line Reliability Deployment Price Adder Categories*

*NPRR776, Voltage Set Point Communication*

WMS took no action on these items.

*NPRR777, ERCOT-directed Dispatch of Price-Responsive Distributed Generation (DG)*

*Settlement Review*

Mr. Thurnher continued review of concepts related to the potential participation of mapped distribution Resources in ERCOT coordinated dispatch of wholesale Resources. Market Participants noted that this participation would require such Resources to be mapped in ERCOT operational models and that they would therefore need to provide some telemetry to ERCOT. Market Participants discussed details surrounding the application of current telemetry standards to mapped distribution Resources; the concept of payment to this Resource type by Load Zone; whether these Resources could be subject to Reliability Unit Commitment (RUC); and inclusion of these Resources in ERCOT planning models.

DSWG

Peter Dotson-Westphalen reviewed recent DSWG activities.

Market Credit Working Group (MCWG) (see Key Documents)

Mr. Barnes reviewed recent MCWG activities.

QSE Managers Working Group (QMWG)

Eric Goff reviewed recent QMWG activities.

Resource Cost Working Group RCWG (see Key Documents)

Paul Vinson reviewed recent RCWG activities. Ino Gonzalez presented Settlement of Switchable Generation Resources Option 1 - Optional Switch and Option 2 - Required Switch and the potential benefits and costs of each. Market Participants expressing support for Option 1, opined that allowing the Qualified Scheduling Entity (QSE) to make the decision supports the principles of an energy-only market. Market Participants and ERCOT supporting Option 2 opined that this was the best option to address reliability issues and to recover incurred costs.

Beth Garza discussed the potential costs verses potential benefits; that generation owners are the best entity to understand the costs and risks of moving a unit; and that if Market Participants support Option 2, consideration should be given to the lost opportunity costs and appropriate compensation.

Mr. Carpenter requested that Market Participants be prepared to consider Option 1 and Option 2 at the October 17, 2016 WMS meeting.

Supply Analysis Working Group (SAWG) (see Key Documents)

Brandon Whittle reviewed recent SAWG activities. Mr. Whittle presented the ERCOT CDR Modification Proposal as presented at the August 15, 2016 SAWG Meeting and the SAWG recommendations.

**Bob Helton moved to waive notice in order to consider the SAWG recommendations to the ERCOT CDR Modifications Proposal. Mr. Barnes seconded the motion. The motion carried unanimously.**

**Mr. Helton moved to endorse CDR recommendation Number 1, as presented by SAWG. Mr. Barnes seconded the motion. The motion carried unanimously.**

**Mr. Barnes moved to endorse CDR recommendation Number 2, as presented by SAWG. Franklin Maduzia seconded the motion. The motion carried unanimously.**

Outage Coordination Improvement Task Force (OCITF)

Liz Jones presented an update on the High Impact Transmission Elements (HITEs) list.

Other Business

*PGRR042, Regional Transmission Plan Model Reserve Requirement and Load-Generation Imbalance Methodology*

Market Participants discussed the 9/2/16 ERCOT comments and the 9/7/16 NRG comments to PGRR042 and were concerned with the methodology for determining the appropriate value of the forecast percentage cap (x%). Additional time was requested to consider PGRR042. Jeff Billo reminded Market Participants that the 9/2/16 ERCOT comments preserve the current process and that new methodology could be tested in 2017 studies and changes to the Planning Guide could be developed through the Regional Planning Group (RPG) and PLWG for 2018 implementation. Market Participants that supported ERCOT’s position opined that the valuation of x was best left to ERCOT and that the ability to test the methodology over time was more valuable than implementing the wrong value now.

**Clayton Greer moved to request ROS table PGRR042 for one month. Mr. Goff seconded the motion. The motion carried with two objections from the Investor Owned Utility (IOU) (CenterPoint Energy, AEPSC) and two abstentions from the IOU (Luminant) and Independent Power Marketer (Shell Energy) Market Segments.**

*2017 Meeting Schedule*

Mr. Carpenter reviewed the proposed 2017 Meeting schedule; there were no objections.

*No Report*

* Congestion Management Working Group (CMWG)
* ETWG
* Meter Working Group (MWG)

Reliability Must-Run (RMR) Issues (see Key Documents)

*NPRR788, RMR Study Modifications – Urgent*

Market Participants reviewed the 8/22/16 ERCOT comments to NPRR788. WMS took no action on this item.

*NPRR 793, Clarifications to RMR RUC Commitment and Other RMR Cleanups*

Market Participants reviewed the 8/25/16 ERCOT comments to NPRR793.

**Mr. Barnes moved to endorse NPRR793 as amended by the 8/25/16 ERCOT comments. Mr. Helton seconded the motion. The motion carried unanimously.**

*NPRR795, Provisions for Refunds of Capital Contributions Made in Connection with an RMR Agreement – Urgent*

Market Participants discussed proposed language in NPRR795 and made clarifications to the book value and salvage value.

**Mr. Barnes moved to endorse NPRR795 as revised by WMS. Mr. Greer seconded the motion. The motion carried one abstention from the IOU (Luminant) Market Segment.**

Adjournment

Mr. Carpenter adjourned the September 7, 2016 WMS meeting at 4:17 p.m.

1. <http://www.ercot.com/calendar/2016/9/7/77686-WMS> [↑](#footnote-ref-1)