



**Market Continuity**

**WMS**

**11/02/16**

# What is Market Continuity?

- The processes by which ERCOT market-related systems and activities are returned to normal operations following a triggering event which **disables all, or a significant portion of, the necessary data and/or infrastructure for operations** of those markets for a long enough period of time that patchwork measures are inadequate.
- Assumption – if the markets are suspended, the general continuity processes are the same regardless of cause.
  - Time duration may differ depending on the triggering event.

# Overview from Market Continuity Workshop

- ERCOT staff held workshop on May 2nd.
  - 28 in person
  - 48 dialed into WebEx
- Framing issues by topic
  - Restarting of the Real Time and Day Ahead Market
  - Credit policies
  - Settlements during the interruption and subsequent restoration period
  - Retail transaction processing
- TAC directed ERCOT to bring issues to WMS for assignment / discussion.

# Following Governance Structure

TAC

Quarterly updates

Discuss cross-impacts and options

ERCOT Subcommittees

Identify cross-impacts

Guidance on options

ERCOT Working Groups

Dig into details

Develop options



Topic	Issue	Proposed WG
RT / DAM	<p>Should DAM be successfully completed before restarting Real-Time Market?</p> <ul style="list-style-type: none"> <li>• If not, should SCED be restarted using mitigated Offers for Operating Days for which DAM has not run?</li> <li>• If so, should the prices from those SCED runs be considered as valid prices for settlements?</li> </ul>	Assigned by WMS on 6/8 to <b>QMWG</b>



Topic	Issue	Proposed WG
RT / DAM / CRR	<p>What to do with the DAM results for the hours with no corresponding RTM runs?</p> <p>If DAM results are invalidated, what about corresponding CRR results?</p>	Assigned by WMS on 6/8 to <b>QMWG</b>
CRR	What to do with CRRs with no corresponding RT and DAM?	Assigned by WMS on 6/8 to <b>CMWG</b>



Topic	Issue	Proposed WG
Credit	<p>Would modifications to credit requirements be appropriate to facilitate DAM restart?</p> <p>These might include</p> <ul style="list-style-type: none"> <li>Temporary provision of unsecured credit</li> <li>Delayed invoice payments</li> <li>Discretionary waiver of collateral calls</li> </ul> <p>If so, over what period of time?</p>	Assigned by WMS on 6/8 to <b>CWG</b>



Topic	Issue	Proposed WG
Settlement	Should ERCOT plan to pay generators during the outage event?	Assigned by WMS on 6/8 to <b>QMWG</b>
Settlement	How are verifiable costs for renewables addressed?	Assigned by WMS on 6/8 to <b>RCWG</b>





Topic	Issue	Proposed WG
Settlement	<p>Where would interim funding come from?</p> <ul style="list-style-type: none"> <li>Options could include a standby letter of credit to fund interim payments.</li> <li>Depending upon the nature and duration of the outage event, the cost for make-whole payments could be material.</li> <li>Allocation of make-whole costs to Market Participants would not occur until after the markets are fully restored. This allows time for TDSP meter data submittal and ERCOT settlement reconciliation efforts.</li> </ul>	Assigned by WMS on 6/8 to <b>CWG</b>
Settlement	<p>What would be the methodology for uplift?</p> <p>How to address meter usage data availability / application of estimation and usage profiles (metered and non-metered accounts)?</p>	Assigned by WMS on 6/8 to <b>QMWG</b>



Topic	Issue	Proposed WG
Retail	What are the next steps to agree upon Retail restart procedures? <ul style="list-style-type: none"> <li>• NAESB or other system outages? TDTMS</li> <li>• Manual workaround, how would those need to be adjusted? TXSET</li> <li>• Joint meeting – inviting participation from TDTMS/ TXSET/AMWG</li> </ul>	RMS assignment 08/02 – for all three issues  use the 2 <sup>nd</sup> day of TXSET scheduled meeting? Aug 18  inviting participation from TDTMS/ TXSET/AMWG/RMS
Retail	Does anything need to be added to facilitate and scale the Safety Net process for use over a longer period of time?	See above
Retail	How to address meter data usage availability and loading (backlog processing)	See above

## Next steps

WMS/RMS assign issues



Discussions for next 2-3 months  
at working groups



Quarterly updates brought back to  
TAC for cross impact discussions

# Market Continuity

ERCOT Stands  
Ready

