**DRAFT**

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

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

**Wednesday, February 1, 2017 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
| Bierschbach, Erika | Austin Energy |  |
| Brewster, Chris | City of Eastland |  |
| Carpenter, Jeremy | Tenaska |  |
| Coleman, Diana | OPUC |  |
| Detelich, David | CPS Energy | Alt. Rep. for D. Kee |
| Downey, Marty | Viridity Energy |  |
| Dumas, John | LCRA |  |
| Franklin, Russell | Garland Power and Light |  |
| Goff, Eric | Citigroup Energy |  |
| Greer, Clayton | Morgan Stanley |   |
| Gross, Blake | AEP Service Corporation |  |
| Helton, Bob | Dynegy |  |
| Lange, Clif | South Texas Electric Cooperative |  |
| Lindberg, Ken | Bryan Texas Utilities |  |
| Maduzia, Franklin | Dow Chemical |  |
| Messer, Tayaun | Brazos Electric Power Cooperative  |  |
| Plunkett, Derenda | CenterPoint Energy |  |
| Sams, Bryan | Reliant Energy Retail Services |  |
| Schwarz, Brad | Sharyland |  |
| Smith, Mark | Nucor |  |
| Such, Chris | E. On |  |
| Thurnher, Greg | Shell Energy |  |
| Wilson, Joe Dan | Golden Spread Electric Cooperative |   |
| Woodruff, Taylor | Oncor |  |

The following proxy was assigned:

* Thresa Allen to Chris Such

*Guests:*

|  |  |  |
| --- | --- | --- |
| Abbott, Kristin | PUCT | Via Teleconference |
| Ainspan, Malcolm | NRG | Via Teleconference |
| Barnes, Bill | Reliant Energy Retail Services |   |
| Bunch, Kevin | EDF Trading | Via Teleconference |
| Carter, Tim | MP2 Energy | Via Teleconference |
| Cochran, Seth | DC Energy |  |
| Cripe, Randy | Schneider Engineering | Via Teleconference |
| Davis, Anna | Schneider Engineering | Via Teleconference |
| Denney, Kristi | Potomac Economics |  |
| English, Barksdale | Austin Energy |  |
| Garza, Beth | Potomac Economics |  |
| Graham, Greg | Texas Reliability Entity | Via Teleconference |
| Harvey, Julia | PUCT |  |
| Henson, Martha | Oncor |  |
| Howe, Larry | Texas Solar Energy Society | Via Teleconference |
| Hughes, Darren | LCRA | Via Teleconference |
| Hughes. Lindsey | Competitive Power | Via Teleconference |
| Hyzinski, Thomas | Talen Energy | Via Teleconference |
| Jones, Randy | Calpine |  |
| Juricek, Mike | Oncor |  |
| Lane, Robert | Oncor | Via Teleconference |
| Markham, Craig | CPower Energy Management  | Via Teleconference |
| Matos, Chris | PUCT | Via Teleconference |
| Mena, Hugo | EPE |  |
| Olenick, Cory | Inertia Power | Via Teleconference |
| Ordonez, Camillo | Luminant | Via Teleconference |
| Paff, Tom | Duke Energy | Via Teleconference |
| Peters, Patrick | CenterPoint Energy | Via Teleconference |
| Powell, Christian | LCRA |  |
| Reid, Walter | Wind Coalition | Via Teleconference |
| Rothschild, Eric | GDS | Via Teleconference |
| Sandidge, Clint | Calpine Energy Solutions |   |
| Siddiqi, Shams | Crescent Power |  |
| Thomas, Julie | Vistra Energy | Via Teleconference |
| Thompson, David | Pedernales Electric Cooperative |  |
| Totten, Jess | Stratus Energy | Via Teleconference |
| Trenary, Michelle | Tenaska | Via Teleconference |
| Turner, Lucas | South Texas Electric Cooperative |  |
| Varnell, John | Tenaska | Via Teleconference |
| Vinson, Paul | CPS Energy |  |
| Walker, Mark | NRG | Via Teleconference |
| Wallin, Shane | DME Power | Via Teleconference |
| Whittle, Brandon | Megawatt Analytics |  |
| Whitworth, Doug | Texas Reliability Entity | Via Teleconference |
| Wittmeyer, Bob | DME |  |
| Zake, Diana | Lone Star Transmission | Via Teleconference |
| Zarnikau, Jay | Frontier Associates |  |

*ERCOT Staff:*

|  |  |  |
| --- | --- | --- |
| Albracht, Brittney |  | Via Teleconference |
| Anderson, Connor |  | Via Teleconference |
| Bezwada, Neelima |  | Via Teleconference |
| Billo, Jeff |  |   |
| Bivens, Carrie |  | Via Teleconference |
| Bracy, Phil |  | Via Teleconference |
| Butterfield, Lindsay |  | Via Teleconference |
| Chang, Sean |  | Via Teleconference |
| Chen, Jian |  | Via Teleconference |
| Clifton, Suzy |  |  |
| Gonzalez, Ino |  |  |
| Gnanam, Prabhu |  | Via Teleconference |
| Hanson, Kevin |  | Via Teleconference |
| Hailu, Ted |  | Via Teleconference |
| Holt, Blake |  | Via Teleconference |
| Huang, Fred |  | Via Teleconference |
| Jones, Dan |  |  |
| Landry, Kelly |  |  |
| Maggio, David |  |  |
| Matlock, Robert |  | Via Teleconference |
| Moorty, Sai |  | Via Teleconference |
| Morehead, Juliana |  | Via Teleconference |
| Moreno, Alfredo |  | Via Teleconference |
| Phillips, Cory |  | Via Teleconference |
| Pritchard, Lloyd |  | Via Teleconference |
| Reed, Bobby |  | Via Teleconference |
| Rosel, Austin |  |  |
| Ruane, Mark |  | Via Teleconference |
| Shaw, Pam |  |  |
| Simons, Diane |  | Via Teleconference |
| Solis, Stephen |  | Via Teleconference |
| Surendran, Resmi |  |  |
| Teixeira, Jay |  | Via Teleconference |
| Thompson, Chad |  | Via Teleconference |
| Wattles, Paul |  |  |
| Warnken, Pete |  | Via Teleconference |
| Wu, Jian |  | Via Teleconference |
| Xiao, Hong |  | Via Teleconference |

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

Antitrust Admonition

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

Agenda Review

Mr. Carpenter noted that ERCOT would discuss the Subsynchronous Resonance (SSR) Workshop in the ERCOT Operations and Market Items update, and that an additional revision request had been identified for WMS consideration and would require a waiver of notice to consider the item.

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

*January 11, 2017*

**Bryan Sams moved to approve the January 11, 2017 WMS meeting minutes as submitted. Bob Helton seconded the motion. The motion carried unanimously.**

Technical Advisory Committee (TAC) Update and Assignments

Mr. Carpenter reviewed the disposition of items considered at the January 26, 2017 TAC meeting.

*2% Resettlement Rule*

Mr. Carpenter noted WMS review of the Resettlement threshold percentage is pending consideration by the Commercial Operations Subcommittee (COPS) and moved the issue to the WMS Open Action Items list.

*Reliability Unit Commitment (RUC) for Capacity Discussion*

Mr. Carpenter referred the RUC for Capacity issue to the Qualified Scheduling Entity (QSE) Managers Working Group (QMWG).

2017 WMS Working Group Leadership (see Key Documents)

**Mr. Helton moved to approve the 2017 WMS working group leadership as submitted. Blake Gross seconded the motion. The motion carried unanimously.**

Open Action Items/QSE Issue List (see Key Documents)

Mr. Carpenter requested WMS working group leadership review the Open Action Items list for consideration at the March 1, 2017 WMS meeting.

2017 WMS Goals (see Key Documents)

Market Participants reviewed the draft 2017 WMS goals and offered additional revisions.

**Mr. Sams moved to approve the 2017 WMS goals as revised by WMS. Marty Downey seconded the motion. The motion carried unanimously.**

WMS Procedures (see Key Documents)

Market Participants reviewed the draft WMS Procedures. Taylor Woodruff noted outdated language in the WMS Procedures and requested additional time for review and comment. WMS took no action on this item.

ERCOT Operations and Market Items

*Reporting on any Reliability Must-Run (RMR) usage and any contract changes*

Resmi Surendran informed Market Participants there are no updates to report.

*Request for Proposal (RFP) for a Natural Gas and Fuel Oil Index Price Provider Update*

Ino Gonzalez provided an update on the RFP for vendors to provide the daily Fuel Index Price (FIP) and Fuel Oil Price (FOP) used in ERCOT Settlement, reviewed the timeline for review of the proposals provided, and stated that a Market Notice will be issued 60 days prior to utilization of a new vendor, if a new vendor is selected.

*Subsynchronous Resonance Workshop*

Jeff Billo provided an update on the January 31, 2017 SSR workshop and requested Market Participants submit comments by February 10, 2017 in advance of the February 17, 2017 SSR workshop.

New Protocol Revision Subcommittee (PRS) Referrals

*NPRR811, Two Day Cure Period for Foreign Market Participant Guarantee Agreements*

**Mr. Helton moved to request PRS continue to table NPRR811 to allow additional time for review by the Credit Work Group (Credit WG). Clayton Greer seconded the motion. The motion carried unanimously.**

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

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

*NPRR798, Additional CRR Accounts Request*

*NPRR802, Settlements Clean-up*

*NPRR807, Day-Ahead Market Price Correction*

Mr. Carpenter noted NPRR802 was recommended for approval at the January 11, 2017 WMS meeting. WMS took no action on these items.

*NPRR776, Voltage Set Point Communication*

**Eric Goff moved to endorse NPRR776 as amended by the 1/23/17 ERCOT comments. Mr. Greer seconded the motion. The motion carried unanimously.**

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

Greg Thurnher provided an update on NPRR777, presented options, and requested WMS direction. Mr. Thurnher noted that to consider NPRR777 as submitted required additional clarification from the Public Utility Commission of Texas (PUCT) that distributed resources could be settled at a Load Zone price. Julia Harvey opined the language in NPRR777 does not clarify the point the Mapped Distribution Resource becomes a “Resource” for Settlement and lacks details. Market Participants discussed modifying options 2, 3 and 4, however expressed concern with consequences of the proposed revisions. Some Market Participants opined that NPRR777 had been discussed in various forms multiple times; that further discussion was unnecessary; and that consideration should be given to its final disposition.

**Mark Smith moved to recommend PRS reject NPRR777. Franklin Maduzia second the motion.** Market Participants further discussed the proposed revisions and requested specific language to consider.

**Mr. Goff moved to request PRS table NPRR777 for one month. Tayaun Messer seconded the motion.** **The motion carried with one objection from the Consumer (Nucor) Market Segment and one abstention from the Independent Power Marketer (IPM) (Shell Energy) Market Segment.**

*NPRR799, Updates to Outages of Transmission Facilities*

**Mr. Greer moved to endorse NPRR799 as amended by the 1/19/17 Morgan Stanley comments. Mr. Goff seconded the motion. The motion carried with one abstention from the Investor Owned Utility (IOU) (CenterPoint Energy) Market Segment.**

*NPRR809, GTC or GTL for New Generation Interconnection*

**Clif Lange moved to endorse NPRR809 as amended by the 1/24/17 ERCOT comments. Mr. Downey seconded the motion. The motion carried with two abstentions from the IOU (AEP) and Independent Retail Electric Provider (IREP) (Reliant Energy Retail Services) Market Segments.**

RMR Issues (see Key Documents)

*TAC Assignment – RMR Issue: Long Term Solution – Alternatives to NPRR784, Mitigated Offer Cap for RMR Units*

*Analysis of RMR Resource Mitigated Offer Cap Curve Alternatives and Draft Language*

David Maggio reviewed the previous approaches for Settlement of the deployment of RMR Units as alternatives to NPRR784; provided the assumptions for the analysis and methodology, including a new methodology of not having a Shift Factor cut-off and the sensitivities related to High Sustained Limit (HSL); and presented the results of the analysis and potential implications. Mr. Maggio presented potential language revisions around these concepts.

Proponents of these revisions opined that this was a long term solution with an appropriate Mitigated Offer Cap; that RMR Units would be priced so that they would be dispatched later behind other units; and that the proposed edits mitigate the impact of RMR Units on prices in the presence of congestion. Opponents of the revisions opined that RMR Units may not be dispatched behind other market based units as the analysis suggests due to the effect that Resources being at different locations would have on Shift Factors; and generally objected to the principles of the proposed policy change stating it impacts pricing, under-cuts market units, and would not provide incentives for new transmission. Some Market Participants suggested that alternative solutions, other than those proposed by ERCOT, should be further investigated and contested whether this issue should be considered as a TAC assignment.

*Motion to endorse RMR pricing options, as specified at the January 11, 2017 WMS Meeting*

Mr. Goff noted the additional discussions on RMR Services since the January 11, 2017 WMS Meeting. Mr. Goff and Mr. Greer withdrew the motion.

Resource Cost Working Group (RCWG) see (Key Documents)

Paul Vinson reviewed recent RCWG activities.

*Draft NPRR, Significant Capital Costs for RMR*

Mr. Vinson noted RCWG action is pending PUCT decisions on RMR.

*Real-Time Mitigation during Exceptional Fuel Cost Events Update*

Mr. Gonzalez noted that RCWG will step up its ongoing effort to identify a methodology for providing Real-Time mitigation during exceptional fuel cost events that would be less expensive than the implementation of NPRR664, Fuel Index Price for Resource Definition and Real-Time Make-Whole Payments for Exceptional Fuel Cost Events, and NPRR714, Real-Time Make-Whole Payment for Exceptional Fuel Cost, in light of the pending June 1, 2017 sunset date for the manual workaround established by NPRR714. Mr. Vinson reviewed the three options previously proposed by RCWG. Mr. Helton opined that all options come with increased regulatory risk. Beth Garza encouraged Market Participants to review and assess their potential risks, noting the high level of operational expectation for the QSE, the enforcement impact, and the potential costs of implementation. Market Participants requested RCWG to continue its work on a draft NPRR to address alternatives to NPRR664 and NPRR714.

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

Bill Barnes reviewed recent MCWG activities.

QMWG (see Key Documents)

Mr. Goff reviewed recent QMWG activities.

*Nodal Operating Guide Revision Request (NOGRR) 166, Daily Grid Operations Summary Reports*

**Mr. Greer moved to waive notice in order to consider NOGRR166. Mr. Goff seconded the motion. The motion carried unanimously.**

Market Participants discussed NOGRR166. Some Market Participants expressed concern with the lack of specificity of the data elements and opined that the benefits do not offset the significant costs. Other Market Participants favored the aggregate type of report and opined the lack of specificity is a compromise solution, and that once ERCOT published the report revisions and/or additions could be considered.

**Mr. Greer move to recommend the Reliability and Operations Subcommittee (ROS) table NOGRR166 for one month. Mr. Gross seconded the motion. The motion carried unanimously.**

*Concept: Day Ahead Make Whole Adjustments due to Ancillary Infeasible MW in Real-Time*

Austin Rosel presented the concept developed at QMWG to overcome the potential lost Make-Whole Payments due to the clawback mechanism for infeasible Ancillary Services that was not accounted for in NPRR782, Settlement of Infeasible Ancillary Services Due to Transmission Constraints, and offered to develop draft language for QMWG review.

Demand Side Working Group (DSWG) (see Key Documents)

Tim Carter reviewed recent DSWG activities, including 2017 DSWG goals.

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

Brandon Whittle reviewed recent SAWG activities.

*Multi-Interval Real-Time Market Update*

Pam Shaw provided an update on the Multi-Interval Real-Time Market Study Summary, stating it was posted to the February 6, 2017 SAWG meeting page and that ERCOT awaits additional Market Participant comments, and encouraged Market Participants to attend the February 6, 2017 SAWG meeting. Randy Jones noted that WMS should consider the Multi-Interval Real-Time Market Study Summary at the March 1, 2017 WMS meeting, reminded Market Participants that the PUCT requested stakeholder support, and opined that the study summary as presented was useful.

Congestion Management Working Group (CMWG)

Mr. Thurnher reviewed recent CMWG activities, provided an update on the Congestion Revenue Right (CRR) Framework upgrade project, and noted substantial discussion of the concept of merging QMWG and CMWG. Seth Cochran requested WMS remove the CRR Deration Issue from the WMS Open Action Items list and offered to bring forth a concept on eliminating derations as an alternative. There were no objections.

Outage Coordination Improvements Task Force (OCITF)

Martha Henson reviewed recent OCITF activities, including the proposed transition to the Outage Coordination Working Group (OCWG) reporting to ROS; noted that the annual High Impact Transmission Elements (HITEs) list is approved by both ROS and WMS; and requested to discontinue monthly reporting at WMS. There were no objections.

Other Business

*No Report*

* Emerging Technologies Working Group (ETWG)
* Metering Working Group (MWG)

Adjournment

Mr. Carpenter adjourned the February 1, 2017 WMS meeting at 1:04 p.m.

1. [*http://www.ercot.com/calendar/2017/2/1/108805-WMS*](http://www.ercot.com/calendar/2017/2/1/108805-WMS) [↑](#footnote-ref-1)