**APPROVED**

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

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

**Wednesday, September 6, 2017 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
| Brewster, Chris | City of Eastland |  |
| Callender, Wayne | CPS Energy | Alt. Rep. for D. Kee at 12:44 p.m.  |
| Carpenter, Jeremy | Tenaska |  |
| Coleman, Diana | OPUC |  |
| Downey, Marty | Viridity Energy |  |
| Franklin, Russell | Garland Power and Light |  |
| Greer, Clayton | Morgan Stanley |   |
| Gross, Blake | AEP Service Corporation |  |
| Helton, Bob | Dynegy |  |
| Johnson, Ryan | Brazos Electric Power Cooperative | Alt. Rep. for R. True |
|  |  | Via Teleconference |
| Kee, David | CPS Energy |  |
| Lange, Clif | South Texas Electric Cooperative |  |
| Moore, Sheri | CenterPoint Energy | Alt. Rep. for D. Plunkett |
| Morris, Sandy | Direct Energy |  |
| Powell, Christian | LCRA | Alt. Rep. for J. Dumas |
| Sams, Bryan | Reliant Energy Retail Services |  |
| Sandidge, Clint | Calpine Energy Solutions |  |
| Shaw, Marka | Exelon |  |
| Sithuraj, Murali | Austin Energy | Alt. Rep. for E. Bierschbach |
| Smith, Mark | Nucor |  |
| Such, Chris | E. ON |  |
| Surendran, Resmi | Shell Energy | Alt. Rep. for G. Thurnher |
| Wilson, Joe Dan | Golden Spread Electric Cooperative |   |
| Woodruff, Taylor | Oncor |  |

The following proxies were assigned:

* Thresa Allen to Chris Such
* Brad Schwarz to Blake Gross

*Guests:*

|  |  |  |
| --- | --- | --- |
| Ainspan, Malcolm | NRG | Via Teleconference |
| Amthor, Corey  | Enchanted Rock |  |
| Anderson, Kevin | CES Energy |  |
| Arrigo, Garrett | Shell Energy | Via Teleconference |
| Babyak, James | Frontier Associates | Via Teleconference |
| Barnes, Bill  | Reliant Energy Retail Services | Via Teleconference |
| Bruce, Mark | Cratylus Advisors |  |
| Bunch, Kevin | EDF Energy Services |  |
| Burke, Tom | Golden Spread Electric Cooperative |  |
| Callender, Wayne | CPS Energy |  |
| Chhajed, Pushkar | LCRA | Via Teleconference |
| Cochran, Seth | DC Energy |  |
| English, Barksdale | Austin Energy | Via Teleconference |
| Gaytan, Jose | City of Denton | Via Teleconference |
| Frazier, Amanda | Luminant Generation |  |
| Gray, Stan | Pattern Energy |  |
| Haley, Ian | Vistra Energy | Via Teleconference |
| Hall, Tim | Southern Company | Via Teleconference |
| Henry, Mark | Texas Reliability Entity | Via Teleconference |
| Hourihan, Mike | CPower Energy | Via Teleconference |
| Jones, Randy | Calpine |  |
| Juricek, Michael | Oncor | Via Teleconference |
| Lee, Jim | AEP Service Corporation |  |
| Mueller, Paula | Texas Reliability Entity | Via Teleconference |
| Parquet,David | Pattern Energy |  |
| Powell, Christian | LCRA |  |
| Reedy, Steve | Potomac Economics |  |
| Reid, Walter | Wind Coalition |  |
| Ricketts, David | Vistra Energy |   |
| Rochelle, Jenni | Customized Energy Solutions | Via Teleconference |
| Ross, Richard | AEP Service Corporation | Via Teleconference |
| Rothschild, Eric | GDS Associates | Via Teleconference |
| Siddiqi, Shams | Crescent Power |  |
| Sithuraj, Murali | Austin Energy |  |
| Totten, Jess | Osprey Energy |  |
| Trefny, Floyd |  | Via Teleconference |
| Vinson, Paul | CPS Energy |  |
| Watson, Mark | SP Global | Via Teleconference |
| Wheeler, Everett | SP Global | Via Teleconference |
| White, Lauri | AEP Service Corporation | Via Teleconference |
| Whittle, Brandon | Megawatt Analytics |   |
| Wittmeyer, Bob | DME |  |
| Zhu, Lucy | Frontier Associates, LLC | Via Teleconference |

*ERCOT Staff:*

|  |  |  |
| --- | --- | --- |
| Albracht, Brittney |  | Via Teleconference |
| Anderson, Connor |  | Via Teleconference |
| Billo, Jeff |  |   |
| Bivens, Carrie |  |  |
| Bracy, Phil |  |   |
| Clifton, Suzy |  | Via Teleconference |
| Fleming, Lauren |  | Via Teleconference |
| Flores, Isabel |  |  |
| Gonzalez, Ino |  |   |
| Hanson, Kevin |  | Via Teleconference |
| Jones, Dan |  |  |
| Krein, Steve |  | Via Teleconference |
| Landry, Kelly |  |  |
| Lee, Alex |  |   |
| Maggio, Dave |  |  |
| Mereness, Matt |  |  |
| Mickey, Joel |  |  |
| Morehead, Juliana |  | Via Teleconference |
| Moorty, Sai |  |  |
| Moreno, Alfredo |  | Via Teleconference |
| Ögelman, Kenan |  |  |
| Phillips, Cory |  |   |
| Raish, Carl |  |  |
| Rosel, Austin |  |  |
| Ruane, Mark |  |   |
| Shanks, Magie |  | Via Teleconference |
| Springer, Agee |  |  |
| Stice, Clayton |  |  |
| Thomas, Shane |  |  |
| Townsend, Aaron |  | Via Teleconference |
| Warnken, Pete |  |  |
| Zeplin, Rachel |  | 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

There were no changes to the agenda.

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

*August 2, 2017*

**Joe Dan Wilson moved to approve the August 2, 2017 WMS meeting minutes as submitted. Bryan Sams seconded the motion. The motion carried unanimously.**

Technical Advisory Committee (TAC) Update and Assignments see (Key Documents)

*2017 TAC Goals/Proposed Changes to 2017 TAC Strategic Initiatives/Working Group Review (TAC Structural Review)*

Market Participants reviewed 2017 meeting frequency for Subcommittees, Working Groups and Task Forces and discussed possible meeting efficiencies.

*Nodal Protocol Revision Request (NPRR) 821, Elimination of the CRR Deration Process*

*CRR information to support NPRR821 discussion*

*DC Energy 821 proposal comments*

Carrie Bivens reviewed the Congestion Revenue Right (CRR) Settlement process, including the history and development of the CRR deration and related aspects of the Day-Ahead Market (DAM) Congestion rent and the CRR Balancing Account. Ms. Bivens also reviewed the proposed stakeholder solutions and the potential impacts of each. Kenan Ögelman further highlighted the impacts of the proposed solutions, stating that the Point-to-Point (PTP) option would fundamentally change the DAM, that eliminating the CRR Balancing Account would significantly change the current process, and that the circuit breaker approach could impact revenues flowing to Load. Mr. Ögelman reminded Market Participants that the Independent Market Monitor (IMM) stated that they have tools to identify market manipulation, however, ERCOT would prefer a Revision Request specifying acceptable and unacceptable behaviors.

Opponents of NPRR821 stated that the current design of the CRR deration process was intentional and balanced. Steve Reedy stated the IMM preferred behavioral based mitigation rather than geographically based deration. Some Market Participants expressed support for NRRR821 as submitted s it provides a solution to the revenue insufficiency with minimal impacts. Other Market Participants expressed support for NPRR821 as amended by the 8/22/17 DC Energy comments and opined that the circuit breaker approach was a compromise solution. Christian Powell stated that LCRA offered two solutions - Option 1 as a change to the Settlement formula for PTP purchases in DAM for Real-Time Settlement and Option 2 to address current ERCOT limitations with linking CRRs with corresponding obligations. Mr. Powell continued that LCRA still supports NPRR821 and the circuit breaker approach. Bill Barnes offered an additional solution, stating that eliminating the CRR deration process for only CRRs that source at a Resource Node and sink at a Hub or Load Zone would provide the majority of hedging needs for Market Participants while retaining the deration process to deter gaming opportunities. Market Participants requested additional time to consider Mr. Barnes compromise solution.

**Mr. Sams moved to request PRS continue to table NPRR821 to allow additional time for review by the Congestion Management Working Group (CMWG). Sandy Morris seconded the motion.** Market Participants continued to debate proposed solutions. Some Market Participants expressed concern for the CRR Auction calendar deadline and opined that the numerous proposed solutions should be considered in separate Revision Requests. Seth Cochran reviewed the timeline of NPRR821, reminded Market Participants that NPRR821 has already been vetted extensively at the Subcommittees and Working Group levels, and stated that the motion to table NPRR821 is a delay tactic. **Mr. Sams withdrew his motion.**

**Clayton Greer moved to endorse NPRR821 as amended by the 5/31/17 ERCOT comments with a recommended implementation date no earlier than July 1, 2019. Resmi Surendran seconded the motion. The motion carried with six objections from the Independent Retail Electric Provider (IREP) (4) (Reliant, Viridity, Direct, Calpine Energy Solutions), and Consumer (2) (City of Eastland, Nucor) Market Segments, and two abstentions from the Investor Owned Utility (IOU) (CenterPoint Energy) and Municipal (Austin Energy) Market Segments.** *(Please see ballot posted with Key Documents.[[2]](#footnote-2))*

*Southern Cross Project*

Matt Mereness presented a summary of the Southern Cross Transmission Project, reviewed the fourteen directives assigned by the Public Utility Commission of Texas (PUCT), and proposed the ERCOT timeline for assignments to the TAC Subcommittees and Working Groups. There were no objections. Mr. Mereness invited Market Participants to attend the Southern Cross Registration Workshop following the Reliability and Operations Subcommittee (ROS) meeting on Thursday, September 7, 2017.

ERCOT Operations and Market Items (see Key Documents)

*Revisions to the Load Distribution Factors Methodology*

ERCOT Staff presented the Revisions to the Load Distribution Factors Methodology based on the study analysis conclusions. Market Participants discussed the proposed changes in regard to the implementation timeline for NPRR831, Inclusion of Private Use Networks in Load Zone Price Calculations slated for R5 and expressed concern for the study methodology based on limited look-back periods in July and using an hourly average value. ERCOT Staff offered to continue to evaluate to determine if further changes to the methodology were needed as additional data became available.

**Bob Helton moved to endorse the Generating and Maintaining the Load Distribution Factor Library as submitted by ERCOT, but recommends a continued look at the data to evaluate any necessary adjustments needed to the current methodology, and for ERCOT to present its findings at the March 2018 WMS meeting. Ms. Morris seconded the motion. The motion carried unanimously.**

*Analysis of the Impact of 4-CP Response on Real time Prices*

Carl Raish reported on the 4-Coincident Peak (4-CP) impacts on Real-Time prices for both the competitive and Non-Opt In Entity (NOIE) areas of ERCOT. Some Market Participants requested additional analysis to include the Operating Reserve Demand Curve (ORDC). Mr. Ögelman highlighted the limitations of the analysis and stated that ERCOT provided the analysis at the request of Market Participants, and not because it is indicative of what pricing outcomes will be. Mr. Ögelman further questioned the value of additional analysis and requested direction from WMS. Other Market Participants objected to using ERCOT resources when individual Market Participants have the ability to develop their own analysis. Steve Reedy stated that the analysis reflects that 4-CP affects the Load duration curve in ERCOT, and that although there is a price lowering effect, it is difficult to measure. Mr. Reedy further stated that to use this analysis to advocate in other forums for changing the transmission cost allocation methodology is probably appropriate, but that using it to adjust prices is fundamentally wrong.

*Unregistered DG Report Update*

Pete Warnken presented the 2nd Quarter 2017 Unregistered Distribution Generation (DG) Report and stated ERCOT is considering filing a Revision Request to provide enhancements to future reports.

Gr*eens Bayou RMR Update*

Ino Gonzalez provided an update on the Settlement of the Greens Bayou Reliability Must-Run (RMR) unit and offered to provide an additional update after final True-up Settlement.

New Protocol Revision Subcommittee (PRS) Referrals

*NPRR841, Real-Time Adjustments to Day-Ahead Make Whole Payments due to Ancillary Services Infeasibility Charges*

**Mr. Greer moved to request PRS continue to table NPRR841 to allow additional time for review by the Qualified Scheduling Entity (QSE) Managers Working Group (QMWG). Mr. Helton seconded the motion. The motion carried unanimously.**

*NPRR842, Study Area Load Information*

**Mr. Greer moved to request PRS continue to table NPRR842 to allow additional time for review by CMWG. Mr. Helton seconded the motion. The motion carried unanimously.**

*NPRR843, Short-Term System Adequacy and AS Offer Disclosure Reports Additions*

**Mr. Greer moved to request PRS continue to table NPRR843 to allow additional time for review by QMWG. Mr. Wilson seconded the motion. The motion carried unanimously.**

*NPRR844, Clarification to Outage Report*

**Mr. Sams moved to request PRS continue to table NPRR844 to allow additional time for review by the Resource Cost Working Group (RCWG). Mr. Helton seconded the motion. The motion carried unanimously.** Market Participants reviewed the RCWG assignment.

**Mr. Sams moved to reconsider NPRR844. Mr. Helton seconded the motion. The motion carried unanimously.**

**Mr. Greer moved to request PRS continue to table NPRR844 to allow additional time for review by QMWG. Mr. Sams seconded the motion. The motion carried unanimously.**

*NPRR845, RMR Process and Agreement Revisions*

**Mr. Sams moved to request PRS continue to table NPRR845 to allow additional time for review by RCWG. Mr. Helton seconded the motion. The motion carried unanimously.** ERCOT Staff requested additional review by QMWG to consider policy decisions not related to cost. Mr. Carpenter directed that NPRR845 also be reviewed by QMWG.

VCMRR019, Verifiable Cost Process Clarifications

**Mr. Helton moved to endorse and forward to TAC the 8/2/17 WMS Report and the Impact Analysis for Verifiable Cost Manual Revision Request (VCMRR) 019. Diana Coleman seconded the motion. The motion carried unanimously.**

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

*NPRR807, Day-Ahead Market Price Correction*

*NPRR814, Modify Black Start Procurement Cycle*

*NPRR819, Resettlement Clean-Ups*

*NPRR828, Include Fast Frequency Response as a Subset of Responsive Reserve*

*NPRR832, Disallow PTP Obligation Bids and DAM Energy Bids that Sink at Private Use Network Settlement Points Without a Load Distribution Factor - Urgent*

*NPRR834, Clarifications for Repossessions of CRRs by ERCOT*

*NPRR835, Removing the Capacity Limits from Resources Providing Fast Responding Regulation Service (FRRS)*

*NPRR837, Regional Planning Group (RPG) Process Reform*

*NPRR838, Updated O&M Cost for RMR Resources*

WMS took no action on these items.

Supply Analysis Working Group (SAWG)

Mr. Sams reviewed recent SAWG activities and stated that due to the PUCT Workshop the SAWG meeting is rescheduled to October 23, 2017.

Market Credit Working Group (MCWG)

Mr. Barnes reviewed recent MCWG activities.

RCWG (see Key Documents)

Mr. Helton reviewed recent RCWG activities.

Outage Coordination Working Group (see Key Documents)

*High Impact Transmission Elements (HITE) List*

**Mr. Helton moved to endorse the 2017 HITE List as presented. Blake Gross seconded the motion. The motion carried unanimously.**

Other Business (see Key Documents)

*Assignment to review and develop a process to manage ERS providers’ voluntary response to price and 4-CP*

Market Participants discussed the scope and assignment for potential WMS working groups to review and develop a process to manage Emergency Response Service (ERS) Generation providers’ voluntary response to price and 4-CP. Mr. Carpenter referred the issue to the Demand Side Working Group (DSWG), CMWG and QMWG.

*2018 Meeting Schedule*

Market Participants revived the proposed 2018 Meeting Schedule.

*Review of Open Action Items*

WMS took no action on these items.

*No Report*

* CMWG
* DSWG
* Emerging Technologies Working Group (ETWG)
* Metering Working Group (MWG)
* QMWG

Adjournment

Mr. Carpenter adjourned the September 6, 2017 WMS meeting at 3:05 p.m.

1. <http://www.ercot.com/calendar/2017/9/6/108837-WMS>

 [↑](#footnote-ref-1)
2. <http://www.ercot.com/mktrules/issues/NPRR821#keydocs> [↑](#footnote-ref-2)