



Item 7: TAC Report

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Acting 2017 Technical Advisory Committee (TAC) Chair

Board of Directors Meeting

ERCOT Public

December 12, 2017

Summary of TAC Update

Revision Requests Recommended for Approval by TAC – Unopposed:

- NPRR834, Clarifications for Repossessions of CRRs by ERCOT
- NPRR839, Clarification of ERCOT Forwarding of Consumption and Other Data
- NPRR843, Short-Term System Adequacy and AS Offer Disclosure Reports Additions

Revision Requests Recommended for Approval by TAC – With Opposing Votes (Vote):

- NPRR815, Revise the Limitation of Load Resources Providing Responsive Reserve (RRS) Service
- NPRR825, Require ERCOT to Issue a DC Tie Curtailment Notice Prior to Curtailing any DC Tie Load
- NPRR846, Allow Previously Committed ERS Resources to Participate in MRA Agreements and Other ERS Items

Summary of TAC Update

October TAC Highlights

- TAC did not have a formal meeting
- Email vote to approve changes to the document, “Generating and Maintaining the Load Distribution Factor Library”

November TAC Highlights

- Revisions to ERCOT Methodologies for Determining Minimum Ancillary Service Requirements for 2018
- Freeport Master Plan Project RPG Review
- TAC Subcommittee Restructuring

Guide Revisions Approved by TAC

VCMRR019, Verifiable Cost Process Clarification

Revision Requests with Opposing Votes (Vote)

NPRR815, Revise the Limitation of Load Resources Providing Responsive Reserve (RRS) Service

Purpose (Morgan Stanley)	<p>This NPRR revises the current limit of 50% to 60%, and specifies that Primary Frequency Response from Resources shall not be less than 1150 MW.</p> <p>* If NPRR815 is approved, corresponding changes to the Methodology for Determining Minimum Ancillary Service Requirements will be required. See Agenda Item 9.1.</p>
TAC Vote	<p>On 11/30/17, TAC voted via roll call vote to recommend approval of NPRR815 as recommended by PRS in the 9/14/17 PRS Report. There were six opposing votes from the Cooperative (3) (STEC, GSEC, LCRA), Independent Generator (2) (Dynegy, Luminant), and Municipal (Garland) Market Segments; and three abstentions from the Consumer (2) (CMC Steel, Air Liquide) and Independent Generator (Avangrid) Market Segments.</p>
ERCOT Opinion	<p>ERCOT supports NPRR815 because there is no technical basis for the current 50% limit imposed on Load Resources. Additionally, with the approval of NPRR815, there will be reduction in RRS quantities procured resulting in favorable savings in annual procurement cost for RRS.</p>
Effective Date/Priority	<p>Upon system implementation - Priority 2018; Rank 2070</p>
ERCOT Impact	<p>Between \$70k and \$90k; impacts to Market Management Systems (MMS), Data Access & Transparency, External Public, Data and Information Products (DAIP); ERCOT grid operations and practices will be updated.</p>
Business Case Highlights	<p>The current 50% limitation on Load Resources providing RRS is over constraining during much of the year. Changing this constraint will allow additional Resources to provide the service which should result in lower costs. Analysis of RRS in 2017 assuming the higher 60% limit and using historical Market Clearing Prices for Capacity (MCPCs) estimates a cost savings of roughly \$3,000,000.</p>

NPRR825, Require ERCOT to Issue a DC Tie Curtailment Notice Prior to Curtailing any DC Tie Load

Purpose (REMC)	This NPRR requires ERCOT to issue a Direct Current Tie (DC Tie) Curtailment Notice prior to curtailing DC Tie Load.
TAC Vote	On 11/30/17, TAC voted to recommend approval of NPRR825 as recommended by PRS in the 9/14/17 PRS Report and the revised Impact Analysis for NPRR825. There were eight objections Consumer (3) (CMC Steel, OPUC, Residential Consumer), Cooperative (4) (Brazos, GSEC, LCRA, STEC), and Independent Generator (Luminant) Market Segments and two abstentions from the Consumer (Air Liquide) and Independent Generator (Dynegy) Market Segments.
ERCOT Opinion	ERCOT supports approval of NPRR825 as it improves the accuracy of DC Tie limit forecasts and market communication regarding DC Tie curtailments.
Effective Date/Priority	Upon system implementation - Priority 2018; Rank 2090
ERCOT Impact	Between \$200k and \$300k; impacts to MMS, Data Access & Transparency, DAIP, Integration; ERCOT grid operations and practices will be updated.
Business Case Highlights	This NPRR better ensures proper price formation whenever DC Tie Load is curtailed and meets market needs for more efficient operation of the grid while addressing ERCOT's concerns with having to declare an Emergency Condition prior to curtailing DC Tie Load for any reason. This solution allows ERCOT to approve Electronic Tags (e-Tags) up to the lower of the available capacity of the DC Ties and any limits provided by the non-ERCOT Control Area. This is a significant improvement over current practice. This NPRR requires that ERCOT curtail DC Tie Load only to the extent necessary to maintain constraints within their limits thus ensuring more efficient operation of the grid and proper price formation whenever DC Tie Load is curtailed.

NPRR846, Allow Previously Committed ERS Resources to Participate in MRA Agreements and Other ERS Items

Purpose (ERCOT)	This NPRR addresses a number of changes pertaining to the Emergency Response Service (ERS) including allowing previously committed ERS Resources to participate in Must-Run Alternative (MRA) Agreements as ordered in Public Utility Commission of Texas (PUCT) Project No. 45927, Rulemaking Regarding Emergency Response Service; modifying the methodology for evaluating the performance during the first partial interval for ERS Loads on the alternate baseline; providing edits pertaining to the self-serve capacity associated with an ERS Generator; adding Protocol language that will set the ERSTESTPF to significantly lower values and in some instances to zero for ERS Resources with three consecutive test failures in a 365 day period; and providing additional administrative changes and clarifications to existing Protocol language pertaining to ERS.
TAC Vote	On 11/30/17, TAC voted to recommend approval of NPRR846 as recommended by PRS in the 11/9/17 PRS Report. There was one opposing vote from the Independent Power Marketer (IPM) (Morgan Stanley) Market Segment.
ERCOT Opinion	ERCOT supports approval of NPRR846.
Effective Date/Priority	Upon system implementation.
ERCOT Impact	Between \$10k and \$20k; impacts to BI & Data Analytics; ERCOT business processes will be updated;
Business Case Highlights	This NPRR meets the requirements set forth in PUCT Project No. 45927 to allow previously committed ERS Resources to participate in MRA Agreements; changes the Protocol language pertaining to self-serve capacity associated with an ERS Generator necessary to correct the unintended use of self-serve capacity that does not exist; adds harsher penalties for ERS Resources with three consecutive test failures in a 365 day period and adds other administrative changes and clarifications necessary to remove uncertainty with existing language.

October/November TAC Highlights

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Generating and Maintaining the Load Distribution Factor Library.

On 10/25/17, TAC unanimously voted via email vote to approve changes to the “Generating and Maintaining the Load Distribution Factor Library” to support implementation of NPRR831, Inclusion of Private Use Networks in Load Zone Price Calculations.

Revisions to ERCOT Methodologies for Determining Minimum Ancillary Service Requirements.

On 11/30/17, TAC unanimously voted to endorse the proposed changes to the ERCOT Methodologies for Determining Minimum Ancillary Service Requirements for 2018 as proposed by ERCOT.

Freeport Master Plan Project RPG Review.

On 11/30/17, TAC unanimously voted to endorse the Freeport Master Plan Project as proposed by ERCOT.

October/November TAC Highlights

TAC Subcommittee Restructuring Discussion.

On 11/30/17, TAC discussed the request made at the October HR&G meeting to reevaluate the TAC subcommittee structure for efficiencies, specifically looking at combining COPS and RMS. ERCOT Staff will facilitate meetings with subcommittee leadership to propose efficiencies and improvements to the current TAC subcommittee structure.

Notice of Guide Revisions Approved by TAC

VCMRR019, Verifiable Cost Process Clarifications. This Verifiable Cost Manual Revision Request (VCMRR) aligns the Verifiable Cost Manual with NPRR485, Clarification for Fuel Adder Provisions, NPRR617, Energy Offer Flexibility, and NPRR700, Utilizing Actual Fuel Costs in Startup Offer Caps. This VCMRR also shortens the timeline for acceptance/rejection of approved Verifiable Cost from five to three Business Days and failure to respond will result in rejection of the approved Verifiable Costs; and limits the final extension period to ten business days from an unspecified amount of time.