

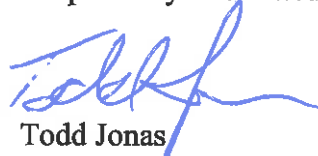
**Tenaska, Inc.'s Questions/Comments on ERCOT's Switchable Generation
Presentation**

Tenaska, Inc. ("Tenaska") appreciates this opportunity to submit the following initial comments and questions to ERCOT regarding the July 11, 2018 Wholesale Market Subcommittee ("WMS") presentation entitled *ERCOT Authority to Commit Switchable Generation Resources During Emergency Conditions*.

1. FERC approved interconnection and transmission service for switchable units pursuant to orders issued under sections 210, 211, and 212 of the Federal Power Act. Does an RTO directive that orders a switchable unit delivering power in another power pool to interconnect with and deliver power to a different power pool during an emergency or reasonably foreseeable emergency comply with the interconnection, transmission and open access orders for the switchable units? Please explain why such an action would not interfere with a switchable unit's rights under its interconnection agreements.
2. Has ERCOT determined that obtaining stakeholder consensus for its position on switchable generation is not appropriate or necessary? If so, please explain ERCOT's apparent change in viewpoint from 2016 to now.
3. Please refer to Power Operations Bulletin 850. Effective May 31, 2018, ERCOT changed the ERCOT Operating Procedural Manual supervising coordination with SPP, MISO and CENACE regarding switchable generation. The manual previously stated that, if ERCOT, SPP or MISO requested that a switchable resource be switched into them and the resource could be released, "it is up to the QSE as to whether they want to switch." That language was deleted from the Operating Procedural Manual. Please explain why the language was removed.
4. ERCOT's 2016 *Switchable Generation in ERCOT* whitepaper acknowledged that switchable resources may have commitments and opportunities in other power regions that are not compensated by ERCOT's RUC settlement process. If ERCOT restricts a switchable unit's power sales in another grid during an ERCOT system emergency, the current ERCOT, MISO, and SPP settlement protocols do not compensate the switchable unit for economic damages and lost property rights.
 - a. Does ERCOT contend it has the legal authority to RUC a switchable unit before settlement protocols are in place in ERCOT, MISO, and SPP that would provide just and reasonable compensation to the units for economic damages and lost property rights? Please explain.
 - b. If ERCOT's answer is yes, please explain how ERCOT would compensate the switchable units for economic damages and lost property rights.

- c. If ERCOT's answer is no, please identify ERCOT's opinion of the scope of protocol changes that are necessary to permit ERCOT to restrict switching rights or order grid switching during a RTO emergency.
 - d. If the ERCOT settlement compensation process does not result in just and reasonable rates for the restriction of a switchable unit's right to operate in MISO or SPP, which regulator(s) would be the arbiter of such a complaint?
5. Have MISO or SPP identified to ERCOT changes to their protocols, coordination agreements or NERC reliability standards that they believe are necessary to accommodate ERCOT's new approach to restricting a switchable unit from delivering power in another grid during a grid emergency? Please explain.

Respectfully Submitted,



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