**APPROVED**

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

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

**Wednesday, March 6, 2019 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
| Allen, Thresa | Avangrid Renewables | Via Teleconference |
| Barnes, Bill | Reliant Energy Retail Services |   |
| Bierschbach, Erika | Austin Energy |  |
| Caraway, Shannon | Solar Prime |  |
| Carpenter, Jeremy | Tenaska Power Services |  |
| Coleman, Diana | OPUC |  |
| Downey, Marty | Electranet Power  |  |
| Franklin, Russell | Garland Power and Light |  |
| Goff, Eric | Citigroup Energy |  |
| Greer, Clayton | Morgan Stanley |   |
| Gross, Blake | AEP Service Corporation |   |
| Johnson, Anthony | CenterPoint Energy |  |
| Kee, David | CPS Energy |  |
| Lange, Clif | South Texas Electric Cooperative |  |
| Lindberg, Ken | Bryan Texas Utilities  |  |
| Maduzia, Franklin | Dow Chemical |  |
| Mauldin, Jamie | City of Eastland |  |
| Morris, Sandy | Direct Energy | Via Teleconference |
| Robertson, Jennifer | LCRA | Alt. Rep. for J. Dumas |
| Schwarz, Brad | Sharyland Utilities |  |
| Shaw, Marka | Exelon |  |
| Smith, Mark | Nucor |  |
| Surendran, Resmi | Shell Energy |  |
| Turner, Lucas | South Texas Electric Cooperative | Alt. Rep. for C. Lange  |
| Velasquez, Ivan | Oncor |  |
| Whittle, Brandon | Calpine |  |

*Guests:*

|  |  |  |
| --- | --- | --- |
| Abbott, Kristin | PUCT | Via Teleconference |
| Ainspan, Malcolm | NRG | Via Teleconference |
| Anderson, Kevin | Customized Energy Solution |   |
| Blakey, Eric | Just Energy | Via Teleconference |
| Boisseau, Heather Jo | LCRA |  |
| Bruce, Mark | Cratylus Advisors | Via Teleconference |
| Bryant, Mark | PUCT | Via Teleconference |
| Bunch, Kevin | EDF Energy Services |  |
| Chai, Ricson | Talen Energy |  |
| Clemenhagen, Barbara | Customized Energy Solutions | Via Teleconference |
| Daigneault, Ralph | Potomac Economics |  |
| Detelich, David | CPS Energy |  |
| Garza, Beth | Potomac Economics | Via Teleconference |
| Gregg, Michele | TCPA |   |
| Haley, Ian | Luminant Generation |  |
| Hall, Tim | Southern Power Co. |  |
| Harvey, Julia | Texas Electric Cooperatives | Via Teleconference |
| Hughes, Darren | LCRA | Via Teleconference |
| Hurta, Brent | Austin Energy | Via Teleconference |
| Jewell, Michael | Cypress Creek Renewables |   |
| Jolly, Emily | LCRA |  |
| Jonas, Todd | Tenaska Power Services | Via Teleconference |
| Jones, Randy | Mountaineer | Via Teleconference |
| Kroskey, Tony | Brazos Electric Cooperative | Via Teleconference |
| Lee, Jim  | AEP Service Corporation |  |
| Lemaire, Anthony | Tenaska Power Services | Via Teleconference |
| Nichols, William | Guadalupe Valley Electric Cooperative | Via Teleconference |
| Oltmanns, Steve | GE Energy Consulting | Via Teleconference |
| Parker, Ryan | Calpine | Via Teleconference |
| Pollo, Kevin | CPS Energy |  |
| Rainwater, Kim | Environmental Defense Fund |  |
| Reed, Carolyn | CenterPoint Energy | Via Teleconference |
| Reedy, Steve  | Potomac Economics |  |
| Rich, Katie | Golden Spread Electric Cooperative |  |
| Ritch, John | NextEra Energy |  |
| Robinson, Rhonda | Calpine | Via Teleconference |
| Ryall, Jean | Advanced Power Alliance |  |
| Sams, Bryan | Lone Star Transmission | Via Teleconference |
| Sandidge, Clint | Calpine Solutions | Via Teleconference |
| Sheffler, Ryan | CCI | Via Teleconference |
| Siddiqi, Shams | Crescent Power |   |
| Singer, Chad | Trane | Via Teleconference |
| Sithuraj, Murali | Austin Energy |  |
| Smith, Caitlin | Invenergy |  |
| Stanfield, Leonard | Invenergy |  |
| Teng, Shuye | Austin Energy |  |
| Tierney-Lloyd, Mona | EnerNOC |  |
| Tran, Diane | TIEC |  |
| Trefny, Floyd | Steel Companies |  |
| Varnell, John | Tenaska Power Services | Via Teleconference |
| Viswanathan, Jay | PNT Financial  |  |
| Wan, Josephine | Austin Energy | Via Teleconference |
| Wittington, Pam | Jewell and Associates |  |
| Wittmeyer, Bob | Longhorn Power |   |
| Ye, Lei | Austin Energy | Via Teleconference |
| Younger, Joseph | Texas Reliability Entity | Via Teleconference |

*ERCOT Staff:*

|  |  |  |
| --- | --- | --- |
| Albracht, Brittney |  |  |
| Anderson, Connor |  | Via Teleconference |
| Bivens, Carrie |  |  |
| Bracy, Phil |  | Via Teleconference |
| Chang, Sean |  | Via Teleconference |
| Chen, Jian |  | Via Teleconference |
| Clifton, Suzy |  |  |
| Day, Betty |  | Via Teleconference |
| Du, Pengwei |  | Via Teleconference |
| Gonzalez, Ino |  |   |
| Hamann, James |  | Via Teleconference |
| Hanson, Kevin |  | Via Teleconference |
| Hartmann, Jimmy |  | Via Teleconference |
| Hilliard, Marie |  | Via Teleconference |
| Holt, Blake |  | Via Teleconference |
| House, Donald |  | Via Teleconference |
| Hughes, Lindsey |  | Via Teleconference |
| Hui, Hailong |  |   |
| Hull, Gibson |  | Via Teleconference |
| Jones, Dan |  |  |
| Kane, Erika |  | Via Teleconference |
| Krein, Steve |  | Via Teleconference |
| Levine, Jon |  | Via Teleconference |
| Maggio, Dave |  |  |
| Matevosjana, Julia |  | Via Teleconference |
| Mele, Chery |  |  |
| Mereness, Matt |  |  |
| Mickey, Joel |  |  |
| Morehead, Juliana |  | Via Teleconference |
| Nitz, Jean |  | Via Teleconference |
| Opheim, Calvin |  | Via Teleconference |
| Phillips, Cory |  |   |
| Rosel, Austin |  | Via Teleconference |
| Ruane, Mark |  |  |
| Shanks, Magie |  | Via Teleconference |
| Shaw, Pam |  |  |
| Stice, Clayton |  |  |
| Thomas, Shane |  | Via Teleconference |
| Townsend, Aaron |  | Via Teleconference |
| Wattles, Paul |  |  |
| Xiao, Hong |  | Via Teleconference |
| Zhang, Wen |  | Via Teleconference |

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

Antitrust Admonition

David Kee directed attention to the Antitrust Admonition, which was displayed.

Agenda Review

Mr. Kee reviewed items scheduled for a vote and noted changes to the order for which items would be taken up.

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

*February 6, 2019*

**Mark Smith moved to approve the February 6, 2019 WMS meeting minutes as submitted. Blake Gross seconded the motion. The motion carried unanimously.**

Technical Advisory Committee (TAC) Update and Assignments

Mr. Kee reminded Market Participants that TAC did not meet in February 2019.

2019 WMS Goal (see Key Documents)

**Bill Barnes moved to approve the 2019 WMS Goals as submitted. Marty Downey seconded the motion. The motion carried unanimously.**

Congestion Management Working Group (CMWG) (see Key Documents)

David Detelich summarized recent CMWG activities. Market Participants discussed CMWG issues, meeting efficiencies, and leadership challenges. Sandy Morris offered to serve as 2019 CMWG Chair and Ian Haley offered to serve as CMWG Vice Chair.

**Mr. Smith moved to approve Ms. Morris as 2019 CMWG Chair and Mr. Haley as 2019 Vice Chair. Diana Coleman seconded the motion. The motion carried unanimously.**

ERCOT Operations and Market Items (see Key Documents)

*Annual Update to the Congestion Revenue Right (CRR) Activity Calendar*

Carrie Bivens summarized the annual update to the CRR Activity Calendar as discussed at the February 25, 2019 CMWG meeting.

**Clayton Greer moved to approve updates to the CRR Activity Calendar as recommended by ERCOT. Mr. Downey seconded the motion. The motion carried unanimously.**

*Draft VCMRR, Resource Auxiliary Power Requirements in Verifiable Costs*

Ino Gonzalez summarized the Verifiable Cost (VC) Manual language for settlement of auxiliary equipment power costs, stated ERCOT is developing a Verifiable Cost Manual Revision Request (VCMRR) to allow for recovery of all electricity consumption for auxiliary equipment as part of Operations and Maintenance (O&M) costs, and requested WMS direction on the issues. Market Participants debated the issues of limits on recoverable costs, efficiency of calculation in Reliability Unit Commitment (RUC) instruction, compensation for reliability actions, and risk of market manipulation. Mr. Kee requested the Resource Cost Working Group (RCWG) take up the issues and provide their recommendations.

*Outage Activity Related to Operating Condition Notice (OCN)*

Cheryl Mele summarized ERCOT’s recent actions, including the February 27, 2019 Operating Condition Notice (OCN) and subsequent communications to delay Planned Outages based on forecasted conditions and expected Load and reserves. Market Participants discussed the need for timely communications to reduce rescheduling costs, prevent biased forecasts, ensure Outages can be completed prior to summer, and that a mechanism for Make-Whole costs should be considered. Some Market Participants expressed concern for ERCOT actions’ impacts to pricing. Market Participants requested further discussion of the issues at the March 27, 2019 TAC meeting.

Southern Cross Assignment Update

Matt Mereness summarized Southern Cross Transmission Directive #3, Determination of Ramp Rate Restrictions, recommended assignment of the issues to the Performance, Disturbance, Compliance Working Group (PDCWG) and requested direction from WMS. Market Participants expressed support for the ERCOT recommendation.

New Protocol Revision Subcommittee (PRS) Referrals

*Nodal Protocol Revision Request (NPRR) 918, Validation Clarification for PTP Obligations with Links to an Option*

Market Participants discussed the merits of NPRR918 and the additional validation methodology proposed in the 1/23/19 Reliant comments. Ms. Bivens stated that NPRR918 as submitted did not have cost impacts, but that the proposed validation methodology would have impacts. Market Participants requested additional review of the issues by the CMWG.

**Mr. Barnes moved to request PRS continue to table NPRR918 for further consideration by the CMWG. Lucas Turner seconded the motion. The motion carried unanimously.**

Wholesale Market Working Group (WMWG)

Mr. Detelich summarized recent WMWG activities.

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

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

*NPRR872, Modifying the SASM Shadow Price Cap*

WMS took no action on these items.

*NPRR903, Day-Ahead Market Timing Deviations*

Mr. Detelich summarized NPRR903 and the February 25, 2019 WMWG discussion. Some Market Participants stated that the language in NPRR903 was overly broad and proposed adding limitations similar to Retail Service Level Agreements (SLAs). In response to Market Participant questions, Ms. Bivens stated that System Change Request (SCR) 798, PTP Obligation Bid ID Limit and NPRR925, Increasing Minimum Quantity for PTP Obligation Bids, resolve past issues in the Day-Ahead Market (DAM), however NPRR903 adds clarity, transparency, and constraints to a process ERCOT already has the authority to engage. WMS took no action on this item.

*NPRR904, Revisions to Real-Time On-Line Reliability Deployment Price Adder for ERCOT-Directed Actions Related to DC Tie*

Mr. Detelich summarized NPRR904 and the February 25, 2019 WMWG discussion. Market Participants and ERCOT Staff discussed the 3/1/19 ERCOT comments and the 3/5/2019 REMC comments. Steve Reedy reviewed the Independent Market Monitor (IMM) concerns and stated clarifications were forthcoming. WMS took no action on this item.

*NPRR917, Nodal Pricing for Settlement Only Distribution Generators (SODGs) and Settlement Only Transmission Generators (SOTGs)*

Mr. Detelich summarized NPRR917 and the February 25, 2019 WMWG discussion. Market Participants and ERCOT Staff discussed proposed grandfathering provisions alternatives and the implementation timeline. Market Participants offered additional clarifications to Option 2.

**Mr. Barnes moved to endorse Option 2 for NPRR917 Grandfathering Provision Alternatives as revised by WMS. Ken Lindberg seconded the motion.** Market Participants and ERCOT Staff discussed an end date to the grandfathering provision.

**Eric Goff moved to amend the main motion to endorse Option 2 for NPRR917 Grandfathering Provision Alternatives with WMS edits and to include end date of December 31, 2039. Mr. Greer seconded the motion.** Market Participants further debated the issues. **The motion to amend the main motion carried with one abstention from the Municipal (CPS Energy) Market Segment.**

**The motion to endorse Option 2 for NPRR917 Grandfathering Provision Alternatives with WMS edits and to include end date of December 31, 2039 carried with** **one abstention from the Municipal (CPS Energy) Market Segment.**

Market Settlement Working Group (MSWG)

*MSWG Scope*

Heather Boisseau reviewed recent MSWG activities, including clarifications to the MSWG scope.

**Mr. Goff moved to approve the MSWG Scope as submitted. Jennifer Robertson seconded the motion. The motion carried unanimously.**

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

*2019 Leadership*

**Mr. Barnes moved to approve 2019 DSWG Leadership as submitted. Mr. Goff seconded the motion.**

Mona Tierney-Lloyd reviewed DSWG activities.

Other Business

*Real-Time Co-optimization Workshop*

Mr. Kee reminded Market Participants of the Real-Time co-optimization Workshop on March 6, 2019 at 1:30 p.m.

*Review of Open Action Items*

Market Participants reviewed the Open Action Items list.

*Posted Reports for Working Groups*

* Market Credit Working Group (MCWG)
* Supply Analysis Working Group (SAWG)

*No Report*

* Metering Working Group (MWG)
* RCWG

Adjournment

Mr. Kee adjourned the March 6, 2019 WMS meeting at 12:00 p.m.

1. <http://www.ercot.com/calendar/2019/3/6/165227-WMS> [↑](#footnote-ref-1)