**APPROVED**

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

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

**Wednesday, April 3, 2019 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
| Allen, Thresa | Avangrid Renewables |  |
| Barnes, Bill | Reliant Energy Retail Services |  |
| Caraway, Shannon | Solar Prime |  |
| Carpenter, Jeremy | Tenaska Power Services |  |
| Coleman, Diana | OPUC |  |
| Downey, Marty | Electranet Power |  |
| Evans, Mike | Brazos Electric Power Cooperative |  |
| 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 |  |
| Parker, Ty | Infinite Energy | Via Teleconference |
| Robertson, Jennifer | LCRA | Alt. Rep. for J. Dumas |
| Schwarz, Brad | Sharyland Utilities |  |
| Shaw, Marka | Exelon | Via Teleconference |
| Sithuraj, Murali | Austin Energy | Alt. Rep. for E. Bierschbach |
| Surendran, Resmi | Shell Energy |  |
| Velasquez, Ivan | Oncor |  |
| Whittle, Brandon | Calpine |  |
| Wilson, Joe Dan | Golden Spread Electric Cooperative |  |

The following proxy was assigned:

* Marka Shaw to Brandon Whittle

*Guests:*

|  |  |  |
| --- | --- | --- |
| Abbott, Kristin | PUCT | Via Teleconference |
| Ainspan, Malcolm | NRG | Via Teleconference |
| Benson, Mariah | PUCT | Via Teleconference |
| Boisseau, Heather Jo | LCRA |  |
| Brown, Jack | Garland Power and Light | Via Teleconference |
| Bryant, Mark | PUCT | Via Teleconference |
| Bunch, Kevin | EDF Energy Services |  |
| Cochran, Seth | DC Energy |  |
| Daigneault, Ralph | Potomac Economics |  |
| Detelich, David | CPS Energy |  |
| Dixit, Preeti | ABB | Via Teleconference |
| Haley, Ian | Luminant Generation |  |
| Huber, Grant | Cypress Creek Renewables | Via Teleconference |
| Hughes, Darren | LCRA | Via Teleconference |
| Hurta, Brent | Austin Energy | Via Teleconference |
| Jewell, Michael | Jewell and Associates | Via Teleconference |
| Juricek, Michael | Oncor | Via Teleconference |
| Kroskey, Tony | Brazos Electric Cooperative | Via Teleconference |
| Kueker, Dan | Brazos Electric Cooperative | Via Teleconference |
| Oltmanns, Steve | GE Energy Consulting | Via Teleconference |
| Pollo, Kevin | CPS Energy |  |
| Powell, Christian | Pedernales Electric Cooperative |  |
| Reedy, Steve | Potomac Economics |  |
| Reid, Walter | Advanced Power Alliance |  |
| Rich, Katie | Golden Spread Electric Cooperative |  |
| Robinson, Rhonda | Calpine | Via Teleconference |
| Roth, Werner | PUCT | Via Teleconference |
| Sams, Bryan | Lone Star Transmission | Via Teleconference |
| Siddiqi, Shams | Crescent Power |  |
| Singer, Chad | Trane | Via Teleconference |
| Smith, Caitlin | Invenergy |  |
| Teng, Shuye | Austin Energy | Via Teleconference |
| Tierney-Lloyd, Mona | EnerNOC |  |
| Tran, Diane | TIEC |  |
| Trefny, Floyd | Steel Companies | Via Teleconference |
| Turner, Lucas | South Texas Electric Cooperative | Via Teleconference |
| Watson, Mark | SPGlobal | Via Teleconference |
| Wittington, Pam | Jewell and Associates |  |
| Wittmeyer, Bob | Longhorn Power |  |
| Younger, Joseph | Texas Reliability Entity | Via Teleconference |

*ERCOT Staff:*

|  |  |  |
| --- | --- | --- |
| Albracht, Brittney |  |  |
| Anderson, Connor |  | Via Teleconference |
| Bivens, Carrie |  | Via Teleconference |
| Boswell, Bill |  | Via Teleconference |
| Bracy, Phil |  | Via Teleconference |
| Chang, Sean |  | Via Teleconference |
| Chen, Jian |  | Via Teleconference |
| Clifton, Suzy |  |  |
| Gonzalez, Ino |  |  |
| Hanson, Kevin |  | Via Teleconference |
| Hilliard, Marie |  | Via Teleconference |
| Jones, Dan |  |  |
| Krein, Steve |  | Via Teleconference |
| Levine, Jon |  | Via Teleconference |
| Maggio, Dave |  |  |
| Mago, Nitika |  | Via Teleconference |
| Mereness, Matt |  |  |
| Mickey, Joel |  |  |
| Moorty, Sai |  |  |
| Morehead, Juliana |  | Via Teleconference |
| Moreno, Alfredo |  | Via Teleconference |
| Phillips, Cory |  |  |
| Ragsdale, Ken |  | Via Teleconference |
| Roberts, Randy |  | Via Teleconference |
| Rosel, Austin |  | Via Teleconference |
| Ruane, Mark |  | Via Teleconference |
| Shanks, Magie |  | Via Teleconference |
| Sharma, Sandip |  | Via Teleconference |
| Shaw, Pam |  | Via Teleconference |
| Smith, Nathan |  | Via Teleconference |
| Stice, Clayton |  |  |
| Thomas, Shane |  | Via Teleconference |
| Townsend, Aaron |  | Via Teleconference |
| Wattles, Paul |  |  |
| Xiao, Hong |  | 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)

*March 6, 2019*

**Diana Coleman moved to approve the March 6, 2019 WMS meeting minutes as submitted. Ivan Velasquez seconded the motion. The motion carried unanimously.**

Technical Advisory Committee (TAC) Update and Assignments

Mr. Kee reviewed the disposition of items considered at the March 27, 2019 TAC meeting, encouraged Market Participants to attend the April 2019 Outage Activity Related to Operating Condition Notice (OCN) workshop, and announced the formation of the Real-Time Co-Optimization Task Force (RTCTF).

ERCOT Operations and Market Items

There were no reports or discussions for this agenda item.

New Protocol Revision Subcommittee (PRS) Referrals

There were no new Revision Requests referred from PRS.

Wholesale Market Working Group (WMWG) see (Key Documents)

*Recommendation regarding Nodal Protocol Revision Request (NPRR) 664, Fuel Index Price for Resource Definition and Real-Time Make-Whole Payments for Exceptional Fuel Cost Events*

David Detelich summarized recent WMWG activities and reviewed the Open Action Items list. Market Participants and ERCOT Staff discussed the next steps for NPRR664, in consideration of the implementation of NPRR847, Exceptional Fuel Cost Included in the Mitigated Offer Cap, and cost impacts based on Waha or Houston Ship Channel (HSC) fuel prices. Market Participants requested that WMWG continue vetting the fuel index price issues.

**Bill Barnes moved to request ERCOT Staff draft an NPRR to remove remaining NPRR664 grey box language. Clayton Greer seconded the motion. The motion carried with one abstention from the Cooperative Market Segment (STEC).**

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

*NPRR872, Modifying the SASM Shadow Price Cap*

*NPRR903, Day-Ahead Market Timing Deviations*

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

WMS took no action on these items.

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

Mr. Detelich summarized NPRR838 and discussions at the March 25, 2019 WMWG meeting. Market Participants and ERCOT Staff discussed delayed consideration of NPRR826, Mitigated Offer Caps for RMR Resources, pending the Public Utility Commission of Texas (PUCT) decision on local scarcity and Reliability Must-Run (RMR) Resources, consideration of other longer term pricing solutions, and ERCOT’s intent to codify the process for calculating Operations and Maintenance (O&M) costs for RMR Resources. Mr. Kee requested WMWG review the issues and provide their recommendation for consideration at the May 1, 2019 WMS Meeting. WMS took no action on this item.

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

Market Participants and ERCOT Staff discussed the 3/27/19 ERCOT comments, 3/28/19 Electranet-Enchanted Rock comments, and 3/29/19 Cypress Creek Renewables comments. ERCOT Staff reviewed the opt-out provisions and implementation timeline.

**Mr. Greer moved to endorse NPRR917 as amended by the 3/27/19 ERCOT comments. Shannon Caraway seconded the motion.** Market Participants debated the time period for the grandfathering provision and financial impacts to current projects. Market Participants offered clarifications to extend the time period from January 1, 2040 to January 1, 2060.

**Eric Goff moved to amend the main motion to endorse NPRR917 as amended by the 3/27/19 ERCOT comments and as revised by WMS. Clif Lange seconded the motion. The motion carried with three objections from the Independent Generator (Calpine), Independent Power Marketer (IPM) (Morgan Stanley) and Investor Owned Utility (IOU) (Oncor) Market Segments and three abstentions from the IOU (AEPSC) and Independent Retail Electric Provider (IREP) (2) (Direct Energy and Electranet) Market Segments.**

Some Market Participants expressed concern for repowering provisions. Grant Huber summarized repowering provisions in the 3/29/19 Cypress Creek Renewables comments. Market Participants debated the various grandfathering and repowering provisions. Some Market Participants expressed concern with advancing NPRR917 until the language is further clarified. ERCOT Staff offered to provide additional clarifications on NPRR917 for consideration at the April 11, 2019 PRS meeting.

**Mr. Goff moved to reconsider the motion to amend the main motion. Mr. Lange seconded the motion. The motion carried unanimously.**

**Mr. Goff moved to withdraw the motion to amend the main motion. Mr. Lange seconded the motion. The motion carried unanimously.**

Mr. Greer withdrew the motion to endorse NPRR917 as amended by the 3/27/19 ERCOT comments. WMS took no action on NPRR917.

*NPRR918, Validation Clarification for PTP Obligations with Links to an Option*

Sandy Morris summarized NPRR918 and discussions at the April 1, 2019 Congestion Management Working Group (CMWG) meeting. Carrie Bivens stated that ERCOT is unable to validate the methodology proposed in the 1/23/19 Reliant Comments and requested additional time to provide clarifications. WMS took no action on this item.

CMWG (see Key Documents)

*NPRR929, PTP Obligations with Links to an Option DAM Award Eligibility*

Ms. Morris summarized CMWG activities, including discussions on NPRR929. Market Participants discussed action items for CMWG and requested a limited narrow scope in investigating constraints and congestion in the Far West area.

Metering Working Group (MWG)

*2019 MWG Leadership*

**Mr. Greer moved to approve Darrell Sumbera, CenterPoint Energy as 2019 MWG Chair and John Cleveland, Austin Energy as 2019 MWG Vice Chair. Murali Sithuraj seconded the motion. The motion carried unanimously.**

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

Mona Tierney-Lloyd reviewed DSWG activities and summarized results of the 2018 Distributed Generation (DG) and Demand Response Survey.

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

Mr. Barnes reviewed MCWG activities.

Market Settlement Working Group (MSWG) (see Key Documents)

Heather Boisseau reviewed MSWG activities, including the Market Data System Level Agreement (SLA) and stated it would be considered at the May 1, 2019 WMS meeting.

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

Ino Gonzalez reviewed RCWG activities and summarized the auxiliary equipment power costs allocation issues. Market Participants and ERCOT Staff discussed the proposed solutions, RCWG recommendations, and participation challenges at RCWG.

Other Business

Joel Mickey summarized a revised implementation timeline for NPRR916, Mitigated Offer Floor Revisions, to be considered at the April 9, 2019 ERCOT Board meeting.

Mr. Mickey stated ERCOT will discuss Real-Time Ancillary Service shortages at the May 1, 2019 WMS meeting.

*Review of Open Action Items*

Market Participants reviewed the Open Action Items list, added clarifications and removed the completed items:

* Review Transmission losses in Real-Time Settlement
* Review the issue of High Revenue Neutrality Allocation (RENA) and Point-to-Point (PTP) Obligations
* Host Must Run Alternative (MRA) and Load Resource deployments for Local Congestion Workshop
* Review Next Steps for NPRR664
* Review NPRR912, Settlement of Switchable Generation Resources (SWGRs) Instructed to Switch to ERCOT, including the compensation mechanism and market impacts and pricing.
* Review NPRR917, Nodal Pricing for Settlement Only Distribution Generators (SODGs) and Settlement Only Transmission Generators (SOTGs), including Congestion Revenue Right (CRR) value impacts, hedging and grandfather issues.

*No Report*

* Supply Analysis Working Group (SAWG)

Adjournment

Mr. Kee adjourned the April 3, 2019 WMS meeting at 12:14 p.m.

1. <http://www.ercot.com/calendar/2019/4/3/165231-WMS> [↑](#footnote-ref-1)