**APPROVED**

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

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

**Wednesday, June 5, 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  |  |
| Dumas, John | LCRA |  |
| Evans, Mike | Brazos Electric Cooperative |  |
| 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  | Via Teleconference |
| Maduzia, Franklin | Dow Chemical |  |
| Mauldin, Jamie | City of Eastland |  |
| Morris, Sandy | Direct Energy |  |
| Parker, Ty | Infinite Energy | Via Teleconference |
| Sams, Bryan | Lone Star Transmission |  |
| Shaw, Marka | Exelon |  |
| Smith, Mark | Nucor | Via Teleconference |
| Surendran, Resmi | Shell Energy |  |
| Velasquez, Ivan | Oncor |  |
| Whittle, Brandon | Calpine |  |
| Wilson, Joe Dan | Golden Spread Electric Cooperative |  |

The following proxy was assigned:

* Russell Franklin to David Kee

*Guests:*

|  |  |  |
| --- | --- | --- |
| Abbott, Kristin | PUCT | Via Teleconference |
| Ainspan, Malcolm | NRG | Via Teleconference |
| Aldridge, Ryan | AB Power |  |
| Benson, Mariah | PUCT |  |
| Blakey, Eric | Just Energy | Via Teleconference |
| Boisseau, Heather  | LCRA |  |
| Brandt, Adrianne | PUCT |  |
| Bruce, Mark | Cratylus Advisors |   |
| Bunch, Kevin | EDF Energy Services |  |
| Cochran, Seth | DC Energy |  |
| Daigneault, Ralph | Potomac Economics |  |
| Detelich, David | CPS Energy |  |
| Garza, Beth | Potomac Economics | Via Teleconference |
| Golden, Phillip | Messer | Via Teleconference |
| Gormley, Drew | Ambit Energy | Via Teleconference |
| Gregg, Michele | Competitive Power | Via Teleconference |
| Haley, Ian | Luminant Generation |  |
| Harvey, Julia | Texas Electric Cooperatives | Via Teleconference |
| Helton, Bob | Engie |  |
| Henson, Martha | Oncor |  |
| Hudis, Gabriella | Gabel and Associates | Via Teleconference |
| Hughes, Darren | LCRA | Via Teleconference |
| Huynh, Thuy | Potomac Economics | Via Teleconference |
| Jones, Randy | Mountaineer |  |
| Kroskey, Tony | Brazos Electric Cooperative | Via Teleconference |
| Lee, Jim | AEP  |  |
| Lesinski, Mike | FPL Power | Via Teleconference |
| Marquis, Caitlin | Advanced Energy Economy | Via Teleconference |
| McNamara, Ron | First Principles Economics |  |
| Minton, Joel | Orsted | Via Teleconference |
| Nguyen, Andy | LCRA |  |
| Oltmanns, Steve | GE Energy Consulting | Via Teleconference |
| Pollo, Kevin | CPS Energy | Via Teleconference |
| Powell, Christian | Pedernales Electric Cooperative |  |
| Rainwater, Kim | Environmental Defense Fund | Via Teleconference |
| Reedy, Cyrus | Sierra Club | Via Teleconference |
| Reedy, Steve  | Potomac Economics |  |
| Reid, Walter | Advanced Power Alliance |   |
| Rich, Katie | PUCT |  |
| Ritch, John | NextEra Energy | Via Teleconference |
| Robertson, Jennifer | LCRA |  |
| Robinson, Rhonda | Calpine | Via Teleconference |
| Rochelle, Jennifer | Customized Energy Solutions | Via Teleconference |
| Siddiqi, Shams | Crescent Power |   |
| Singer, Chad | Trane | Via Teleconference |
| Smith, Caitlin | Invenergy |   |
| Smith, Chris | Austin Energy | Via Teleconference |
| Tran, Diane | TIEC | Via Teleconference |
| True, Roy | Aces Power | Via Teleconference |
| Turner, Lucas | South Texas Electric Cooperative | Via Teleconference |
| Van Booven, Ashley | New Braunfels Utilities | Via Teleconference |
| Varnell, John | Tenaska Power Services | Via Teleconference |
| Wittington, Pam | Jewell and Associates |  |
| Wittmeyer, Bob | Longhorn Power |   |
| Woods, Brad | Texas Reliability Entity | Via Teleconference |
| Younger, Joseph | Texas Reliability Entity | Via Teleconference |

*ERCOT Staff:*

|  |  |  |
| --- | --- | --- |
| Albracht, Brittney |  |  |
| Anderson, Connor |  |   |
| Bethke, Ponda |  | Via Teleconference |
| Bivens, Carrie |  |  |
| Blevins, Bill |  |  |
| Boswell, Bill |  | Via Teleconference |
| Bracy, Phil |  | Via Teleconference |
| Chu, Zhengguo |  | Via Teleconference |
| Clifton, Suzy |  |  |
| Covington, Austin |  | Via Teleconference |
| Devadhas, Thinesh |  | Via Teleconference |
| Flint, Alison |  | Via Teleconference |
| Fohn, Doug |  | Via Teleconference |
| Giarratano, Alex |  | Via Teleconference |
| Gonzalez, Ino |  |   |
| Guo, Jack |  | Via Teleconference |
| Hanson, Kevin |  | Via Teleconference |
| Hilliard, Marie |  | Via Teleconference |
| House, Donald |  | Via Teleconference |
| Jin, Julie |  | Via Teleconference |
| Kane, Erika |  | Via Teleconference |
| Khodabakhsh, Fred |  | Via Teleconference |
| Lavi, Yamit |  | Via Teleconference |
| Lee, Raymund |  | Via Teleconference |
| Levine, Jon |  | Via Teleconference |
| Maggio, Dave |  |  |
| McCafferty, Cary |  | Via Teleconference |
| Mereness, Matt |  |  |
| Mickey, Joel |  |  |
| Morehead, Juliana |  | Via Teleconference |
| Moreno, Alfredo |  | Via Teleconference |
| Patterson, Mark |  |  |
| Phillips, Cory |  |   |
| Roberts, Randy |  | Via Teleconference |
| Rosel, Austin |  | Via Teleconference |
| Scott, Vicki |  | Via Teleconference |
| Shanks, Magie |  | Via Teleconference |
| Shaw, Pam |  |   |
| Smith, Nathan |  | Via Teleconference |
| Thomas, Shane |  |   |
| Thompson, Chad |  | Via Teleconference |
| Troublefield, Jordan |  |  |
| Warnken, Pete |  | Via Teleconference |
| Wattles, Paul |  | 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)

*May 1, 2019*

**Diana Coleman moved to approve the May 1, 2019 WMS meeting minutes as submitted. Sandy Morris seconded the motion. The motion carried unanimously.**

Technical Advisory Committee (TAC) Update and Assignments

Mr. Kee reviewed highlights of the May 22, 2019 TAC meeting. Mr. Kee stated that energy storage integration issues and assignments would be presented at the July 10, 2019 WMS meeting.

*Review of Protocols in relation to use of “Emergency Condition”*

Market Participants noted active Revision Requests related to Outage activity and requested the Wholesale Market Working Group (WMWG) review the Protocols for consistent use of “Emergency Condition”.

*Methodology used to determine the Peaker Net Margin*

Market Participants requested the Supply Analysis Working Group (SAWG) review the methodology to determine the Peaker Net Margin (PNM).

*Review DC Tie Treatment in Relation to Load*

Mr. Kee requested the Congestion Management Working Group (CMWG) review the treatment of Direct Current Tie (DC Tie) in relation to Load.

ERCOT Operations and Market Items (see Key Documents)

*Unregistered Distributed Generation (DG) Report 2019 Q1 Update*

Conner Anderson presented the 1st Quarter 2019 Unregistered DG Report. Pete Warnken encouraged Market Participants to attend the June 14, 2019 SAWG meeting to discuss the implementation plan for Nodal Protocol Revision Request (NPRR) 891, Removal of NOIE Capacity Reporting Threshold for the Unregistered Distributed Generation Report.

*Calculation related to NPRR931, As Built Hub Average Calculation*

Carrie Bivens summarized the calculation of the Hub Average price in the Day-Ahead Market (DAM) with respect to NPRR931.

New Protocol Revision Subcommittee (PRS) Referrals (see Key Documents)

*NPRR933, Reporting of Demand Response by Retail Electric Providers and Non-Opt-In Entities*

Mark Patterson presented objectives for NPRR933. Market Participants expressed support for the reporting process, but expressed concern for the collection methodology, proposed frequency of reporting, lack of incentives and regulatory enforcement, and protecting confidential information. ERCOT Staff encouraged Market Participants to attend the July 15, 2019 Retail Electric Providers (REPs) and Non-Opt-In Entities (NOIEs) Demand Response Survey Workshop to further discuss the issues.

**Bill Barnes moved to request PRS continue to table NPRR933 for further review by WMS. Bryan Sams seconded the motion. The motion carried unanimously.**

*NPRR936, CRR Account Holder Limits*

Bob Helton summarized NPRR936. Market Participants requested additional review of the issues and potential cost-effective solutions.

**Clayton Greer moved to request PRS continue to table NPRR936 for further review by CMWG. Marty Downey seconded the motion. The motion carried unanimously.**

WMS Revision Requests

*Language Review*

*Verifiable Cost Manual Revision Request (VCMRR) 023, Related to NPRR940, Removal of Language Related to NPRR664, Fuel Index Price for Resource Definition and Real-Time Make-Whole Payments for Exceptional Fuel Cost Events*

Ino Gonzalez summarized VCMRR023.

**Eric Goff moved to table VCMRR023 for one month. Mr. Downey seconded the motion. The motion carried unanimously.**

WMWG (see Key Documents)

David Detelich summarized recent WMWG activities.

NPRR826, Mitigated Offer Caps for RMR Resources

Market Participants reviewed NPRR826 and the 5/7/19 TCPA comments, and debated the appropriate Shift Factor and Shadow Price caps. Some Market Participants requested additional time to offer clarifications to the Shift Factor.

**Mr. Greer moved to endorse NPRR826 as amended by the 5/7/10 TCPA comments. Mr. Goff seconded the motion. The motion carried with three abstentions from the Consumer (Dow Chemical), Cooperative (LCRA) and Independent Generator (Solar Prime) Market Segments.**

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*

*NPRR903, Day-Ahead Market Timing Deviations*

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

WMS took no action on these items.

Metering Working Group (WMG) (see Key Documents)

Don Tucker reviewed MWG activities.

*NPRR948, Instrument Transformer Testing Schedule and Removal of Reference to Fiber-Optic Current Transformers*

**Mr. Greer moved to endorse NPRR948 as submitted. Blake Gross seconded the motion. The motion carried unanimously.**

*Settlement Metering Operating Guide Revision Request (SMOGRR) 022, Related to NPRR948, Instrument Transformer Testing Schedule and Removal of Reference to Fiber-Optic Current Transformers*

Mr. Tucker reviewed SMOGRR022 and the Revision Request timeline.

*NPRR949, January 1, 2023 Changes to EPS Meter Communications Path*

**Mr. Gross moved to endorse NPRR949 as submitted. Mr. Greer seconded the motion. The motion carried unanimously.**

Resource Cost Working Group (RCWG)

**Mr. Sams moved to confirm Katie Rich, Golden Spread Electric Cooperative, as 2019 RCWG Chair. Joe Dan Wilson seconded the motion. The motion carried unanimously.**

CMWG (see Key Documents)

Ms. Morris reviewed CMWG activities.

Market Credit Working Group (see Key Documents)

Mr. Barnes noted increased collateral requirements for summer 2019, and reviewed MCWG activities, including a proposal to change the Congestion Revenue Right (CRR) liquidation process.

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

*Market Data Transparency SLA*

Heather Boisseau reviewed MSWG activities and requested WMS direction regarding Unaccounted for Energy (UFE) analysis, noting it was previously reported at the Commercial Operations Subcommittee (COPS). Mr. Kee requested the UFE report be presented at the July 10, 2019 WMS meeting.

Other Business

*May 30th Market Pricing Event*

Dave Maggio summarized the May 30, 2019 Market Pricing event, noted a Market Notice was sent, that the root cause of the issue was a Market Participant telemetry issue, and that no price correction would be made for the Security-Constrained Economic Dispatch (SCED) interval. Market Participants requested the WMWG review potential Ancillary Services and telemetry errors that impact ERCOT systems, including coding issues, and develop metrics to mitigate risks.

*High Impact Transmission Element (HITE) List*

Martha Henson stated that the annual HITE List was being developed, encouraged Market Participants to attend the June 26, 2019 Operations Working Group (OWG) meeting to discuss the issues, and noted WMS would consider the HITE List at the September 4, 2019 WMS meeting.

*Review of Open Action Items*

Market Participants reviewed the Open Action Items list and removed the following:

* Review the overall mitigation process and provide a recommendation – RCWG
* Review a comprehensive analysis of the impacts of NPRR864 from ERCOT and review the information in the Reliability Unit Commitment (RUC) report and provide recommendations to WMS – WMWG
* Review RUC – WMWG
* Identify specific NERC obligations to justify a RUC
* Limitations for delay of decision to RUC.
* If tipping scale in favor of delay, what is mechanism
* Should Ancillary Services penalty curves for RUC be modified
* Prescreen info for operators
* Impact to market and mechanisms to mitigate impacts

*No Report*

* Demand Side Working Group (DSWG)
* SAWG

Adjournment

Mr. Kee adjourned the June 5, 2019 WMS meeting at 12:32 p.m.

1. http://www.ercot.com/calendar/2019/6/5/165239-WMS [↑](#footnote-ref-1)