**APPROVED**

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

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

**Wednesday, February 5, 2020– 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
| Allen, Thresa | Avangrid Renewables |  |
| Barnes, Bill | Reliant Energy Retail Services |   |
| Bunch, Kevin | EDF Trading North America  |  |
| Caraway, Shannon | Solar Prime |  |
| Carpenter, Jeremy | Tenaska Power Services |  |
| Claiborn-Pinto, Shawnee | OPUC |  |
| Evans, Mike | Brazos Electric Cooperative |  |
| Franklin, Russell | Garland Power and Light |  |
| 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 |  |
| Mauldin, Jamie | City of Eastland |  |
| McNamara, Grace | Chariot Energy |  |
| Morris, Sandy | Direct Energy |   |
| Nguyen, Andy | LCRA | Alt. Rep. for John Dumas |
| Parker, Ty | Infinite Energy | Via Teleconference |
| Rich, Katie | Golden Spread Electric Cooperative | Alt. Rep. for Joe Dan Wilson |
| Roberts, Bobby | TNMP |  |
| Sams, Bryan | Calpine Corporation |  |
| Sefa, Fanar | Olin Corporation | Via Teleconference |
| Shaw, Marka | Exelon |  |
| Sithuraj, Murali | Austin Energy | Alt. Rep. for Erika Bierschbach |
| Smith, Mark | Nucor |  |
| Surendran, Resmi | Shell Energy  |  |
| Velasquez, Ivan | Oncor |  |
| Wilson, Joe Dan | Golden Spread Electric Cooperative | Via Teleconference |

*Guests:*

|  |  |  |
| --- | --- | --- |
| Ainspan, Malcolm | NRG | Via Teleconference |
| Anderson, Kevin | Customized Energy Solutions | Via Teleconference |
| Ashley, Kristy | Customized Energy Solutions |  |
| Baldwin, Stephanie | Softsmiths |  |
| Benson, Mariah | PUCT | Via Teleconference |
| Black-Huynh, Emily | EDF Trading North America | Via Teleconference |
| Blakey, Eric | Just Energy |  |
| Boisseau, Heather  | LCRA | Via Teleconference |
| Bryant, Mark | PUCT | Via Teleconference |
| Bruns, Scott | Direct Energy | Via Teleconference |
| Bruce, Mark | Cratylus Advisors | Via Teleconference |
| Cochran, Seth | DC Energy |  |
| Coleman, Diana | CPS Energy |  |
| Daigneault, Ralph | Potomac Economics |  |
| Detelich, David | CPS Energy |  |
| Downey, Marty | Jupiter Power |  |
| Haley, Ian | Luminant Generation |  |
| Henson, Martha | Oncor |  |
| Jewell, Michael | Jewell and Associates | Via Teleconference |
| Kroskey, Tony | Brazos Electric Cooperative | Via Teleconference |
| Li, Young | Potomac Economics | Via Teleconference |
| Martin, Collin | Oncor | Via Teleconference |
| McClellan, Suzi | Good Company and Associates | Via Teleconference |
| Meneley, Amy | LCRA | Via Teleconference |
| Musher, Danny | Key Capture Energy | Via Teleconference |
| Pappu, Ajay | Invenergy |  |
| Pollo, Kevin | CPS Energy |  |
| Powell, Christian | Pedernales Electric Cooperative |  |
| Rainwater, Kim | Environmental Defense Fund |  |
| Reid, Walter | Advanced Power Alliance |  |
| Richmond, Michele | TCPA | Via Teleconference |
| Robinson, Rhonda | Calpine | Via Teleconference |
| Siddiqi, Shams | Crescent Power |  |
| Smith, Caitlin | AB Power Advisors |  |
| Smith, Chase | Southern Power |  |
| Smith, Chris  | Austin Energy | Via Teleconference |
| Tran, Diane | TK Law | Via Teleconference |
| Turner, Lucas | South Texas Electric Cooperative | Via Teleconference |
| Van Booven, Ashley | NBU Texas | Via Teleconference |
| Varnell, John | Tenaska | Via Teleconference |
| Watson, Mark | SP Global | Via Teleconference |
| Williams, Wes | BTU | Via Teleconference |
| Wittmeyer, Bob | Longhorn Power |   |
| Zhang, Bryan | Potomac Economics | Via Teleconference |
| Zhou, Emily | Potomac Economics |  |
| Younger, Joseph | Texas Reliability Entity | Via Teleconference |

*ERCOT Staff:*

|  |  |  |
| --- | --- | --- |
| Albracht, Brittney |  |  |
| Anderson, Connor |  | Via Teleconference  |
| Bivens, Carrie |  | Via Teleconference |
| Bracy, Phil |  | Via Teleconference |
| Chen, Jian |  | Via Teleconference |
| Clifton, Suzy |  |  |
| Covington, Austin |  |  |
| Gonzalez, Ino |  |  |
| Hartman, Jimmy |  | Via Teleconference |
| House, Donald |  |  |
| Hughes, Lindsey |  | Via Teleconference |
| Hull, Gibson |  | Via Teleconference |
| Jones, Dan |  |  |
| Kane, Erika |  | Via Teleconference |
| Khodabaksh, Fred |  | Via Teleconference |
| Krein, Steve |  | Via Teleconference |
| Maggio, Dave |  |  |
| Mago, Nitika |  | Via Teleconference |
| Morehead, Juliana |  | Via Teleconference |
| Moreno, Alfredo |  | Via Teleconference |
| Patterson, Mark |  |  |
| Phillips, Cory |  |   |
| Raish, Carl |  |  |
| Roberts, Randy |  | Via Teleconference |
| Rosel, Austin |  |  |
| Ruane, Mark |  |  |
| Shanks, Magie |  | Via Teleconference |
| Shaw, Pam |  |  |
| Smith, Nathan |  | Via Teleconference |
| Stice, Clayton |  | Via Teleconference |
| Troublefield, Jordan |  | Via Teleconference |
| Townsend, Aaron |  | Via Teleconference |
| Wattles, Paul |  |  |

***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 items would be taken up.

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

*January 8, 2020*

**Blake Gross moved to approve the January 8, 2020 WMS meeting minutes as submitted. Kevin Bunch seconded the motion. The motion carried with one abstention from the Cooperative (STEC) Market Segment.**

Technical Advisory Committee (TAC) Update and Assignments

*Price Corrections and Consideration of “Significance*

Mr. Kee reviewed the disposition of items considered at the January 29, 2020 TAC meeting and noted the TAC assignment to review the issues related to price corrections, specifically consideration of “significance”. Dave Maggio requested WMS direction on the appropriate forum to review the issues. Market Participants requested the issues be considered at WMS.

2020 WMS Working Group Leadership

**Jeremy Carpenter moved to approve the 2020 WMS working group leadership as submitted. Clayton Greer seconded the motion. The motion carried unanimously.**

Mr. Kee expressed appreciation for the 2020 WMS working group leadership and encouraged Market Participants to consider leadership roles for the Market Settlement Working Group (MSWG).

Review Open Action Items/2019 WMS Goals

Market Participants reviewed 2019 Goals.

2020 WMS Goals

Market Participants discussed potential 2020 WMS Goals and requested additional time to review in consideration of TAC formalizing 2020 Goals. Mr. Kee encouraged Market Participants to offer revisions for the 2020 Goals for consideration at the March 4, 2020 WMS meeting. WMS took no action on this item.

ERCOT Operations and Market Items

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

Donald House summarized the annual update to the CRR Activity Calendar as discussed at the February 3, 2020 Congestion Management Working Group (CMWG) meeting, and responded to questions and comments from Market Participants.

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

*Settlement Stability Report 2019 Q4*

Austin Covington presented the 4th Quarter 2019 Settlement Stability Report. Randy Roberts, Austin Rosel and Mark Ruane responded to questions and comments from Market Participants.

*Unregistered Distributed Generation (DG) Report 2019 Q4 Update*

Connor Anderson presented the 4th Quarter 2019 Unregistered DG Report and responded to questions and comments from Market Participants.

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

*Nodal Protocol Revision Request (NPRR) 987, BESTF-3 Energy Storage Resource Contribution to Physical Responsive Capability and Real-Time On-Line Reserve Capacity Calculations*

Paul Wattles summarized NPRR987, the 1/31/20 ERCOT comments and previous discussions at the Battery Energy Storage Task Force (BESTF) meetings. Market Participants requested the Wholesale Market Working Group (WMWG) review the issues, including battery ratings and duration and provide a recommendation at the March 4, 2020 WMS meeting.

**Clif Lange moved to request PRS continue to table NPRR987 for further review by WMWG. Andy Nguyen seconded the motion. The motion carried unanimously.**

WMS Revision Requests (see Key Documents)

*Impact Analysis Review*

*Verifiable Cost Manual Revision Request (VCMRR) 027, Related to NPRR986, BESTF-2 Energy Storage Resource Energy Offer Curves, Pricing, Dispatch, and Mitigation*

**Mr. Lange moved to endorse and forward to TAC the 1/8/20 WMS Report and Impact Analysis for VCMRR027. Resmi Surendran seconded the motion. The motion carried unanimously.**

WMWG (see Key Documents)

David Detelich reviewed WMWG activities, including Revision Requests and issues assigned to WMWG. Mr. Detelich summarized the Emergency Response Service (ERS) pricing impact and restoration period topics that were discussed with the Demand Side Working Group (DSWG) and Independent Market Monitor (IMM) Staff at the January 27, 2020 WMWG meeting. Market Participants and ERCOT Staff further discussed ERS issues and other deployments affecting the prices adders. Mr. Kee requested WMWG and DSWG review the availability and performance metrics for self-deployment, the reliability deployment price adder ramp, and the Transmission and/or Distribution Service Provider (TDSP) Load management programs.

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

*NPRR947, Clarification to Ancillary Service Supply Responsibility Definition and Improvements to Determining and Charging for Ancillary Service Failed Quantities*

*NPRR981, Day-Ahead Market Price Correction Process*

WMS took no action on these items.

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

Carl Raish summarized NPRR933, the 2/3/20 ERCOT comments, and discussions from the January 24, 2020 Retail Electric Providers (REPs) and Non-Opt-In Entities (NOIEs) Update to NPRR933 Workshop and February 4, 2020 Retail Market Subcommittee (RMS) meeting. Mr. Raish stated that in response to Market Participants request ERCOT anticipates memorializing the related technical specifications in an Other Binding Document. WMS took no action on this item.

*NPRR975, Load Forecast Model Transparency*

Mr. Detelich summarized WMWG discussions of NPRR975. Market Participants offered clarifications on the language referring to the use of Day-Ahead Reliability Unit Commitment (DRUC).

**Mr. Greer moved to endorse NPRR975 as amended by the 1/30/20 ERCOT comments as revised by WMS. Mr. Barnes seconded the motion. The motion carried unanimously.**

*NPRR984, Change ERS Standard Contract Terms*

Christian Powell summarized DSWG discussions on NPRR984. Some Market Participants expressed concern for the impacts to current contracts on the proposed implementation timeline. **Mark Smith moved to endorse NPRR984 as submitted.** **The motion failed for lack of a second.** Market Participants offered clarifications to change the implementation timeline from February 1, 2020 to February 1, 2021. **Mr. Smith moved to endorse NPRR984 as revised by WMS. Mr. Barnes seconded the motion.** Mark Patterson offered to provide additional clarifications to the implementation timeline for WMS consideration at the March 4, 2020 WMS meeting. Mr. Smith and Mr. Barnes withdrew the motion. WMS took no action on this item.

DSWG (see Key Documents)

Mr. Powell reviewed DSWG activities, including Revision Requests and issues assigned to DSWG. Mr. Powell presented draft 2020 DSWG Goals.

CMWG (see Key Documents)

Katie Rich reviewed CMWG activities, and requested WMS direction on the issues of Load distribution factors. Market Participants requested CMWG review the outcome of Load distribution factors in the 2021 timeframe. Walter Reid noted the lack of visibility in new Generic Transmission Constraints (GTCs) and significant curtailments due to confidentiality issues, and requested a forum to discuss the issues of increased transparency and policy awareness. Ms. Surendran requested CMWG review the issues.

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

*Concepts for Treatment of Fuel Adders*

Ms. Rich reviewed RCWG activities and summarized discussion on proposed Revision Request concepts to clarify treatment of fixed costs in fuel adders. Ino Gonzalez reviewed challenges with the current approach. Some Market Participants opined the proposed concepts are overly broad. IMM Staff stated that fixed costs should not be included in fuel adders as they roll into mitigated offers. Proponents of the concepts stated a Resource should be able to recover fixed costs that are contractual in a noncompetitive offer situation.

**Bryan Sams moved to waive notice to consider RCWG concepts for treatment of fixed costs in fuel adders. Mr. Greer seconded the motion. The motion carried with five objections from the Consumer (4) (OPUC, City of Eastland, Nucor, Olin) and Independent Retail Electric Provider (IREP) (Direct Energy) Market Segments and one abstention from the Independent Power Marketer (IPM) (Shell) Market Segment.**

**Mr. Sams moved to endorse the RCWG concepts for treatment of fixed costs in fuel adders. Mr. Greer seconded the motion. The motion carried with eight abstentions from the Consumer (4) (OPUC, City of Eastland, Nucor, Olin), IREP (2) (Direct Energy, Infinite Energy), IPM (Shell) and Municipal (Austin Energy) Market Segments.**

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

Mr. Barnes reviewed MCWG activities, including the possibility of reducing the Real-Time Settlement timeline.

Other Business

*Review Process for EMR to set expectations for the 2020 Spring Transmission Outage*

Market Participants expressed concern for the February 4, 2020 Operations Notice regarding the EMR status for Resources operating in the Permian Basin and requested WMWG review the process for committing these Resources.

*Review of Open Action Items*

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

* Review how Load distribution factor values match or become closer to actual Load in Real-Time
* Review the Load distribution factor evaluation process during hurricanes
* Review the issues of Real-Time Revenue Neutrality Allocation (RENA), Load distribution factors and price floors

*No Report*

* MSWG
* Metering Working Group (MWG)
* Supply Analysis Working Group (SAWG)

Adjournment

Mr. Kee adjourned the February 5, 2020 WMS meeting at 12:28 p.m.

1. Key Documents referenced in these minutes may be accessed on the ERCOT website at: http://www.ercot.com/calendar/2020/2/5/189315-WMS [↑](#footnote-ref-1)