

To: Operations; Settlements

Sent: Wed, Jul 08, 2020 04:48 PM

Subject: M-A070820-01 Potential Price Corrections - Incorrect Transformer Ratings Impacting the Real-Time Market and Day-Ahead Market

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**NOTICE DATE:** July 8, 2020

**NOTICE TYPE:** M-A070820-01 Operations

**SHORT DESCRIPTION:** Potential Price Corrections - Incorrect Transformer Ratings Impacting the Real-Time Market and Day-Ahead Market

**INTENDED AUDIENCE:** All Market Participants

**DAYS AFFECTED:** June 8, 2020 - July 7, 2020

**LONG DESCRIPTION:** On July 7, 2020, ERCOT became aware of an issue concerning the ratings of three 345/138 kV transformers (substations BLESSING, COLETO & LA\_PAL issue is associated with the use of dynamic ratings for transformers in the Real-Time market (RTM) and Day-Ahead Market (DAM). Specifically, ratings for other, unrelated transformers were erroneously applied to the three transformers. In some cases, the erroneous ratings may have caused congestion, while in others, congestion may have been missed. ERCOT identified that Operating Days (ODs) between 02/12/2020 and 07/07/2020 may be impacted for the RTM and DAM. On July 7, 2020, ERCOT implemented a temporary manual fix to ensure correct ratings for the transformers. ERCOT is in the process of implementing a software fix to resolve the issue, which ERCOT expects to be in place by July 9, 2020.

If ERCOT determines that there are conditions that cause questionable DAM prices, it must notify all Market Participants that DAM prices are under investigation. See ERCOT Protocol Section 4.5.3(3). On July 7, 2020, ERCOT provided a Public Notice that prices for DAM OD 07/07/2020 were under investigation. With respect to DAM OD 07/07/2020, ERCOT will adjust prices before they become final.

If ERCOT determines that Real-Time prices are in need of correction, and seeks review of such prices by the ERCOT Board of Directors (Board), ERCOT must notify Market Participants no later than 30 days following the OD. See ERCOT Protocol Section 6.3(6)(a). If ERCOT determines that DAM prices are in need of correction, and seeks review of such prices by the Board, ERCOT must notify Market Participants no later than 30 days following the OD. See ERCOT Protocol Section 4.5.3(5)(a).

ERCOT will likely be seeking Board review of RTM and DAM prices for various ODs between 06/08/2020 and 07/06/2020. While ERCOT continues to investigate the impact on RTM and DAM prices, this Market Notice is being issued to preserve the eligibility of the Board to review prices for ODs 06/08/2020 through 07/06/2020. ERCOT will provide Market Participants a follow-up Market Notice with more information concerning pricing impacts and the specific ODs for which ERCOT will be seeking Board review.

**ADDITIONAL INFORMATION:** It should be noted that while Congestion Revenue Rights (CRR) Auctions also use dynamic ratings for transmission equipment, the ratings information is sourced from the Network Operations Model in a separate manner, and the CRR Auctions were unaffected by this error.

**CONTACT:** If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Services phone number at (512) 248-3900 or contact ERCOT Client Services via email at [ClientServices@ercot.com](mailto:ClientServices@ercot.com).

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