

Appeal of TAC Decision to the Board

Date of Appeal	September 5, 2008
Date of TAC Decision	September 4, 2008
TAC Decision	2009 Commercially Significant Constraints – Recommendation of CSC Scenario 3i

Submitter's Information	
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Appeal

FPL Energy, LLC (“FPLE”) respectfully appeals the decision of the ERCOT Technical Advisory Committee (“TAC”) made at TAC’s September 4, 2008, meeting to recommend approval by the ERCOT Board of Commercially Significant Constraints (“CSC”) Scenario 3i. FPLE appeals this decision and requests that the Board adopt the original ERCOT Staff recommended Scenario 3b or, in the alternative, remand the issue for further review by TAC.

Because this issue is scheduled for deliberation by the Board at its September 16, 2008 meeting, FPLE respectfully requests that this appeal be expedited in order to be given a full hearing at the same time as the TAC recommendation.

Moving the Graham 345kV bus from the West Zone to the North Zone has commercially significant impacts on the market. If adopted, the TAC recommendation will have the effect of increasing local congestion costs uplifted to consumers and decreasing the use of market-based means of managing congestion. The TAC recommendation may also adversely impact system reliability by unnecessarily moving dispatchable fossil generation from the West Zone to the North Zone, placing the generation unit on the wrong side of the West to North constraint and thereby limiting ERCOT’s ability to arrest frequency decay associated with large drops in West Zone wind energy production.

FPLE believes that Scenario 3i was recommended without sufficient and supporting analysis. Historically, the ERCOT CSC analysis has been based on load flow analysis, and ERCOT load flow analysis for 2009 CSCs resulted in ERCOT’s recommendation of Scenario 3b, which put the Graham bus in the West Zone. FPLE’s understanding is that Scenario 3i has been supported neither by load flow analysis like that supporting the other scenarios and the zones adopted in previous years, nor by a thorough congestion cost analysis using Uplan or equivalent production cost tool that is necessary to simulate

congestion over all hours of the year. ERCOT staff's support for new Scenario 3i appears to have been based on subjective observations of its system operators, for which no factual supporting data were presented to stakeholders.

In addition, Scenario 3i and its supporting material were not available for stakeholder review until only 2 business days prior to the TAC meeting. This eleventh hour introduction of a new Scenario did not provide sufficient time for market participant vetting of the issues associated with its selection and implementation – unlike all other Scenarios, which were developed through diligent study and debate over a period of many weeks and through several stakeholder vetting meetings with ERCOT staff.

FPLE respectfully requests that the Board overturn the TAC's hasty decision and adopt the fully reviewed and ERCOT staff-supported Scenario 3b or, in the alternative, remand the issue to TAC for further deliberation.