**APPROVED**

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

**ERCOT Austin – 8000 Metropolis Drive (Building E), Suite 100 – Austin, Texas 78744**

**Wednesday, October 12, 2022 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Allen, Thresa | Avangrid Renewables (Avangrid) | Via Teleconference |
| Barnes, Bill  | Reliant Energy Retail Services (Reliant) |  |
| Bierschbach, Erika | Austin Energy | Via Teleconference |
| Camet, Brooke | Residential Consumer | Alt. Rep. for Eric Goff Via Teleconference |
| Clark, Jack | Gexa Energy | Alt. Rep. for John Ritch |
| Cochran, Seth | DC Energy | Via Teleconference |
| Couch, Andrea | Texas-New Mexico Power (TNMP) | Via Teleconference |
| DeLeon, Amanda | Tenaska Power Services (Tenaska) | Via Teleconference |
| Detelich, David | CPS Energy | Via Teleconference |
| Dreyfus, Mark | City of Eastland | Alt. Rep. for Jamie Mauldin Via Teleconference |
| Farhangi, Anoush | Demand Control 2 | Via Teleconference |
| Franklin, Russell | Garland Power & Light (GP&L) | Via Teleconference |
| Gross, Blake | AEP Service Corporation (AEPSC) |  |
| Haley, Ian | Luminant Corporation |  |
| Hanson, Kevin | National Grid Renewables  |   |
| Hunsaker, David | Chariot Energy | Via Teleconference |
| Lee, Jim | CenterPoint Energy (CNP) | Alt. Rep. for Perrin Wall |
| Lindberg, Ken | Bryan Texas Utilities (BTU)  | Via Teleconference |
| Nguyen, Andy | Lower Colorado River Authority (LCRA) |  |
| Powell, Christian | Pedernales Electric Cooperative (PEC) | Via Teleconference |
| Sams, Bryan | Calpine Corporation (Calpine) |  |
| Smith, Mark | Nucor | Via Teleconference |
| Turner, Lucas | South Texas Electric Cooperative (STEC) | Alt. Rep. for Clif Lange |
| Velasquez, Ivan | Oncor Electric Delivery (Oncor) |  |
| Wilson, Joe Dan | Golden Spread Electric Cooperative (GSEC) |   |
| Zhang, Wen | Shell Energy North America (SENA) | Alt. Rep. for Resmi Surendran Via Teleconference |

*Guests:*

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| --- | --- | --- |
|  |  |  |
| Aldridge, Ryan | AB Power Advisors | Via Teleconference |
| Anderson, Connor | AB Power Advisors | Via Teleconference |
| Anderson, Kevin | CES | Via Teleconference |
| Basaran, Harika | PUCT | Via Teleconference |
| Bivens, Carrie  | Potomac Economics | Via Teleconference |
| Blackburn, Don | Hunt Energy Network Power Marketing | Via Teleconference |
| Cheng, Yong | Lone Star Transmission | Via Teleconference |
| Cortez, Sarai | Trailstone Energy Management | Via Teleconference |
| Coultas, Ann | Enel Green Power | Via Teleconference |
| Daigneault, Ralph | Potomac Economics | Via Teleconference |
| Dollar, Zachary | PUCT | Via Teleconference |
| Headrick, Bridget | CES | Via Teleconference |
| Horstmyer, Reid | Dynasty Power | Via Teleconference |
| Hubbard, John  | TIEC | Via Teleconference |
| Huynh, Thuy | Potomac Economics | Via Teleconference |
| Jones, Randy | Mountaineer Market Advisors | Via Teleconference |
| Kee, David | CPS Energy | Via Teleconference |
| Lacek, Mollie | Talen Energy | Via Teleconference |
| Lotter, Eric | GridMonitor | Via Teleconference |
| Maynez, Andres | ORSTED | Via Teleconference |
| Murdock, John | Plus Power | Via Teleconference |
| Noyes, Theresa | LCRA | Via Teleconference |
| Orr, Rob | Lone Star Transmission  | Via Teleconference |
| Reedy, Steve | CIM View Consulting | Via Teleconference |
| Reid, Walter | Advanced Power Alliance | Via Teleconference |
| Rich, Katie | GSEC | Via Teleconference |
| Sager, Brenden | Austin Energy | Via Teleconference |
| Siddiqi, Shams | Rainbow Energy Marketing Corporation | Via Teleconference |
| True, Roy | ACES Power | Via Teleconference |
| Villasana, Kristi | NBU | Via Teleconference |
| Walcavich, Colin | National Grid Renewables | Via Teleconference |
| Walker, Floyd | PUCT | Via Teleconference |
| Williams, Wes | BTU | Via Teleconference |
| Wittmeyer, Bob | Longhorn Power | Via Teleconference |
| Zarnikau, Jay | University of Texas | Via Teleconference |
| Zhang, Li | Calpine | Via Teleconference |

*ERCOT Staff:*

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| --- | --- | --- |
|  |  |  |
| Albracht, Brittney |  |  |
| Anderson, Troy |  | Via Teleconference |
| Billo, Jeff |  | Via Teleconference |
| Boren, Ann |  | Via Teleconference |
| Chen, Jian |  | Via Teleconference |
| Clifton, Suzy |  |   |
| Gallo, Andrew |  | Via Teleconference |
| Gonzalez, Ino |  |   |
| Holden, Curry |  | Via Teleconference |
| Magarinos, Marcelo |  | Via Teleconference |
| Mago, Nitika |  | Via Teleconference |
| Maul, Donald |  | Via Teleconference |
| McGuire, Joshua |  | Via Teleconference |
| Mereness, Matt |  |  |
| Moreno, Alfredo |  | Via Teleconference |
| Phillips, Cory |  | Via Teleconference |
| Rosel, Austin |  | Via Teleconference |
| Roberts, Randy |  | Via Teleconference |
| Ruane, Mark |  | Via Teleconference |
| Shaw, Pamela |  | Via Teleconference |
| Stice, Clayton |  | Via Teleconference |
| Tucker, Don |  | Via Teleconference |
| Warnken, Pete |  | Via Teleconference |
| Wasik-Gutierrez, Erin |  | Via Teleconference |

*Unless otherwise indicated, all Market Segments participated in the votes.*

Antitrust Admonition

Ivan Velasquez directed attention to the Antitrust Admonition, which was displayed.

Agenda Review

There were no changes to the agenda.

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

*August 3, 2022*

*September 7, 2022*

Market Participants reviewed the August 3, 2022 and September 7, 2022 WMS Meeting Minutes. Mr. Velasquez noted these items could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

Technical Advisory Committee (TAC) Update

Mr. Velasquez reviewed the disposition of items considered at the September 28, 2022 TAC meeting, including the endorsement of the concepts presented in the TAC Structural and Procedural Review and the update on the Proposed Aggregated Distributed Energy Resource (ADER) ERCOT Pilot Program. Market Participants discussed the TAC assignment to review the efficiency of the Emergency Response Service (ERS) program stemming from the discussion of Self-deployment of ERS during the July 13 Deployment Event and the concern for the value of the ERS program, and requested review of the issues by the Demand Side Working Group (DSWG).

ERCOT Operations and Market Items (see Key Documents)

There were no ERCOT Operations or Market items.

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

*Nodal Protocol Revision Request (NPRR) 1146, Credit Changes to Appropriately Reflect TAO Exposure*

Shams Siddiqi reviewed NPRR1146. Brenden Sager summarized NPRR1146 discussion at the September 21, 2022 Credit Work Group (Credit WG) and Market Credit Working Group (MCWG) meeting and noted the 9/16/22 ERCOT comments. Market Participants requested further review of the issues by MCWG. Mr. Velasquez noted this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

MCWG (see Key Documents)

Mr. Sager reviewed MCWG activities.

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

Bryan Sams reviewed WMWG activities, including the draft 2023 Ancillary Service Methodology.

Revision Requests Tabled at PRS or ROS and Referred to WMS (see Key Documents)

*NPRR1067, Market Entry Qualifications, Continued Participation Requirements, and Credit Risk Assessment*

*NPRR1070, Planning Criteria for GTC Exit Solutions*

*NPRR1145, Use of State Estimator-Calculated ERCOT-Wide TLFs in Lieu of Seasonal Base Case ERCOT-Wide TLFs for Settlement*

*Nodal Operating Guide Revision Request (NOGRR) 215, Limit Use of Remedial Action Schemes*

WMS took no action on these items.

*NPRR1132, Communicate Operating Limitations during Cold and Hot Weather Conditions*

Mr. Sams summarized NPRR1132 discussion at the September 23, 2022 WMWG meeting. Market Participants discussed the 1/4/22 ROS comments, 10/10/22 LCRA comments, and 10/11/22 Luminant comments to NPRR1132. Mr. Velasquez noted this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

*NPRR1138, Communication of Capability and Status of Online IRRs at 0 MW Output*

Mr. Sams summarized NPRR1138 discussion at the September 23, 2022 WMWG meeting. Blake Gross reviewed the 10/11/22 AEP comments to NPRR1138. Some Market Participants requested additional time to submit clarifications to NPRR1138. Nitika Mago reviewed the NPRR1138 timeline for consideration at the December 20, 2022 ERCOT Board Meeting. WMS took no action on this item.

*NPRR1143, Provide ERCOT Flexibility to Determine When ESRs May Charge During an EEA Level 3*

Mr. Sams summarized NPRR1143 discussion at the September 23, 2022 WMWG meeting. Pamela Shaw encouraged Market Participants to contact her with specific NPRR1143 concerns in advance of the October 21, 2022 WMWG meeting. WMS took no action on this item.

*NPRR1144, Station Service Backup Power Metering*

Ann Coultas summarized NPRR1144, the 8/17/22 Joint Commenters comments, discussion at the August 25, 2022 Metering Working Group (MWG) meeting, and the 8/29/22 Joint Commenters comments. Some Market Participants expressed concerns for the concepts in NPRR1144, however, noted that participation was voluntary and that Transmission Service Providers (TSPs) could reject the proposal. In response to Market Participant requests, Brittney Albracht reviewed the Revision Request process. WMS took no action on NPRR1144.

Revision Requests Tabled at WMS (see Key Documents)

*Verifiable Cost Manual Revision Request (VCMRR) 031, Clarification Related to Variable Costs in Fuel Adders*

*VCMRR033, Excluding Exceptional Fuel Costs from Fuel Adders*

*VCMRR034, Excluding RUC Approved Fuel Costs from Fuel Adders*

*VCMRR035, Allow Verified Contractual Costs in Fuel Adder Calculation*

Mr. Sams encouraged Market Participants impacted by the VCMRRs to contact Ino Gonzales, ERCOT to discuss a potential path forward. WMS took no action on these items.

Combined Ballot

**Jim Lee moved to approve the Combined Ballot as follows:**

* **To approve the August 3, 2022 WMS Minutes as submitted**
* **To approve the September 7, 2022 WMS Minutes as submitted**
* **To request PRS continue to table NPRR1146 for further review by MCWG**
* **To endorse NPRR1132 as amended by the 10/11/22 Luminant comments**

**Ian Haley seconded the motion. The motion carried unanimously.** *(Please see ballot posted with Key Documents.)*

Congestion Management Working Group (CMWG) (see Key Documents)

Katie Rich summarized CMWG activities, and requested WMS direction on further discussion on the potential of developing smaller Load zones for Load Settlement and ADER participation in the wholesale market. Market Participants discussed the issues, ADER pilot program, potential benefits, and potential concerns for ERCOT resources and impacts to Retail Electric Providers (REPs). Ms. Shaw reviewed ERCOT constraints in producing complex analyses. Carrie Bivens reminded Market Participants that implementing smaller Load zones that recognize key transmission constraints was one of the Independent Market Monitor (IMM) recommendations in the 2021 State of the Market Report. Mr. Velasquez offered to review the issues with the Retail Market Subcommittee (RMS) Leadership ad ERCOT Staff for further discussion at the November 2, 2022 WMS meeting.

DSWG

There was no DSWG report.

Other Business

*2023 ERCOT Membership/Segment Representative Elections*

Suzy Clifton reminded Market Participants that the membership date of record is Friday, November 18, 2022, noted Market Notice M-C100322, ERCOT Membership Application for 2023 Membership Year Now Available, was sent on October 3, 2022, and stated that 2023 Segment Representative Elections for TAC and Subcommittees would begin the week after the record date. Bill Barnes expressed concern for potential amendments to the Amended and Restated Bylaws of Electric Reliability Council of Texas, Inc. Approved October 12, 2021, and the 2023 ERCOT Membership Application and Agreement (Application) and requested ERCOT Legal Staff be available for discussion at the October 13, 2022 PRS meeting.

*Firm Fuel Supply Service (FFSS) Concerns*

Some Market Participants expressed concern for FFSS offers in consideration of outage requirements and impacts related to NPRR1108, ERCOT Shall Approve or Deny All Resource Planned Outage Requests, and cost impacts of the testing requirements. Matt Mereness stated that in the process of implementing FFSS on the short timeline there were potential improvements identified to consider for the next procurement cycle and ERCOT is willing to work with Market Participants on changes in protocols or procedures for improvements to the next FFSS procurement cycle in 2023.

*Review Open Action Items*

Market Participants reviewed the Open Action Items List. Mr. Sams encouraged Market Participants to contact WMWG leadership for prioritization of WMWG items/concerns.

*No Report*

* Market Settlement Working Group (MSWG)
* MWG
* Resource Cost Working Group (RCWG)
* Supply Analysis Working Group (SAWG)

Adjournment

Mr. Velasquez adjourned the October 12, 2022 WMS meeting at 11:09 a.m.

1. Key Documents referenced in these minutes may be accessed on the ERCOT website at:

<https://www.ercot.com/calendar/event?id=1623079999280> [↑](#footnote-ref-1)