**DRAFT**

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

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

**Wednesday, January 11, 2023 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Allen, Thresa | Avangrid Renewables (Avangrid) |  |
| Barnes, Bill  | Reliant Energy Retail Services (Reliant) |  |
| Bierschbach, Erika | Austin Energy |  |
| Blakey, Eric | Pedernales Electric Cooperative  |  |
| Burke, Tom | RWE Renewables |  |
| Campo, Curtis | Garland Power and Light (GP&L) | Via Teleconference |
| Cochran, Seth | DC Energy | Via Teleconference |
| DeLeon, Amanda | Tenaska Power Services (Tenaska) | Via Teleconference |
| Denison, Taylor | City of Eastland |  |
| Detelich, David | CPS Energy | Via Teleconference |
| Farhangi, Anoush | Demand Control 2 | Via Teleconference |
| Foster, Ashley | Dow Chemical |  |
| Goff, Eric | Consumer – Residential |  |
| Gross, Blake | AEP Service Corporation (AEPSC) |  |
| Haley, Ian | Luminant Corporation |  |
| Hanson, Kevin | National Grid Renewables  |  |
| Hunsaker, David | Chariot Energy | Via Teleconference |
| Jolly, Emily | Lower Colorado River Authority (LCRA) |  |
| Lee, Jim | CenterPoint Energy (CNP) |   |
| Lindberg, Ken | Bryan Texas Utilities (BTU)  | Via Teleconference |
| Nguyen, Andy | Constellation Energy Generation |  |
| Noyes, Thresa | LCRA | Alt. Rep. for Emily Jolly |
| Rich, Katie | Golden Spread Electric Cooperative (GSEC)  | Via Teleconference |
| Roberts, Vincent | Texas-New Mexico Power (TNMP) | Via Teleconference |
| Sams, Bryan | Calpine Corporation (Calpine) |  |
| Smith, Mark | Nucor | Via Teleconference |
| Turner, Lucas | South Texas Electric Cooperative (STEC) | Via Teleconference |
| Velasquez, Ivan | Oncor Electric Delivery (Oncor) |  |
| Zhang, Wen | Shell Energy North America (SENA) |  |

*Guests:*

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| --- | --- | --- |
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| Ainspan, Malcolm | NRG | Via Teleconference |
| Aldridge, Ryan | AB Power Advisors | Via Teleconference |
| Ashley, Kristy | CES | Via Teleconference |
| Anderson, Connor | AB Power Advisors | Via Teleconference |
| Basaran, Harika | PUCT | Via Teleconference |
| Benson, Mariah | PUCT | Via Teleconference |
| Bezwada, Neelima | Potomac Economics | Via Teleconference |
| Bivens, Carrie  | Potomac Economics | Via Teleconference |
| Blackburn, Don | Hunt Energy Network Power Marketing | Via Teleconference |
| Coleman, Diana | CPS Energy | Via Teleconference |
| Cripe, Ramsey | Schneider Engineering | Via Teleconference |
| Daigneault, Ralph | Potomac Economics | Via Teleconference |
| De La Rosa, Lewis | Texas Reliability Entity | Via Teleconference |
| Dharme, Neeraja | EDFT | Via Teleconference |
| Ganjoo, Shalesh | LCRA | Via Teleconference |
| Ghoshal, Orijit | Invenergy | Via Teleconference |
| Hanson, Pamela | Texas State University | Via Teleconference |
| Hartman, Carla | Adapt 2 |  |
| Headrick, Bridget | CES | Via Teleconference |
| Henry, Mark | Texas Reliability Entity | Via Teleconference |
| Henson, Martha | Oncor |  |
| Horstmyer, Reid | Dynasty Power | Via Teleconference |
| Hubbard, John  | TIEC | Via Teleconference |
| Huynh, Thuy | Potomac Economics | Via Teleconference |
| Jewell, Michael | Jewell & Associates | Via Teleconference |
| Jones, Randy | Mountaineer Market Advisors | Via Teleconference |
| Kee, David | CPS Energy | Via Teleconference |
| Kirby, Brandon | GEUS | Via Teleconference |
| Kirby, Trevor | Habitat Energy | Via Teleconference |
| Kroskey, Tony | Brazos | Via Teleconference |
| Lacek, Mollie | Talen Energy | Via Teleconference |
| Lappas, Maria | Enel | Via Teleconference |
| Lasher, Warren | Lasher Energy | Via Teleconference |
| Lee, Tina | WattBridge | Via Teleconference |
| Lotter, Eric | GridMonitor | Via Teleconference |
| Lu, Bo | Broad Reach Power | Via Teleconference |
| Macaraeg, Tad | Stem | Via Teleconference |
| McClellan, Suzi | Good Company Associates | Via Teleconference |
| McKeever, Deborah | Oncor | Via Teleconference |
| Miller, Alexandra | EDFR | Via Teleconference |
| Woods, Brad | Texas Reliability Entity | Via Teleconference |
| Petäjäsoja, Ida | inBalance | Via Teleconference |
| Pfefferle, Ryan | Occidental | Via Teleconference |
| Pokharel, Nabaraj | OPUC |  |
| Pyka, Greg | Schneider Engineering | Via Teleconference |
| Ramaswamy, Ramya | PUCT | Via Teleconference |
| Rastogi, Rama | PUCT | Via Teleconference |
| Reedy, Steve | CIM View Consulting | Via Teleconference |
| Reid, Walter | Advanced Power Alliance | Via Teleconference |
| Ritch, John | NextEra | Via Teleconference |
| Sager, Brenden | Austin Energy | Via Teleconference |
| Showalter, Dana | Plus Power |  |
| Smith, Caitlin | Jupiter Power | Via Teleconference |
| Smith, Chase | Southern Power Company | Via Teleconference |
| Stanton, Spencer | Orsted | Via Teleconference |
| Stephenson, Zach | TEC | Via Teleconference |
| True, Roy | ACES Power | Via Teleconference |
| Uy, Manny | Hunt Energy | Via Teleconference |
| Walcavich, Colin | NG Renewables | Via Teleconference |
| Walker, Floyd | PUCT | Via Teleconference |
| Williams, Wes | BTU | Via Teleconference |
| Wittmeyer, Bob | Longhorn Power |  |
| Xie, Fei | Austin Energy | Via Teleconference |

*ERCOT Staff:*

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| --- | --- | --- |
|  |  |  |
| Albracht, Brittney |  |  |
| Barati, Camron |  | Via Teleconference |
| Bigbee, Nathan |  | Via Teleconference |
| Billo, Jeff |  | Via Teleconference |
| Boren, Ann |  | Via Teleconference |
| Chen, Jian |  | Via Teleconference |
| Chu, Zhengguo |  | Via Teleconference |
| Clifton, Suzy |  |  |
| Du, Pengwei |  | Via Teleconference |
| Garcia, Freddy |  | Via Teleconference |
| Gonzalez, Ino |  | Via Teleconference |
| Holt, Blake |  | Via Teleconference |
| Khodabakhsh, Fred |  | Via Teleconference |
| King, Ryan |  | Via Teleconference |
| Maggio, Dave |  | Via Teleconference |
| McGuire, Joshua |  | Via Teleconference |
| Mereness, Matt |  | Via Teleconference |
| Neel, Evan |  | Via Teleconference |
| Patterson, Mark |  | Via Teleconference |
| Phillips, Cory |  | Via Teleconference |
| Rosel, Austin |  |  |
| Roberts, Randy |  | Via Teleconference |
| Shanks, Magie |  | Via Teleconference |
| Shaw, Pamela |  | Via Teleconference |
| Warnken, Pete |  | Via Teleconference |
| Wasik-Gutierrez, Erin |  | Via Teleconference |

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

Suzy Clifton called the January 11, 2023 WMS meeting to order at 9:30 a.m.

Antitrust Admonition

Ms. Clifton directed attention to the Antitrust Admonition, which was displayed.

Membership Introductions

Ms. Clifton introduced newly seated WMS Segment Representatives and expressed appreciation for returning WMS Segment Representatives and their willingness to continue to serve.

Election of 2023 WMS Chair and Vice Chair (see Key Documents)[[1]](#footnote-1)

Ms. Clifton reviewed the leadership election process codified in the Technical Advisory Committee

Procedures and opened the floor for nominations.

**Ivan Velasquez nominated Eric Blakey for 2023 WMS Chair.** Mr. Blakey accepted the nomination. **Mr. Blakey was named 2023 WMS Chair by acclamation.**

**Mr. Blakey nominated Jim Lee for 2023 WMS Vice Chair.** Mr. Lee accepted the nomination. **Mr. Lee was named 2023 WMS Vice Chair by acclamation.**

Agenda Review

There were no changes to the agenda.

Approval of WMS Meeting Minutes (see Key Documents)

*November 3, 2023*

Market Participants reviewed the November 3, 2022 WMS Meeting Minutes. Mr. Blakey noted this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

Technical Advisory Committee (TAC) Update

*Cross-State Air Pollution Rule (CSAPR) Oxides of Nitrogen (NOx) Season Allowance*

Mr. Blakey reviewed the disposition of items considered at the December 5, 2022 TAC meeting, including the TAC assignment to WMS and the Reliability and Operations Subcommittee (ROS) to review the NOx season allowance issues under the Environmental Protection Agency's (EPA) CSAPR Federal Implementation Plan for ozone transport. Ian Haley stated that in consideration of the potential implementation timeline, reliability impacts, and financial impacts to Resource owners if the rule is approved, stakeholders need to begin exploring solutions. Market Participants discussed the appropriate forum to review the issues. WMS leadership offered to coordinate with ROS leadership and ERCOT Staff to schedule a February workshop.

ERCOT Operations and Market Items

In response to Market Participants’ questions and concerns regarding the Load forecasts and December 2022 cold weather, Jeff Billo noted that ERCOT would be providing a preliminary report at the January 24, 2023 TAC meeting. Dave Maggio reviewed the reporting requirement in Nodal Protocol Revision Request (NPRR) 1120, Create Firm Fuel Supply Service. Market Participants requested that ERCOT provide an opportunity to discuss the highest risk analysis that was filed with the Public Utility Commission of Texas (PUCT) in Project 54335, Review of Market Reform Assessment Produced by Energy and Environmental Economics, Inc. Mr. Billo offered to provide the ERCOT analysis of different methods for identifying hours of highest reliability risk at the February 1, 2023 WMS meeting.

Market Credit Working Group (MCWG)

Brendon Sager reviewed MCWG activities.

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

Bryan Sams reviewed WMWG activities, encouraged Market Participants to consider 2023 WMWG

leadership opportunities, and noted that the January WMWG meeting was rescheduled to January 30, 2023.

NPRR1149, Implementation of Systematic Ancillary Service Failed Quantity Charges (see Key Documents)

Mr. Blakey noted that the Protocol Revision Subcommittee (PRS) voted to recommend approval of NPRR1149 as amended by the 12/1/22 ERCOT comments at the December 8, 2022 PRS meeting. Mr. Sams summarized NPRR1149 discussion at the November 18, 2022 WMWG meeting.

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*

*NPRR1146, Credit Changes to Appropriately Reflect TAO Exposure*

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

WMS took no action on these items.

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

Mr. Sams summarized NPRR1143 discussion at the November 18, 2022 WMWG meeting and stated that WMWG did not reach consensus for a potential recommendation to ROS. Some Market Participants expressed concern for public perception of the issues. Other Market Participants expressed support for NPRR1143, and the reliability benefits it offered. Market Participants took no action on NPRR1143.

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

Randy Roberts summarized NPRR1145 and the 9/29/22 ERCOT comments. Mr. Sams summarized NPRR1145 discussion at the October 21, 2022 and November 18, 2022 WMWG meetings. Some Market Participants requested additional time to review the issues.

**Bill Barnes moved to endorse NPRR1145 as amended by the 9/29/22 ERCOT comments. Kevin Hanson seconded the motion.**

**Emily Jolly moved to table consideration of endorsement of NPRR145 as amended by the 9/29/22 ERCOT comments. Erika Bierschbach seconded the motion. The motion carried with four objections from the Independent Power Marketer (IPM) (NG Renewables) and Independent Retail Electric Provider (IREP) (3) (Reliant, Demand Control 2, Chariot Energy) Market Segments.** *(Please see ballot posted with Key Documents.)*

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*

Market Participants discussed the lack of activity on VCMRRs 031, 033, 034, and 035. Ino Gonzalez summarized VCMRRs 033 and 034 and requested WMS consideration at the February 1, 2023 WMS meeting. Carrie Bivens noted that the Independent Market Monitor (IMM) supported VCMRRs 033 and 034 and would like to see them move forward. Mr. Sams stated that the VCMRRs would be discussed at the January 30, 2023 WMWG meeting and encouraged Market Participants to file clarifications in advance of the meeting. WMS took no action on these items.

Combined Ballot

**Ms. Bierschbach moved to approve the Combined Ballot as follows:**

* **To approve the November 3, 2022 WMS Minutes as submitted**

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

Congestion Management Working Group (CMWG)

*Creating Smaller Load Zones for Aggregation Update*

Katie Rich reviewed CMWG activities. Mr. Velasquez reminded Market Participants of the October 12, 2022 WMS discussion of developing smaller Load zones for Load Settlement and Aggregate Distributed Energy Resource (ADER) participation in the wholesale market, and the impacts to ERCOT resources in consideration of other high priority projects; summarized the discussion of creating smaller Load zones for aggregation at the December 6, 2022 Retail Market Subcommittee (RMS) meeting; and stated that RMS recommended revisiting the study at a later time due to high priority Retail projects. Ms. Bivens reminded Market Participants that creating these smaller Load zones for aggregation was an IMM recommendation in the 2022 State of the Market Report for the ERCOT Electricity Markets, and offered IMM assistance to ERCOT in performing the analyses. Mr. Maggio expressed appreciation for the IMM offer, noted the impacts to Retail Electric Providers (REPs), and suggested that for efficiencies ERCOT and the IMM develop the analysis for the IMM recommendation, and that the second analysis be completed once the ADER pilot was finished. Market Participants expressed support for the ERCOT approach to developing the requested analyses. Mr. Blakey requested further review of the issues by the CMWG.

Supply Analysis Working Group (SAWG) (see Key Documents)

Pete Warnken reviewed SAWG activities and encouraged Market Participants to consider 2023 WMWG leadership opportunities.

Other Business (see Key Documents)

*Planning Guide Revision Request (PGRR) 103, Establish Time Limit for Generator Commissioning Following Approval to Synchronize*

Mr. Lee summarized PGRR103 discussion at the January 5, 2023 ROS meeting and the ROS ask to WMS to explore potential commercial solutions to the issues. Market Participants discussed focusing on ensuring Resources are incentivized to complete the synchronization process, awareness of the commercial impacts to the market, and developing an understanding of the limitations and seriousness of the issues. Mr. Blakey requested review of the issues by the WMWG.

*2023 WMS Goals*

Mr. Blakey encouraged Market Participants to offer revisions for the 2023 WMS Goals and stated that WMS will consider 2023 WMS Goals after TAC approves their 2023 Goals.

*2023 Working Group Leadership*

Mr. Blakey encouraged Market Participants to consider leadership opportunities and stated that WMS Working Group leadership will be considered at the February 1, 2023 WMS meeting.

*NPRR1156, Priority Revision Request Process and NPRR1157, Incorporation of PUCT Approval into Revision Request Process*

Brittney Albracht noted that once NPRRs 1156 and 1157 have moved through the stakeholder approval process, ERCOT anticipates bringing forward Guide Revision Requests to align with the NPRRs.

*Review Open Action Items*

Market Participants reviewed the Open Action Items List. Mr. Lee offered to collaborate with 2023 WMS Working Group leadership in efficiencies to the Open Action Items List. Market Participants removed the below completed item from the WMS Open Action Items list:

* Locational Real-Time On-Line Reliability Deployment Price Adder (CMWG)

*No Report*

* Demand Side Working Group (DSWG)
* Market Settlement Working Group (MSWG)
* Metering Working Group (MWG)
* Resource Cost Working Group (RCWG)

Adjournment

Mr. Blakey adjourned the January 11, 2023 WMS meeting at 12:22 p.m.

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

<https://miswcm.ercot.com/calendar/01112023-WMS-Meeting>

 [↑](#footnote-ref-1)