**APPROVED**

**Minutes of the Wholesale Market Subcommittee (WMS) Meeting – Webex Only**

**Monday, February 6, 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) |  |
| Carpenter, Jeremy | Tenaska Power Services (Tenaska) | Alt. Rep. for Amanda DeLeon |
| Cochran, Seth | DC Energy |  |
| DeLeon, Amanda | Tenaska Power Services (Tenaska) |  |
| Denison, Taylor | City of Eastland |  |
| Detelich, David | CPS Energy |  |
| Goff, Eric | Consumer – Residential |  |
| Gross, Blake | AEP Service Corporation (AEPSC) |  |
| Haley, Ian | Luminant Corporation |  |
| Hanson, Kevin | National Grid Renewables |  |
| Jolly, Emily | Lower Colorado River Authority (LCRA) |  |
| Lee, Jim | CenterPoint Energy (CNP) |  |
| Lindberg, Ken | Bryan Texas Utilities (BTU) |  |
| Nguyen, Andy | Constellation Energy Generation |  |
| Rich, Katie | Golden Spread Electric Cooperative (GSEC) |  |
| Roberts, Vincent | Texas-New Mexico Power (TNMP) |  |
| Smith, Mark | CMC Steel Texas |  |
| Turner, Lucas | South Texas Electric Cooperative (STEC) |  |
| Velasquez, Ivan | Oncor Electric Delivery (Oncor) |  |
| Xie, Fei | Austin Energy | Alt. Rep. for Erika Bierschbach |
| Zhang, Wen | Shell Energy North America (SENA) |  |

The following proxy was assigned:

* Ashley Foster to Mark Smith

*Guests:*

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| Ainspan, Malcolm | NRG |  |
| Aldridge, Ryan | AB Power Advisors |  |
| Ashley, Kristy | CES |  |
| Anderson, Connor | AB Power Advisors |  |
| Benson, Mariah | PUCT |  |
| Bertin, Suzanne |  |  |
| Bezwada, Neelima | Potomac Economics |  |
| Bivens, Carrie | Potomac Economics |  |
| Blackburn, Don | Hunt Energy Network Power Marketing |  |
| Block, Laurie |  |  |
| Bonskowski, Ned | Luminant |  |
| Burkhead, Brett | Calpine |  |
| Callender, Hudson | CPS Energy |  |
| Clifford, Brigid | PG Renewables |  |
| Coleman, Diana | CPS Energy |  |
| Conant, Portia | Yes Energy |  |
| Cortez, Sarai | Trailstone |  |
| Cripe, Ramsey | Schneider Engineering |  |
| Daigneault, Ralph | Potomac Economics |  |
| DeLeon, Seth | DME |  |
| Dharme, Neeraja | EDFT |  |
| Fink, Regan | PG Renewables |  |
| Galliguez, Percy | BEPC |  |
| Hall, Matthew | Invenergy |  |
| Headrick, Bridget | CES |  |
| Helton, Bob | ENGIE |  |
| Henson, Martha | Oncor |  |
| Hubbard, John | TIEC |  |
| Hudis, Gabriella | Gabel Associates |  |
| Inman, Grant | BP |  |
| Jackson, Dan | Energy Transfer |  |
| Jewell, Michael | Jewell & Associates |  |
| Jones, Dan |  |  |
| Kee, David | CPS Energy |  |
| King, Robert | Good Company |  |
| Kirby, Brandon | GEUS |  |
| Kirby, Trevor | Habitat Energy |  |
| Lacek, Mollie | Talen Energy |  |
| Lasher, Warren | Lasher Energy |  |
| Lee, Tina | WattBridge |  |
| Lotter, Eric | GridMonitor |  |
| Lu, Bo | Broad Reach Power |  |
| Macaraeg, Tad | Stem |  |
| Mack, Natalia | PECI |  |
| Matt, Kevin | NRG |  |
| Maynez, Andres | Orsted |  |
| McClellan, Suzi | Good Company Associates |  |
| Mendoza, Albert | Oxy |  |
| Miller, Alexandra | EDFR |  |
| Neumann, Hunter | CenterPoint Energy |  |
| Noyes, Theresa | LCRA |  |
| Ok, Brendan | PUCT |  |
| Orr, Rob | Lone Star |  |
| Pawar, Aasawari | Orsted |  |
| Pokharel, Nabaraj | OPUC |  |
| Powell, Christian | Pedernales Electric Cooperative |  |
| Ramaswamy, Ramya | PUCT |  |
| Ravulapati, Bharath | LCRA |  |
| Reedy, Steve | CIM View Consulting |  |
| Reid, Walter | Advanced Power Alliance |  |
| Ritch, John | NextEra |  |
| Roberts, Vincent | TNMP |  |
| Sager, Brenden | Austin Energy |  |
| Sams, Bryan | Calpine |  |
| Sersen, Juliana | Baker Botts |  |
| Showalter, Dana | Plus Power |  |
| Siddiqi, Shams | Crescent Power |  |
| Sims, Chris | LP&L |  |
| Smith, Caitlin | Jupiter Power |  |
| Snyder, Bill | AEPSC |  |
| Stephenson, Zach | TEC |  |
| Trefny, Floyd |  |  |
| True, Roy | ACES Power |  |
| Varnell, John | Tenaska |  |
| Villasana, Kristi | NBU |  |
| Walcavich, Colin | NG Renewables |  |
| Watson, Mark |  |  |
| Wattles, Paul |  |  |
| Williams, Wes | BTU |  |
| Wittmeyer, Bob | Longhorn Power |  |
| Yong, Cheng | Lone Star Transmission |  |
| Zang, Hailing | TC Energy |  |
| Zarnikau, Jay | University of Texas Austin |  |

*ERCOT Staff:*

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|  |  |  |
| Albracht, Brittney |  |  |
| Billo, Jeff |  |  |
| Boren, Ann |  |  |
| Chu, Zhengguo |  |  |
| Clifton, Suzy |  |  |
| Du, Pengwei |  |  |
| Findley, Samantha |  |  |
| Garcia, Freddy |  |  |
| Gonzalez, Ino |  |  |
| Hailu, Ted |  |  |
| Hinojosa, Luis |  |  |
| Huang, Fred |  |  |
| Jin, Julie |  |  |
| Khodabakhsh, Fred |  |  |
| King, Ryan |  |  |
| Magarinos, Marcelo |  |  |
| Maggio, Dave |  |  |
| Mago, Nitika |  |  |
| Mantena, Dan |  |  |
| McGuire, Joshua |  |  |
| Mereness, Matt |  |  |
| Phillips, Cory |  |  |
| Rosel, Austin |  |  |
| Roberts, Randy |  |  |
| Sanchez, Daniel |  |  |
| Shanks, Magie |  |  |
| Shaw, Pamela |  |  |
| Thuerwaechter, Kashia |  |  |
| Tirupat, Venkat |  |  |
| Troublefield, Jordan |  |  |
| Vermillion, Brandt |  |  |
| Wasik-Gutierrez, Erin |  |  |

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

Eric Blakey called the February 6, 2023 WMS meeting to order at 9:30 a.m.

Antitrust Admonition

Mr. Blakey directed attention to the Antitrust Admonition, which was displayed.

Agenda Review

Mr. Blakey reviewed the agenda.

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

*January 11, 2023*

Mr. Blakey noted that the January 11, 2023 WMS Meeting Minutes could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

2023 WMS Working Group Leadership (see Key Documents)

Mr. Blakey presented the 2023 WMS Working Group Leadership and noted that this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

Technical Advisory Committee (TAC) Update (see Key Documents)

Mr. Blakey reviewed the disposition of items considered at the January 24, 2023 TAC meeting

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

Brenden Sager reviewed MCWG activities, including the TAC assignment to create a charter and voting structure for a new Credit Group, and encouraged Market Participants to attend the February 15, 2023 MCWG to further discuss the issues.

ERCOT Operations and Market Items (see Key Documents)

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

Samantha Findley presented the ERCOT recommendation for the annual update to the CRR Activity Calendar and noted it was discussed at the January 9, 2023 Congestion Management Working Group (CMWG) meeting. Mr. Blakey noted that this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

*2022 Q4 Settlement Stability Report*

Magie Shanks presented the 4th Quarter 2022 Settlement Stability Report.

*2022 Q4 Unregistered Distributed Generation (DG) Report*

Fred Khodabakhsh presented the 4th Quarter 2022 DG Report.

*ERCOT Analysis of Different Methods for Identifying Hours of Highest Reliability Risk*

Brandt Vermillion presented the analysis of four different methods used to identify the 30, 60, and 100 “hours of highest reliability risk” that ERCOT previously filed with the Public Utility Commission of Texas (PUCT) in Project 54335, Review of Market Reform Assessment Produced by Energy and Environmental Economics.

*ERCOT Contingency Reserve Service (ECRS) Market Readiness Update*

Matt Mereness reviewed the market readiness progression for ECRS in consideration of a June 6 through June 8, 2023 go-live.

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

Bryan Sams reviewed WMWG activities.

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

*Nodal Protocol Revision Request (NPRR) 1067, Market Entry Qualifications, Continued Participation Requirements, and Credit Risk Assessment*

*NPRR1070, Planning Criteria for GTC Exit Solutions*

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

*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.

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

Mr. Sams summarized NPRR1145 discussion at the January 30, 2023 WMWG meeting. Mr. Blakey noted that this item could be considered for inclusion in the [Combined Ballot.](#Combined_Ballot)

Revision Requests Tabled at WMS (see Key Documents)

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

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

WMS took no action on these items.

*VCMRR033, Excluding Exceptional Fuel Costs from Fuel Adders*

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

Mr. Sams summarized VCMRR033 and VCMRR034 discussion at the January 30, 203 WMWG meeting. Market Participants debated recommending approval of VCMRR033 and VCMRR034 and whether discussion of the issues contemplated in these Revision Requests should be moved to TAC. Some Market Participants noted that consumers continue to face risks associated with fuel costs and that additional changes to fuel adders can be taken up in the future as needed. Carrie Bivens noted that the Independent Market Monitor (IMM) supported both Revision Requests and would like to see them move forward, noted that the language had been available for some time with no comment, and encouraged Market Participants to consider the issues. Other Market Participants requested additional time to develop language to mitigate risks, particularly to avoid impacts to Resources during heightened conservative operations, and opined that, as written, VCMRR033 and VCMRR034 incorrectly addresses fuel adder costs. Ino Gonzales noted that recent implementation of NPRR1124, Recovering Actual Fuel Costs through RUC Guarantee, and NPRR1140, Recovering Fuel Costs for Generation Above LSL During RUC-Committed Hours, provide for full recovery of the Resources’ fuel costs.

**Eric Goff moved to recommend approval of VCMRR033 and VCMRR034 as submitted. David Detelich seconded the motion.**

**Ian Haley moved to table VCMRR033 and VCMRR034. Katie Rich seconded the motion. The motion carried with five objections from the Consumer (3) (Residential, CMC Steel, City of Eastland) and the Municipal (2) (CPS Energy, GP&L) Market Segments, and five abstentions from the Consumer (Dow), Cooperative (PEC), Independent Power Marketer (IPM) (SENA), and Municipal (2) (Austin Energy, BTU) Market Segments.** *(Please see ballot posted with Key Documents.)*

Combined Ballot

**Mr. Haley moved to approve the Combined Ballot as follows:**

* **To approve the January 11, 2023 WMS Minutes as revised by WMS**
* **To endorse the 2023 WMS Working Group Leadership as submitted**
* **To approve the Annual Update to the Congestion Revenue Right (CRR) Activity Calendar as submitted**
* **To endorse NPRR1145 as amended by the 8/10/22 ERCOT comments**

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

Other Business

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

Mr. Blakey encouraged Market Participants to attend the February 6, 2023 CSAPR NOx Season Allowance Workshop at 1:00 p.m.

*Review Open Action Items*

Jim Lee encouraged Working Group Leadership to review the Open Action Items List and provide an update to WMS leadership in an effort to maximize efficiencies and priorities.

*No Report*

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

Adjournment

Mr. Blakey adjourned the February 6, 2023 WMS meeting at 11:51 a.m.

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

   <https://www.ercot.com/calendar/02062023-WMS-Meeting-_-Webex> [↑](#footnote-ref-1)