

## Guidelines for Approving Temporary Exemptions

Pursuant to Protocol Section 10.14.2(1), ERCOT shall post on the ERCOT website the general guidelines that it will use when considering applications for exemptions. This document fulfills that Protocol requirement.

ERCOT will ask the following questions when considering applications for exemptions:

1. Does the application support grid reliability or support better grid operations?
2. Is the exemption request for reasons that are beyond the control of the TDSP/RE or for unforeseen circumstances?
3. Does the application for exemption meet all the requirements in Protocol Section 10.14.3.1, Information to be Included in the Application?
4. Is the application for exemption of a temporary nature?1
5. When and how will the reason for the exemption be resolved?
6. Are affected Market Participants in agreement over the exemption as requested?
7. What is the estimated metering inaccuracy associated with the exemption request?
8. How will any inaccuracies be accounted for during the period of the exemption?
9. Does the settlement system design currently support the exemption request?

Example of Issues that will be considered for Temporary Exemptions:

1. For Equipment failure issues, the start date of the exemption will be the date that ERCOT agrees the condition began based on TDSP/RE information.
	1. Communication failure where actual meter data is supplied by TDSP
	2. Failure of single meter.
	3. CT or VT failure, including use of non-metering accurate instrument transformers temporarily due to failure of design proposal approved CT/VTs.
2. Site not ready for certification prior to cutover established by network model constraints.
	1. The TDSP shall detail in the request if the delay is due to construction delays for the resource or for the TDSP, including if the cutover date is prior to the in-service date agreed upon by the TDSP and the RE.
3. Sites with Protocol and/or SMOG compliance issues that are pursuing a rule change (NPRR and/or SMOGRR) or permanent exemption.
	1. Temporary exemption should be submitted while other market processes for resolution is ongoing.
		1. Examples:
			1. Site identified as not meeting 400-yard rule during audit.
			2. Identification of electrical connection between separate sites behind EPS meters (POIs).

Example of Issues that will not be considered for Temporary Exemptions but shall be reported as a Protocol Compliance Violation

1. Equipment maintenance, testing or site certification issues.
2. Equipment changes during outage without certification prior to energization.
3. Energy flow prior to initial certification.
4. Meter programming, i.e. power transformer replacement impacting loss compensation or rollover programmed incorrectly, loss compensation programmed incorrectly.
5. If there is a meter communication failure where the TDSP is unable to recover data from either meter prior to initial settlement or otherwise provide data for initial settlements.
6. CCVTs outside of 5/6-year testing.
7. Annual testing or annual attestation outside periodicity requirements.
8. Metering installation does not correspond to approved Design Proposal.

Note 1: Protocol Section 10.14.1 states, in part: “Any permanent exemption to this Section requires approval by the Technical Advisory Committee (TAC) and the ERCOT Board. Any permanent exemption shall be subject to periodic review and revocation by the ERCOT Board.”