
Tab 7: TAC Report

Kenan Ogelman

2012 Technical Advisory Committee Chair

Board of Directors Meeting

ERCOT Public

December 11, 2012

Summary of TAC Update

Revision Requests Recommended for Approval by TAC – Unopposed (Vote):

- NPRR466, Asset Depreciation Schedule for Capital Contributions
- NPRR473, Process for Submission of Generation Resource Weatherization Information
- NPRR475, EPS Metering Exception for ERS Generation
- NPRR476, Market Submitted Energy Offer Curves Disclosures
- NPRR478, Extension of DAM QSE Offer and Bid Submission Deadline Due to ERCOT Systems Delays
- NPRR479, Daily Net Outage MW
- NPRR480, Removal of Language for Relaxing Transmission Constraints
- NPRR481, Report of Hourly Actual System Load by Weather Zone
- NPRR482, Removal of Duplicative Statement of Opportunity Requirements
- NPRR483, REC Program Renewable Resource Self-Reporting MWH Production Data and Metering Requirements
- NPRR488, Resource Entity and LSE QSE Designation or Change
- NPRR497, Corrections to NPRR400 – URGENT
- NPRR501, Correct ERS Self-Provision Settlement Calculation – URGENT
- PGRR021, Synchronization with NPRR454, Removal of Unfunded Project List Language, and Modification of Administrative PGRR Definition

Summary of TAC Update

Revision Requests Recommended for Approval by TAC – Opposed (Vote):

- NPRR385, Negative Price Floor
- NPRR461, Energy Storage Settlements Consistent With PUCT Project 39917 – URGENT

ERCOT Business Practice, Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch (Vote)

Guide Revisions Approved by TAC

Revision Requests Recommended for Approval by TAC (Unopposed)

NPRR466, Asset Depreciation Schedule for Capital Contributions

Purpose (RCWG)	This NPRR creates an appropriate asset depreciation schedule to apply to the capital contribution repayment obligation for Resources contracted to provide capacity pursuant to Section 6.5.1.1, ERCOT Control Area Authority.
TAC Vote	On 11/29/12, TAC unanimously voted to recommend approval of NPRR466 as revised by the 11/26/12 ERCOT comments.
ERCOT Opinion	ERCOT supports approval of NPRR466 as it establishes a methodology for an asset depreciation schedule that would apply to capital contribution repayment obligations for Resources contracted to provide capacity that subsequently decide to re-enter the market.
Effective Date/Priority	January 1, 2013
ERCOT Impact	No impacts to budget or systems. ERCOT business functions will be updated.
Business Case Highlights	The asset depreciation schedule will allow Resources who have received capital contributions from ERCOT to repay ERCOT a fair market value for the contributions received.

NPRR473, Process for Submission of Generation Resource Weatherization Information

Purpose (ERCOT)	This NPRR creates a process to accommodate the legislatively mandated submission of generator emergency operations plans; requires separate submission of weatherization plans for each Generation Resource; proposes a semi-annual weatherization declaration to determine ERCOT System preparedness; and clarifies that all information designated as Protected Information is considered Protected Information, unless it is expressly deemed otherwise by Protocol.
TAC Vote	On 11/29/12, TAC unanimously voted to recommend approval of NPRR473 as recommended by PRS in the 11/15/12 PRS Report.
ERCOT Opinion	ERCOT supports approval of NPRR473.
Effective Date/Priority	January 1, 2013
ERCOT Impact	No impacts to budget or systems. ERCOT business functions will be updated.
Business Case Highlights	ERCOT's collection of Generation Resource weatherization information is required by statute and P.U.C. Subst. R. 25.362.

NPRR475, EPS Metering Exception for ERS Generation

Purpose (ERCOT)	This NPRR allows transmission-connected generators providing Emergency Response Service (ERS) to be exempt from the requirements for ERCOT-Polled Settlement (EPS) Metering if their energy exports to the ERCOT System occur only during ERS deployments or tests; and requires that Transmission Service Provider (TSP) and Distribution Service Provider (DSP) metering be installed to measure any energy exported to the ERCOT Transmission Grid, and that the Transmission and/or Distribution Provider (TDSP) submit data to ERCOT for Settlement.
TAC Vote	On 11/1/12, TAC unanimously voted to recommend approval of NPRR475 as recommended by PRS in the 10/18/12 PRS Report and as revised by TAC.
ERCOT Opinion	ERCOT supports approval of NPRR475.
Effective Date/Priority	January 1, 2013
ERCOT Impact	No impacts.
Business Case Highlights	Reduced market cost for metering generation that will only export energy to the ERCOT Transmission Grid during an ERS deployment.

NPRR476, Market Submitted Energy Offer Curves Disclosures

Purpose (MISUG)	<p>This NPRR provides for the addition of as submitted and extended Energy Offer Curves (EOC) to the existing 60-Day Security-Constrained Economic Dispatch (SCED) Disclosure Report; and extended Energy Offer Curves to the 7-Day Event Trigger Posting when the Locational Marginal Price (LMP) exceeds 50 times the Fuel Index Price (FIP) Report.</p>
TAC Vote	<p>On 11/1/12, TAC unanimously voted to recommend approval of NPRR476 as recommended by PRS in the 10/18/12 PRS Report.</p>
ERCOT Opinion	<p>ERCOT supports approval of NPRR476 recognizing the benefits of added transparency and clarity for the health of the market.</p>
Effective Date/Priority	<p>Upon System Implementation – Priority 2013; Rank 800</p>
ERCOT Impact	<p>\$45k - \$60k; impacts to ISM and MIS.</p>
Business Case Highlights	<ul style="list-style-type: none"> • The publication of the unmitigated & unextended EOCs provides clarification to the market for analysis of price formation. • Original EOCs provide MPs the missing variable to ascertain which offer is determining the LMP at any Settlement Point at any given time. • Provides information as to when prices are actually being mitigated, which can be used in the evaluation of over-mitigation. • The information is valuable to enhance market analysis as it provides transparency to the extent energy offer mitigation is occurring. • All segments benefit from more accurate information that allows improved market analysis.

NPRR478, Extension of DAM QSE Offer and Bid Submission Deadline Due to ERCOT Systems Delays

Purpose (Calpine)	This NPRR extends the submission deadline for Qualified Scheduling Entities' (QSEs') bids and offers in the Day-Ahead Market (DAM) subsequent to a system-wide delay caused by a failure of ERCOT's market applications
TAC Vote	On 11/1/12, TAC unanimously voted to recommend approval of NPRR478 as recommended by PRS in the 10/18/12 PRS Report.
ERCOT Opinion	ERCOT supports approval of NPRR478 as it formally defines in protocols the current practices and timeframes ERCOT follows in extending Day-Ahead Market submission timelines when ERCOT's market applications incur a failure impacting all market participants submitting to the Day-Ahead Market.
Effective Date/Priority	January 1, 2013
ERCOT Impact	No impacts.
Business Case Highlights	<ul style="list-style-type: none"> • Provide normal bids and offers submission transactional time and allow the market to clear on a full set of transactions rather than an artificially truncated set of transactions that can occur when market processing of bids and offers is interrupted. • Provide all Segments with additional time to submit their normal volume of bids and offers in order to achieve expected, normal market clearing outcomes.

NPRR479, Daily Net Outage MW

Purpose (Mercuria)	This NPRR modifies the information provided by ERCOT to Market Participants regarding net daily Outage MWs.
TAC Vote	On 11/1/12, TAC voted to recommend approval of NPRR479 as recommended by PRS in the 10/18/12 PRS Report. There was one abstention from the Independent Generator Market Segment.
ERCOT Opinion	ERCOT supports approval of NPRR479 recognizing the benefits of added transparency and clarity for the health of the market.
Effective Date/Priority	Upon System Implementation – Priority 2013; Rank 795
ERCOT Impact	\$40k - \$50k; impacts to Outage Scheduler, Current Day Reports and MIS.
Business Case Highlights	Improves transparency of Outage MWs on a “generic net” basis.

NPRR480, Removal of Language for Relaxing Transmission Constraints

Purpose (ERCOT)	This NPRR deletes Protocol language that is inconsistent with North American Electric Reliability Corporation (NERC) Reliability Standards.
TAC Vote	On 11/1/12, TAC unanimously voted to recommend approval of NPRR480 as recommended by PRS in the 10/18/12 PRS Report.
ERCOT Opinion	ERCOT supports approval of NPRR480.
Effective Date/Priority	January 1, 2013
ERCOT Impact	No impacts.
Business Case Highlights	Consistency with NERC Reliability Standards.

NPRR481, Report of Hourly Actual System Load by Weather Zone

Purpose (MISUG)	This NPRR provides for a report of the hourly actual system Load for each Weather Zone for the previous Operating Day.
TAC Vote	On 11/1/12, TAC unanimously voted to recommend approval of NPRR481 as recommended by PRS in the 10/18/12 PRS Report.
ERCOT Opinion	ERCOT supports approval of NPRR481 recognizing the benefits of providing data in a more consumable format.
Effective Date/Priority	Upon System Implementation – Priority 2013; Rank 810
ERCOT Impact	\$25k - \$35k; impacts to Current Day Reports and MIS.
Business Case Highlights	<ul style="list-style-type: none">• Restoring transparency from zonal to Nodal for market data.• Information is currently available in an HTML only format which MPs must scrape in order to consume. Providing in a report format allows for consistency with all other dashboard data elements and aligns with current reporting processes.• Provides information to the market for which ERCOT is the sole source.• Having historical data available by Weather Zones allows comparisons of actual Load data to forecasted Load data by Weather Zone for system planning purposes.• Eliminates scraping of data from ERCOT systems.• Provides consistency in report retrieval for MPs.• Provides MPs with the ability to download current data to create a historical database.

NPRR482, Removal of Duplicative Statement of Opportunity Requirements

Purpose (ERCOT)	This NPRR removes statement of opportunity language in the Protocols that is duplicative of requirements in P.U.C. Subst. R. 25.505, Resource Adequacy in the Electric Reliability Council of Texas Power Region. ERCOT will continue to comply with the PUCT rule by retaining the posting requirement in the Protocols.
TAC Vote	On 11/1/12, TAC unanimously voted to recommend approval of NPRR482 as recommended by PRS in the 10/18/12 PRS Report.
ERCOT Opinion	ERCOT supports approval of NPRR482.
Effective Date/Priority	January 1, 2013
ERCOT Impact	No impacts.
Business Case Highlights	Remove duplicative requirements which could lead to inconsistencies and result in a violation of the PUCT rule.

NPRR483, REC Program Renewable Resource Self-Reporting MWh Production Data and Metering Requirements

Purpose (ERCOT)	<p>This NPRR provides an option for a renewable All-Inclusive Generation Resource to self-report quarterly MWh production data to ERCOT for use in the Renewable Energy Credit (REC) Trading Program; and establishes metering requirements for any renewable All-Inclusive Generation Resource choosing to self-report MWh production data for use in the REC Trading Program.</p>
TAC Vote	<p>On 11/29/12, TAC unanimously voted to recommend approval of NPRR483 as recommended by PRS in the 11/15/12 PRS Report.</p>
ERCOT Opinion	<p>ERCOT supports approval of NPRR483.</p>
Effective Date/Priority	<p>January 1, 2013</p>
ERCOT Impact	<p>No impacts.</p>
Business Case Highlights	<ul style="list-style-type: none"> • Alignment of ERCOT Protocols with P.U.C. SUBST. R. 25.173. • For Entities certified to produce RECs from landfill gas supplied directly to a gas distribution system operated by a Municipally Owned Utility, provides option for self-reporting generation data. • Provides option for Renewable All-Inclusive Generation Resource Facilities to self-report their Settlement quality MWh production data. • Defines metering requirements for Renewable All-Inclusive Generation Resource Facilities that elect to self-report their Settlement quality MWh production data to ERCOT.

NPRR488, Resource Entity and LSE QSE Designation or Change

Purpose (ERCOT)	This NPRR revises the timing for when a Resource Entity or Load Serving Entity (LSE) is required to designate or change a Qualified Scheduling Entity (QSE) and secure ERCOT approval of the QSE acknowledgment prior to commencing with operations.
TAC Vote	On 11/29/12, TAC unanimously voted to recommend approval of NPRR488 as recommended by PRS in the 11/15/12 PRS Report.
ERCOT Opinion	ERCOT supports approval of NPRR488.
Effective Date/Priority	January 1, 2013
ERCOT Impact	No impacts.
Business Case Highlights	Proposed revisions acknowledges that the Market Participant may need a period of time to prepare for market entry as a new LSE or Resource Entity with new Resource prior to the start of business and operational transactions in the ERCOT Market or during periods the LSE or Resource Entity have no market activity. Proposed revision provides clarification when the QSE must be designated.

NPRR497, Corrections to NPRR400 – URGENT

Purpose (ERCOT)	This NPRR corrects language within NPRR400, Eliminate Unsecured Credit for CRR Auctions and for Future Credit Exposure and Eliminate Netting of FCE with CCE, which was approved by the ERCOT Board on October 18, 2011.
TAC Vote	On 11/29/12, TAC unanimously voted to recommend approval of NPRR497 as recommended by PRS in the 11/15/12 PRS Report with a proposed effective date of 12/12/12.
ERCOT Opinion	ERCOT supports approval of NPRR497.
Effective Date/Priority	December 12, 2012
ERCOT Impact	No impacts.
Business Case Highlights	Align the Protocols with the system implementation of calculating a Counter-Party's Available Credit Limit.

NPRR501, Correct ERS Self-Provision Settlement Calculation – URGENT

Purpose (ERCOT)	This NPRR corrects the formula for the Self-Procured Amount per QSE per Emergency Response Service (ERS) Contract Period per ERS Time Period ($SPAMT_{qc(tp)}$), which affects Settlement payment amounts for ERS Self-Provision.
TAC Vote	On 11/29/12, TAC voted to recommend approval of NPRR501 as recommended by PRS in the 11/15/12 PRS Report. There was one abstention from the IPM Market Segment.
ERCOT Opinion	ERCOT supports approval of NPRR501.
Effective Date/Priority	December 12, 2012
ERCOT Impact	No impacts to budget or systems. ERCOT business functions will be updated.
Business Case Highlights	Maintain consistency between Protocol language and as-built systems and processes.

PGRR021, Synchronization with NPRR454, Removal of Unfunded Project List Language, and Modification of Administrative PGRR Definition

<p>Purpose (ERCOT)</p>	<p>This PGRR aligns the Planning Guide with Nodal Protocol Revision Request (NPRR) 454 (approved by the ERCOT Board on July 17, 2012), which removed language regarding the Unfunded Project List; aligns the Planning Guide with the Protocols by requiring ERCOT’s opinion in the TAC Report; modifies the scope of the Administrative PGRR definition to include revisions for the purpose of maintaining consistency between Section 1.2.1 and Protocol Section 21, Revision Request Process; and includes administrative alignment changes.</p>
<p>TAC Vote</p>	<p>On 11/29/12, TAC unanimously voted to recommend approval of PGRR021 as recommended by ROS in the 11/8/12 ROS Report.</p>
<p>ERCOT Opinion</p>	<p>ERCOT supports approval of PGRR021.</p>
<p>Effective Date/Priority</p>	<p>January 1, 2013</p>
<p>ERCOT Impact</p>	<p>No impacts.</p>
<p>Business Case Highlights</p>	<p>Alignment with Protocols and promotion of efficiency by eliminating unnecessary meeting time and administrative work that is currently devoted to routine PGRRs that are for the purpose of alignment with Protocol Section 21.</p>

Revision Requests Recommended for Approval by TAC (Opposed)

NPRR385, Negative Price Floor

Purpose (Luminant)	This NPRR adds an administrative Real-Time Settlement Point Price floor of negative \$251/MWh for Resource Nodes, Hubs and Load Zones.
TAC Vote	On 11/29/12, TAC voted via roll call ballot to recommend approval of NPRR385 as recommended by PRS in the 11/15/12 PRS Report. There were five opposing votes from the Consumer (2) and IREP (3) Market Segments and six abstentions from Municipal (2), Consumer (2), IREP and IPM Market Segments.
ERCOT Opinion	ERCOT previously filed comments that negative price floors may not be necessary at this time when considering the risk of unintended consequences of this design change. Significant progress has been made through ERCOT coordination with the market to operationally change three control room procedures to minimize deep negative prices for Resources. According to 11/15/12 Luminant comments, it appears the operational changes have reduced the financial issue by 90% (2011 average monthly impact of \$6 million, to a 2012 average of \$0.5 million). ERCOT remains concerned with the risks and unintended consequences of price floors in the ERCOT market.
Effective Date/Priority	Upon System Implementation – Priority 2013; Rank 367
ERCOT Impact	\$70k - \$90k; impacts to MMS, PVT, and EMMS.
Business Case Highlights	<ul style="list-style-type: none"> • Capture of costs of congestion for ERCOT and Market Participants use in effective planning and investment decisions. • Improvement in market efficiency results in accurate pricing signals and improved consumer confidence

NPRR461, Energy Storage Settlements Consistent With PUCT Project 39917 – URGENT

Purpose (ERCOT)	<p>This NPRR modifies the Protocols to implement the process for Settlement of energy storage consistent with Public Utility Commission of Texas (PUCT) Project No. 39917, Rulemaking on Energy Storage Issues, as adopted in P.U.C. Subst. R. 25.192, Transmission Service Rates and P.U.C. Subst. R. 25.501, Wholesale Market Design.</p>
TAC Vote	<p>On 11/29/12, TAC voted via roll call ballot to recommend approval of NPRR461 as recommended by PRS in the 11/15/12 PRS Report and as revised by the 11/19/12 ERCOT comments. There was one opposing vote from the Consumer Market Segment and six abstentions from Consumer (2), IREP (3) and IPM Market Segments.</p>
ERCOT Opinion	<p>ERCOT supports approval of NPRR461.</p>
Effective Date/Priority	<p>Upon System Implementation – Priority 2013; Rank 60</p>
ERCOT Impact	<p>\$200k - \$300k; impacts to MMS, EMS, S&B, CSI, NMMS, and EIS. ERCOT will update its business functions.</p>
Business Case Highlights	<ul style="list-style-type: none"> • Aligns ERCOT business practices with PUCT Project No. 39917. • Clearly defined process for energy storage Settlement.

ERCOT Business Practice, Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch

- Paragraph (4) of Protocol Section 6.5.7.1.11, Transmission Network and Power Balance Constraint Management, requires TAC review and Board approval of the methodology for setting maximum Shadow Prices for network constraints and for the power balance constraint.
- On November 29, 2012, TAC unanimously voted to recommend revising the ERCOT Business Practice, Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch, as recommended by ERCOT.
- Revisions were made to comport with the recent PUCT change to the low system offer cap (LCAP) in PUCT Substantive Rule 25.505, Resource Adequacy in the Electric Reliability Council of Texas Power Region. ERCOT also offered other administrative revisions.

Notice of Guide Revisions Approved by TAC

NOGRR102, Synchronization with NPRR454, Removal of Unfunded Project List Language

This NOGRR aligns the Nodal Operating Guides with NPRR454, approved by the ERCOT Board on 7/17/12, which removed language regarding the Unfunded Project List; aligns the Nodal Operating Guides with the Protocols by requiring ERCOT's opinion in the TAC Report for any NOGRR requiring an ERCOT project for implementation; modifies the scope of the Administrative NOGRR definition to include revisions for the purpose of maintaining consistency between Section 1.3 and Protocol Section 21, Revision Request Process; and proposes administrative alignment changes.

SMOGRR013, Synchronization with NPRR454, Removal of Unfunded Project List Language, and Modification of Administrative SMOGRR Definition

This SMOGRR aligns the SMOG with NPRR454, Removal of Unfunded Project List Language, approved by the ERCOT Board on 7/17/12, which removed language regarding the Unfunded Project List; aligns the SMOG with the Protocols by requiring ERCOT's opinion in the TAC Report for any SMOGRR requiring an ERCOT project for implementation; modifies the scope of the Administrative SMOGRR definition to include revisions for the purpose of maintaining consistency between Section 10, Process for Settlement Metering Operating Guide Revisions, and Protocol Section 21, Revision Request Process; and proposes administrative alignment changes.