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# Item 7: TAC Report

Kenan Ögelman  
2013 TAC Chair

Board of Directors Meeting  
ERCOT Public  
September 17, 2013

# Summary of TAC Update

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

- NPRR524, Resource Limits in Providing Ancillary Service - URGENT
- NPRR532, Performance Measurement and Verification and Telemetry Requirements for Load Resources Providing Non-Spin - URGENT
- NPRR538, Clarification of the Non-Spin Energy Offer Curve Requirements for QSGRs
- NPRR551, Posting of Annual Planning Model - URGENT
- NPRR552, Additional Counter-Party Criteria - URGENT
- NPRR554, Clarification of Future Credit Exposure Calculation - URGENT
- NPRR555, Load Resource Participation in Security-Constrained Economic Dispatch – URGENT
- NPRR557, Administrative Change for August 1, 2013 Nodal Protocols – URGENT

# Summary of TAC Update

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## Revision Requests Recommended for Approval by TAC – With Opposing Votes (Vote):

- NPRR519, Exemption of ERS-Only QSEs from Collateral and Capitalization Requirements
- NPRR539, Amend Wholesale Storage Load Definition

## Update on Reducing the Settlement Timeline

## September TAC Highlights

## Guide Revisions Approved by TAC

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# Revision Requests Recommended for Approval by TAC

(with Opposing Votes)

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# NPRR519, Exemption of ERS-Only QSEs from Collateral and Capitalization Requirements

<b>Purpose (ERCOT)</b>	This NPRR exempts those QSEs that represent only ERS Resources and that do not participate in the Day-Ahead, Real-Time and Congestion Revenue Right markets from specific Protocol requirements for collateral and financial statement reporting including those relating to capitalization, certification, and the verification of a risk management framework.
<b>TAC Vote</b>	On 7/2/13, TAC voted to recommend approval of NPRR519 as recommended by PRS in the 6/20/13 PRS Report. There was one opposing vote from the Generator Segment and seven abstentions from Generator (3), IPM (2), Consumer, and Municipal Segments.
<b>ERCOT Opinion</b>	ERCOT supports approval of NPRR519 (ERCOT submitted NPRR).
<b>Effective Date/Priority</b>	Upon system implementation – Priority 2014; Rank 970
<b>ERCOT Impact</b>	\$40k-\$60k; impacts to Registration, Enterprise Integration, and Market Participant Identity Management systems.
<b>Business Case Highlights</b>	Exempting ERS-only QSEs from the Counter-Party capitalization requirements removes an unnecessary barrier to entry and therefore improves the likelihood of greater ERS participation without any additional risk to ERCOT.

# NPRR539, Amend Wholesale Storage Load Definition

<b>Purpose (ETWG)</b>	This NPRR adds thermal energy storage associated with turbine inlet chilling to the list of technologies eligible for Wholesale Storage Load (WSL) Settlement treatment.
<b>TAC Vote</b>	On 7/2/13, TAC voted to recommend approval of NPRR539 as recommended by PRS in the 6/20/13 PRS Report. There was one opposing vote from the Consumer Market Segment and one abstention from the IOU Market Segment.
<b>ERCOT Opinion</b>	ERCOT supports approval of amending the definition of Wholesale Storage Load to include specifically defined storage technology as amended by this NPRR.
<b>Effective Date/Priority</b>	October 1, 2013
<b>ERCOT Impact</b>	No impact.
<b>Business Case Highlights</b>	<ul style="list-style-type: none"><li>• Affords an energy storage technology the Settlement treatment for which it is eligible under P.U.C. SUBST. R. 25.192, Transmission Service Rates, P.U.C. SUBST. R. 25.501, Wholesale Market Design, and the Protocols.</li><li>• Provides additional clarity regarding WSL treatment eligibility.</li></ul>

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# Additional TAC Items for Discussion

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# Update on Reducing the Settlement Timeline

- Stakeholder groups are reviewing the following alternatives to shorten the Settlement timeline:
  - a) Shorten Settlement timelines always using Settlement quality data. Target would be to reduce the timeline to 3 or 5 days.
  - b) Use estimates to settle faster and add an additional initial Settlement after 7 days.
  - c) For specific high magnitude charge types, settle the Day-Ahead Market and Real-Time Market at the same time. Then run another Settlement to complete the Real-Time Market.
- Stakeholders are evaluating the trade-offs of each option.
  - The benefit of reducing collateral and uplift costs versus:
    - Additional implementation costs to all Market Participants.
    - Risk of using approximated data (incomplete and not validated) versus settlement quality data.

# September TAC Highlights

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## **Requirements for Aggregate Load Resource Participation in the ERCOT Markets**

On 9/5/13, TAC approved the document, Requirements for Aggregate Load Resource Participation in the ERCOT Markets, as presented to TAC with an effective date of upon system implementation of NPRR532, Performance Measurement and Verification and Telemetry Requirements for Load Resources Providing Non-Spin, and added the document to the list of Other Binding Documents. There was one abstention from the IOU Segment.

## **Remove Principles of Consistency Document from TAC Approved Procedures**

On 9/5/13, TAC voted to remove the Principles of Consistency document from the TAC approved procedures on the ERCOT website and directed WMS to develop market rules regarding the construction of the CRR model. There was one abstention from the IOU Segment.

## **ERCOT Nodal ICCP Handbook**

On 9/5/13, TAC unanimously approved the revised ERCOT Nodal ICCP Handbook as recommended by ROS.

## **Revised ROS and COPS Procedures**

On 9/5/13, TAC unanimously approved the revised ROS and COPS procedures as recommended by their respective subcommittees.

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# Notice of Guide Revisions Approved by TAC

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## **NOGRR112, Synchronization with NPRR517, Revisions to the Telemetry Standards and State Estimator Standards Approval Process.**

This NOGRR synchronizes the Nodal Operating Guide with revisions proposed by NPRR517 which revises the approving body for the Telemetry Standards from TAC to the appropriate TAC Subcommittee (ROS in this case) and revises the requirement for an annual update to an annual review.

## **NOGRR115, Update to List of CREZ Circuits and Stations.**

This NOGRR updates the list of Competitive Renewable Energy Zone circuits and stations to align with installed 345kV circuits and stations.

## **NOGRR118, Hydro Responsive Test Reporting.**

This NOGRR revises the requirement for ERCOT to develop a monthly report related to hydro responsive tests to a quarterly report.

## **RMGRR115, Manual Work-Around Processes to be Utilized During Extended Retail Outages.**

This RMGRR provides guidelines for the use of manual workarounds during an extended unplanned system outage that affects retail market processing of Customer move ins, move outs and switch hold removals. .