

Date: June 2, 2015
To: ERCOT Board of Directors
From: Randa Stephenson, Technical Advisory Committee (TAC) Chair
Subject: Non-Unanimous NPRR Recommended by TAC for Approval

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: June 9, 2015

Item No.: 8.1

Issue:

Consideration of Nodal Protocol Revision Request (NPRR) 662, Proxy Energy Offer Curves, which had opposing votes recorded.

Background/History:

NPRR662, Proxy Energy Offer Curves [TIEC]

Revision Description: This NPRR addresses proxy Energy Offer Curves generated by ERCOT for a Resource that does not submit an Energy Offer Curve or submits an incomplete Energy Offer Curve. For a Resource without an Energy Offer Curve, a monotonically increasing proxy Energy Offer Curve will be created such that the last point on the curve is extended. For a Resource with an incomplete Energy Offer Curve (typically cogeneration facilities that update their High Sustained Limit (HSL), but not their offer curve), a proxy Energy Offer Curve will be created to extend the offer price from last point on the submitted Energy Offer Curve up to the Resource's HSL.

Proposed Effective Date: Upon System Implementation - Priority 2015; Rank 1310

ERCOT Impact Analysis: Between \$80k and \$120k; no impacts to ERCOT staffing; impacts to Settlements and Billing (S&B) and Market Management Systems (MMS); no impacts to ERCOT business functions; no impacts to ERCOT grid operations and practices.

ERCOT Opinion: ERCOT supports Market Participants' decision on NPRR662 as it aligns proxy Energy Offer Curve creation with recommendations made by the Independent Market Monitor (IMM).

Credit Implications: ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed the revision request and do not believe it requires changes to credit monitoring activity or the calculation of liability.

TAC Decision: On 5/28/15, TAC voted via roll call vote to recommend approval of NPRR662 as recommended by PRS in the 5/14/15 PRS Report and as revised by TAC. There were four opposing votes from the Investor Owned Utility (IOU) (2) (Luminant Energy, AEP Service Corporation) and Independent Power Marketer (IPM) (2) (DC Energy, EDF Trading) Market Segments and six abstentions from the IOU (2) (CenterPoint Energy, Texas-New Mexico Power), IPM (2) (Citigroup Energy, Morgan Stanley), and Municipal (2) (Garland Power & Light, Denton Municipal Electric) Market Segments. All Market Segments were present for the vote.

The TAC Report and Impact Analysis for NPRR662 are included in the ERCOT Board meeting materials, which can found at the following link:

<http://www.ercot.com/calendar/2015/6/9/31903-BOARD>

In addition, NPRR662 and supporting materials are posted on the ERCOT website at the following link:

<http://www.ercot.com/mktrules/nprotocols/npr>

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted a report to TAC regarding NPRR662 as described herein.

TAC considered the issues and voted to take action on NPRR662 as described above.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRR662 as described herein.

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) deems it desirable and in ERCOT's best interest to approve Nodal Protocol Revision Request (NPRR) 662, Proxy Energy Offer Curves.

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRR662.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its June 9, 2015 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of June 2015.

Vickie G. Leady
Assistant Corporate Secretary