**APPROVED**

**Minutes of the Wholesale Market Subcommittee (WMS) Meeting**

**ERCOT Austin – 7620 Metro Center Drive – Austin, Texas 78744**

**Wednesday, January 9, 2019 – 9:30 a.m.**

Attendance

*Members:*

|  |  |  |
| --- | --- | --- |
| Allen, Thresa | Avangrid Renewables |  |
| Barnes, Bill | Reliant Energy Retail Services |  |
| Bierschbach, Erika | Austin Energy |  |
| Caraway, Shannon | Solar Prime |  |
| Carpenter, Jeremy | Tenaska Power Services |  |
| Coleman, Diana | OPUC |  |
| Cortez, Sarai | Sharyland Utilities | Alt. Rep. for Brad Schwarz |
| Downey, Marty | Electranet Power |  |
| Dumas, John | LCRA |  |
| Evans, Mike | Brazos Electric Cooperative |  |
| Franklin, Russell | Garland Power and Light |  |
| Goff, Eric | Citigroup Energy |  |
| Greer, Clayton | Morgan Stanley |  |
| Gross, Blake | AEP Service Corporation |  |
| Johnson, Anthony | CenterPoint Energy |  |
| Kee, David | CPS Energy |  |
| Lange, Clif | South Texas Electric Cooperative |  |
| Lindberg, Ken | Bryan Texas Utilities |  |
| Maduzia, Franklin | Dow Chemical |  |
| Mauldin, Jamie | City of Eastland |  |
| Morris, Sandy | Direct Energy |  |
| Parker, Ty | Infinite Energy | Via Teleconference |
| Shaw, Marka | Exelon |  |
| Surendran, Resmi | Shell Energy |  |
| Velasquez, Ivan | Oncor |  |
| Whittle, Brandon | Calpine |  |
| Wilson, Joe Dan | Golden Spread Electric Cooperative |  |

*Guests:*

|  |  |  |
| --- | --- | --- |
| Ainspan, Malcolm | NRG | Via Teleconference |
| Anderson, Kevin | Customized Energy Solutions |  |
| Beckmann, Kara | Oxy | Via Teleconference |
| Bruce, Mark | Cratylus Advisors |  |
| Bryant, Mark | PUCT | Via Teleconference |
| Bunch, Kevin | EDF Energy Services |  |
| Clark, Jack | NextEra Energy | Via Teleconference |
| Cochran, Seth | DC Energy |  |
| Cripe, Ramsey | Schneider Engineering | Via Teleconference |
| Crouch, Rebekah | New Braunfels Utilities | Via Teleconference |
| Daigneault, Ralph | Potomac Economics |  |
| Eckhoff, Christina | Texas Reliability Entity | Via Teleconference |
| Gregg, Michele | TCPA |  |
| Griffiths, Meghan | Jason Walker |  |
| Haley, Ian | Luminant Generation |  |
| Hall, Tim | Southern Power Co. |  |
| Helton, Bob | ENGIE |  |
| Henson, Martha | Oncor |  |
| Hohenshilt, Jennifer | Talen Energy | Via Teleconference |
| Hourihan, Mike | CP Power Energy | Via Teleconference |
| Hudis, Gabrilla | Gabel Associates | Via Teleconference |
| Jewell, Michael | Jewell and Associates | Via Teleconference |
| Johnson, David | IVG | Via Teleconference |
| Jonas, Todd | Tenaska Power Services |  |
| Jones, Randy | Mountaineer | Via Teleconference |
| Juricek, Mike | Oncor | Via Teleconference |
| Kroskey, Tony | Brazos Electric | Via Teleconference |
| Lee, Jim | AEP Service Corporation | Via Teleconference |
| Marengo, Delette | Tenaska Power Services |  |
| Powell, Christian | Pedernales Electric Cooperative |  |
| Reedy, Steve | Potomac Economics |  |
| Reid, Walter | Advance Power Alliance |  |
| Rich, Katie | Golden Spread Electric Cooperative |  |
| Ritch, John | NextEra Energy |  |
| Robertson, Jennifer | LCRA |  |
| Robinson, Rhonda | Calpine | Via Teleconference |
| Romero, Lara | ACES Power | Via Teleconference |
| Sams, Bryan | Lone Star Transmission | Via Teleconference |
| Savoy, Clint | SPP | Via Teleconference |
| Shumate, Walt | Shumate & Associates |  |
| Siddiqi, Shams | Crescent Power |  |
| Singer, Chad | Trane | Via Teleconference |
| Sithuraj, Murali | Austin Energy |  |
| Smith, Caitlin | Invenergy |  |
| Stanfield, Leonard | Invenergy |  |
| Stroberg, Chad | JP Morgan | Via Teleconference |
| Thompson, David | Pedernales Electric Cooperative |  |
| Tran, Diane | TIEC |  |
| Trefney, Floyd |  |  |
| True, Roy | ACES Power | Via Teleconference |
| Turner, Lucas | South Texas Electric Cooperative | Via Teleconference |
| Van Booven, Ashley | New Braunfels Utilities | Via Teleconference |
| Varnell, John | Tenaska Power Services | Via Teleconference |
| Wittington, Pam | Jewell and Associates |  |
| Wittmeyer, Bob | DME |  |

*ERCOT Staff:*

|  |  |  |
| --- | --- | --- |
| Albracht, Brittney |  |  |
| Anderson, Connor |  | Via Teleconference |
| Bivens, Carrie |  |  |
| Blevins, Bill |  |  |
| Boswell, Bill |  | Via Teleconference |
| Bracy, Phil |  | Via Teleconference |
| Chang, Sean |  | Via Teleconference |
| Clifton, Suzy |  |  |
| Covington, Austin |  | Via Teleconference |
| Day, Betty |  | Via Teleconference |
| Gonzalez, Ino |  |  |
| Guo, Jack |  | Via Teleconference |
| Hanson, Kevin |  | Via Teleconference |
| Hilliard, Marie |  | Via Teleconference |
| Holt, Blake |  | Via Teleconference |
| Jin, Julie |  | Via Teleconference |
| Jones, Dan |  |  |
| Kane, Erika |  | Via Teleconference |
| Kang, Sun Wook |  | Via Teleconference |
| Khodabakhsh, Fred |  | Via Teleconference |
| Liu, Cong |  | Via Teleconference |
| Maggio, Dave |  |  |
| Mereness, Matt |  |  |
| Mickey, Joel |  |  |
| Morehead, Juliana |  | Via Teleconference |
| Moreno, Alfredo |  | Via Teleconference |
| Phillips, Cory |  |  |
| Rios, Diana |  |  |
| Roberts, Randy |  | Via Teleconference |
| Rosel, Austin |  |  |
| Ruane, Mark |  |  |
| Shanks, Magie |  | Via Teleconference |
| Shaw, Pam |  |  |
| Smith, Nathan |  | Via Teleconference |
| Stice, Clayton |  |  |
| Thompson, Chad |  | Via Teleconference |
| Townsend, Aaron |  | Via Teleconference |
| Warnken, Pete |  |  |
| Wattles, Paul |  |  |

***Unless otherwise indicated, all Market Segments were present for a vote.***

Antitrust Admonition

Suzy Clifton directed attention to the Antitrust Admonition, which was displayed.

Election to 2019 WMS Chair and Vice Chair

Ms. Clifton reviewed the leadership election process codified in the Technical Advisory Committee Procedures and opened the floor for nominations.

**Diana Coleman nominated David Kee for 2019 WMS Chair.** Mr. Kee accepted the nomination. **Mr. Kee was named 2019 WMS Chair by acclamation.**

**Ms. Coleman nominated Resmi Surendran for 2019 WMS Vice Chair.** Ms. Surendran accepted the nomination. **Ms. Surendran was named 2019 WMS Vice Chair by acclamation.**

Agenda Review

Mr. Kee reviewed items scheduled for a vote and noted changes to the order for which items would be taken up.

Approval of WMS Meeting Minutes

*November 7, 2018*

This item was deferred to the February 6, 2019 WMS meeting.

Technical Advisory Committee (TAC) Update and Assignments

Mr. Kee reminded Market Participants that TAC and WMS did not meet in December 2018.

ERCOT Operations and Market Items (see Key Documents)[[1]](#footnote-1)

*Southern Cross Assignment Update*

Matt Mereness summarized the history of Southern Cross Transmission assignments, including Directive #4, Outage Coordination. Market Participants and ERCOT Staff discussed assumptions in developing a methodology and implementation process for Outage coordination following the interconnection of the Southern Cross Transmission Direct Current Tie (DC Tie). Some Market Participants expressed concern for potential congestion cost impacts. Mr. Kee referred the issue to the Congestion Management Working Group (CMWG) to be taken up after the Reliability and Operations Subcommittee (ROS) completed their review of the reliability issues.

New Protocol Revision Subcommittee (PRS) Referrals

*Nodal Protocol Revision Request (NPRR) NPRR904, Revisions to Real-Time On-Line Reliability Deployment Price Adder for ERCOT-Directed Actions Related to DC Tie*

Shams Siddiqi reviewed NPRR904 and summarized discussions at the Wholesale Market Working Group (WMWG).

**Sandy Morris moved to request PRS continue to table NPRR904 to allow further review by WMWG. Eric Goff seconded the motion. The motion carried unanimously.**

Mr. Kee requested WMWG review the issues, including long term solutions for the Real-Time On-Line Reliability Deployment Price Adder, locational price signals, and implementation and design changes needed.

*System Change Request (SCR) 798, PTP Obligation Bid ID Limit*

Carrie Bivens summarized the history of SCR798, stated that voluntary curtailments are not a viable solution, and reviewed the proposed Point-to-Point (PTP) Obligation bid limit. Market Participants and ERCOT Staff discussed alternative solutions including a megawatt (MW) limit and bid identifiers.

**Clayton Greer moved to endorse SCR798 as submitted. Ms. Surendran seconded the motion. The motion carried unanimously.**

Mr. Kee requested CMWG monitor and review performance issues post-implementation of SCR798 and consider alternative solutions.

*NPRR909, Address Unavailability Gap for ERS and Other Minor Clarifications*

Diana Rios summarized the history of NPRR909 and discussions at the October 24, 2018 Demand Side Working Group (DSWG) meeting.

**Marka Shaw moved to endorse NPRR909 as submitted. Shannon Caraway seconded the motion. The motion carried with one objection from the Independent Power Marketer (IPM) (Morgan Stanley) Market Segment.**

*NPRR912, Settlement of Switchable Generation Resources (SWGRs) Instructed to Switch to ERCOT*

Dan Jones presented the 1/8/19 ERCOT comments and reviewed the recoverable costs for SWGRs responding to a switch directive in an anticipated or actual Emergency Condition. Todd Jonas summarized the 1/4/19 Tenaska Energy comments and opined that specifying an Energy Emergency Alert (EEA) Level 1 requirement limited the exposure of the SWGR, and that Settlement based on a price floor rather than a Make-Whole Payment more fully compensated the SWGR as it included lost opportunity costs. Some Market Participants expressed concern for the Tenaska proposed EEA event requirement due to timing limitations of a Reliability Unit Commitment (RUC). Market Participant and ERCOT Staff further discussed the issues of market pricing, make-whole allocation, Emergency Conditions, compensation mechanisms, and market impacts; and reviewed the implementation timeline for NPRR912.

**Mr. Goff moved to request PRS continue to table NPRR912 for one month for the WMWG to review market pricing, make-whole allocation, and compensation mechanisms for the switching of SWGRs for system-wide capacity issues, and to limit switching requests for SWGRs considered in NPRR912 to anticipation of an EEA; for the CMWG to review without delay the compensation mechanism and market impacts of switching of SWGRs for local issues; and for WMWG to report at the February 2019 WMS meeting so that NPRR912 may be considered at the April 2019 ERCOT Board meeting. Bill Barnes seconded the motion. The motion carried with one objection from the Cooperative Market Segment (GSEC).**

Other Binding Documents Revision Request (OBDRR) 009, ORDC OBD Revisions for ERCOT-Directed Actions Related to DC Ties (Waive Notice)

**Ms. Morris moved to waive notice for the consideration of OBDRR009. Ms. Coleman seconded the motion. The motion carried unanimously.**

Mr. Siddiqi summarized OBDRR009 and the related pricing issues in NPRR904 and OBDRR009. Market Participants and ERCOT Staff discussed the merits of OBDRR009 and the implementation timeline. Some Market Participants requested additional time to review OBDRR009.

**Ms. Morris moved to request TAC continue to table OBDRR009 for one month. Franklin Maduzia seconded the motion. The motion carried with four objections from the Independent Generator (3) (Calpine, Exelon, Solar Prime) and IPM (Shell) Market Segments.**

WMWG

Mr. Goff summarized recent WMWG activities, including review of Revision Requests and issues assigned to WMWG. Mr. Goff stated the January 21, 2019 WMWG meeting was rescheduled to January 25, 2019.

Supply Analysis Working Group (SAWG) (see Key Documents)

Caitlin Smith summarized recent SAWG activities, including review of Revision Requests and issues assigned to SAWG.

Revision Requests Tabled at PRS, Referred to WMS (see Key Documents)

*NPRR838, Updated O&M Cost for RMR Resources*

*NPRR872, Modifying the SASM Shadow Price Cap*

*NPRR885, Must-Run Alternative (MRA) Details and Revisions Resulting from PUCT Project No. 46369, Rulemaking Relating to Reliability Must-Run Service*

*NPRR896, Reliability Must-Run and Must-Run Alternative Evaluation Process*

*NPRR903, Day-Ahead Market Timing Deviations*

WMS took no action on these items.

*NPRR891, Removal of NOIE Capacity Reporting Threshold for the Unregistered Distributed Generation Report*

Ms. Smith summarized December 12, 2018 SAWG discussion of NPRR891 and reviewed the frequency and reporting differences in the 12/27/18 GSEC and 1/4/19 ERCOT comments. Market Participants and ERCOT Staff debated the utility of the 50 Kilowatt (kW) quarterly reporting threshold. Market Participants offered additional clarifications.

**Mr. Barnes moved to endorse NPRR891 as amended by the 9/7/18 ERCOT comments as revised by WMS. Clif Lange seconded the motion. The motion carried with one objection from the Cooperative (GSEC) Market Segment.**

Market Settlement Working Group (MSWG) (see Key Documents)

Mr. Kee noted the MSWG presentation was posted.

*NPRR850, Market Suspension and Restart*

Mark Ruane reviewed the history of NPRR850 and the 1/19/19 ERCOT comments.

**Mr. Goff moved to endorse NPRR850 as amended by the 1/9/19 ERCOT comments. Mr. Greer seconded the motion. The motion carried unanimously.**

CMWG (see Key Documents)

Ian Haley reviewed CMWG activities, including Revision Requests and issues assigned to CMWG. Mr. Haley stated the January 21, 2019 CMWG meeting was rescheduled to January 25, 2019.

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

Mr. Barnes summarized MCWG activities, including Revision Requests and issues assigned to MCWG.

Other Business

*NPRR917, Nodal Pricing for Settlement Only Distribution Generators (SODGs) and Settlement Only Transmission Generators (SOTGs)*

Paul Wattles summarized the history and concepts of NPRR917 and encouraged Market Participants to attend the January 11, 2019 DSWG meeting.

*Review of Open Action Items*

Market Participants reviewed the Open Action Items list.

*2019 WMS Goals*

Ms. Surendran encouraged Market Participants to review the 2018 WMS Goals and provide input for developing 2019 WMS Goals at the February 6, 2019 WMS Meeting.

*2019 Working Group Leadership*

Ms. Surendran reminded Market Participants that 2019 WMS Working Group Leadership would be considered at the February 6, 2019 WMS Meeting.

*No Report*

* DSWG
* Metering Working Group (MWG)
* Resource Cost Working Group (RCWG)

Adjournment

Ms. Surendran adjourned the January 9, 2019 WMS meeting at 12:33 p.m.

1. http://www.ercot.com/calendar/2019/1/9/165219-WMS [↑](#footnote-ref-1)