

NOTICE DATE: January 31, 2012

NOTICE TYPE: M-C013112-01 NPRR

SHORT DESCRIPTION: Implementation details for NPRR326 and NPRR355

INTENDED AUDIENCE: ERCOT Market Participants

DAY AFFECTED: February 24, 2012

LONG DESCRIPTION: On February 24, 2012, ERCOT will implement Nodal Protocol Revision Request (NPRR) 326, Adjust the Calculation of the Real-Time Settlement Point Price for a Resource Node, and NPRR355, Adjust the Calculation of the Real-Time Settlement Point Price for a Load Zone.

NPRR326, which was approved by the ERCOT Board on June 21, 2011, adjusts the calculation of the Real-Time Settlement Point Price (RTSPP) for a Resource Node by removing the Base Point weighting of the Real-Time Locational Marginal Prices (LMPs).

NPRR355, which was approved by the ERCOT Board on August 16, 2011, removes the energy-weighting in the current calculation for the RTSPP for a Load Zone. NPRR355 adds a RTM 15-minute energy-weighted price for a Load Zone (Real-Time Settlement Point Price Energy-Weighted (RTSPPEW)) and adjusts the appropriate formulas that use these prices. NPRR355 also modifies the Real-Time Price for the Energy Metered for each Resource meter at bus (RTRMPR_b) in the event that the Energy at bus near Real-Time (EBNRT) is less than or equal to zero.

During implementation of NPRR355 it was discovered that the inadvertent energy at DC Tie Settlement points was affecting the State Estimator Load values. ERCOT has implemented this NPRR so that the RTSPPEW is not impacted by inadvertent energy across the DC Tie Settlement point. The end result is that the RTSPP and the RTSPPEW at a DC Tie Settlement Point will be the same. ERCOT will provide more information to the Wholesale Market Subcommittee (WMS).

The changes to the prices as described in NPRR326 and NPRR355 will be available and binding beginning with the first interval of Operating Day February 24, 2012.

Settlement data will continue to be provided in the Real-Time Market Consolidated Extracts (RTM MODE/RTM CODE) as well as the Settlements Input Data Extract for unapproved data sets. All bill determinant information continues to be posted in the Public Reference Data Extract (PRDE) all of which are available on the Market Information System (MIS).

The publically posted pricing reports on the MIS and the ERCOT website will reflect the new information with the added settlement point type of LZEW. The existing pricing dashboards will remain as is with the publication of the RTSP.

ADDITIONAL INFORMATION: Pursuant to Protocol Section 21.6, Nodal Protocol Revision Implementation, ERCOT is required to provide notice as soon as practicable, but no later than ten days prior to implementation.

NPRR326 and associated documents can be found on the ERCOT website, under Market Rules, at <http://www.ercot.com/mktrules/issues/npr/326-350/326/index>.

NPRR355 and associated documents can be found on the ERCOT website, under Market Rules, at <http://www.ercot.com/mktrules/issues/npr/351-375/355/index>.

Please reference the attached document (Settlement Details of NPRR326 and NPRR355) for more details of the Settlement implications.

CONTACT: If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Services phone number at (512) 248-3900 or contact ERCOT Client Services via email at ClientServices@ercot.com.

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