

Background Information
For
Texas RE SAR-001
Provision for ERCOT ISO to Participate and
Have a Vote in the Regional Standard Development Processes

The ERCOT ISO, at present, is not authorized to be a voting member of the Reliability Standards Committee (RSC) or the Texas Regional Entity Registered Ballot Body (RBB) and to vote on actions thereof.

The ERCOT ISO is a NERC- registered entity and will be held accountable for compliance with the requirements of Regional Standards developed by the RSC. ISOs and RTOs in other regions are allowed voting privileges at their corresponding RSCs. The proposed changes of this Standard Authorization Request (SAR) contemplate providing voting rights to the ERCOT ISO.

This action will revise the Texas Regional Entity Standards Development Process to include the ERCOT ISO as a voting member of the Registered Ballot Body and the Reliability Standards Committee compatible with the voting status of the other established market segment membership.

The SAR-001 Standard Drafting Team (SDT) has purposely not defined the weight of the ERCOT ISO's vote, using the default "X" in the revised documents instead. The SDT members have two views on the appropriate value of X. Position 1 is that X=one (1) whole segment vote, and Position 2 is that X=one-fourth (1/4) segment vote. Your comment on whether ERCOT ISO should have a vote and the weight of that vote (value of X) is desired.

This SAR proposes other modifications to the Standards Development Process document in order to bring it into conformance with the FERC Order on the Delegation Agreement. This SAR also incorporates other minor revisions to promote clarification and consistency of process implementation. Please note that within the Texas RE Standards Development Process document, there are 34 paragraphs that are numbered. These are called "common attributes" among delegation agreements, and by FERC Order must remain substantively intact from the original agreement; therefore, they have been highlighted in green and yellow so that they may be easily distinguished as having not been substantively changed.

The documents modified to implement this SAR are posted on the Reliability Standards Tracking site and include:

- The Texas RE Standards Development Process
- The Registered Ballot Body Procedure
- The Reliability Standards Committee Procedure

Additionally, along with this Background paper, two position papers are also posted to clarify the reasoning behind each position or value of X. They are:

- Position One
- Position Two

The Standard Drafting Team for SAR-001 encourages your review of the posted documents and your feedback with respect to them by answering the five questions that appear in the Reliability Standards Tracking Site. This public comment period will open November 1 and continue through November 30. At the conclusion of the comment period, responses to your comments will be posted in December, and your comments and answers will be considered in redrafting the documents before presenting them again to the Reliability Standards Committee in January.