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PROJECT NO. 27706

REPORTS OF THE ELECTRIC
RELIABILITY COUNCIL OF TEXAS

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PUBLIC UTILITY COMMISSION
OF TEXAS

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ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.'S
NOTICE OF PROTOCOL VIOLATIONS

COMES NOW, Electric Reliability Council of Texas, Inc. (ERCOT) and files this Notice of Protocol Violations of Section 1.3.1.1, Items Considered Protected Information. On October 2, 2012, at approximately 1405 Central Prevailing Time (CPT), ERCOT staff inadvertently disclosed information containing Protected Information as defined in Protocol Sections 1.3.1.1 (h), (l), (m), (p)(i), and (q).

In relevant part, Protocol Section 1.3.1.1 defines Protected Information as information containing or revealing any of the following:

- (h) Raw and Adjusted Metered Load (AML) data (demand and energy) identifiable to a specific Qualified Scheduling Entity (QSE), Load Serving Entity (LSE), or Customer. The Protected Information status of this information expires 180 days following the applicable Operating Day.
- (l) Resource-specific costs, design and engineering data.
- (m) Congestion Revenue Right (CRR) credit limits, the identity of bidders in a CRR Auction, or other bidding information identifiable to a specific CRR Account Holder. The Protected Information status of (a) the identity of CRR bidders that become owners, and the number and type of CRRs that they each own, expires at the end of the CRR Auction in which the CRRs were first sold, and (b) all other CRR information identified in this subsection expires six months after the end of the year in which the CRR was effective.
- (p)(i) A designation of Protected Information in writing by Disclosing Party at the time the information is provided to Receiving Party except for information submitted to or collected by ERCOT under the Protocols or Other Binding Documents.
- (q) Compilations of information from a Market Participant on a Customer that in the normal course of a Market Participant's business that makes possible the identification of any individual Customer by matching such information with individual contract terms and conditions, price, current charges, or billing record.

On October 2, 2012, at approximately 1405 CPT, pursuant to Protocol Section 7.5.5.2, Disclosure of CRR Ownership, ERCOT staff posted on the Market Information System (MIS) Public Area, ownerships of record for each source and sink pair and each flowgate, which included: (a) identities of CRR Account Holders; (b) type of CRR held by each CRR Account Holder; and (c) the total megawatts (MW) held by each CRR Account Holder. This type of information is not considered market sensitive since it is posted on the MIS Public Area and therefore available for public viewing. However, in addition to the public information disclosed pursuant to ERCOT Protocols, ERCOT staff also mistakenly uploaded a file containing Protected Information. ERCOT has identified fifteen (15) documents within the file that ERCOT believes contain Protected Information under the ERCOT Protocols. The documents containing Protected Information, as disclosed in the posting on October 2, 2012, included¹:

<u>Description of Disclosed Protected Information</u>	<u>Protocol Section</u>
1. One (1) document containing metered Load data identifiable to a specific Load Serving Entity (LSE).	1.3.1.1(h)
2. Ten (10) documents containing Resource-specific information concerning seasonal net sustainable and emergency ratings.	1.3.1.1(l)
3. One (1) document containing information identifiable to one specific CRR Account Holder for one (1) bid.	1.3.1.1(m)
4. Four (4) documents containing information that is designated as Protected Information that was either submitted or collected by ERCOT pursuant to ERCOT Protocols or Other Binding Documents.	1.3.1.1(p)(i)
5. Five (5) documents containing information compiled by Market Participants that identified Customers by matching them with contract terms, conditions, or price.	1.3.1.1(q)

¹ Note: Each of the fifteen (15) documents containing Protected Information included one (1) to three (3) types of Protected Information identified in the description of disclosed Protected Information.

ERCOT considers some of the information contained in the above-referenced documents to be Protected Information under Protocol Sections 1.3.1.1 (h), (l), (m), (p)(i), and (q), and therefore voluntarily files this Notice of Protocol Violations.

On October 5, 2012, at approximately 1000 CPT, ERCOT staff discovered the unintentional inclusion of the file containing Protected Information with the October 2, 2012 posting, and promptly began the process of removing the file. By 1006 CPT, the file containing Protected Information had been successfully removed, leaving the correct files in place on the MIS Public Area. Immediately following removal of the file, ERCOT staff began (a) identifying recipients who downloaded the file, (b) identifying affected parties, and (c) investigating the cause of the error.

ERCOT staff has identified fifteen (15) recipients that downloaded the file containing Protected Information between the time it was posted and the time it was removed. Of the fifteen (15) recipients identified, fourteen (14) are ERCOT registered Market Participants (MP Recipients), and one (1) public unidentified recipient. ERCOT staff is working to determine the identity of the public recipient. At 1704 CPT on October 5, 2012, ERCOT staff sent an email to each MP Recipient (Attachment A), which (a) informed the MP Recipient of the inadvertent disclosure of the file containing Protected Information, and (b) requested that the MP Recipient delete all copies of the file and confirm successful deletion with ERCOT. At the time of filing, all MP Recipients have confirmed successful deletion of the erroneously uploaded and subsequently downloaded file containing Protected Information.

At 2016 CPT on October 5, 2012, ERCOT staff sent an email to each affected party (Attachment B), which informed the affected party that: (a) the October 2, 2012 monthly CRR Inventory Report contained information related to CRR allocation eligibility of the affected

party; (b) ERCOT was preparing a full summary of the CRR allocation eligibility of the affected party, and would provide such summary to the affected party as soon as it became available; and (c) ERCOT was working with MP Recipients to confirm the successful deletion of all such information belonging to the affected party. ERCOT is now in the process of communicating to each affected party: (a) successful deletion of the file containing Protected Information by all MP Recipients; (b) a full summary of the disclosure, as related to each affected party; and (c) any additional concerns raised by the disclosure.

This Notice of Protocol Violations contains events similar to ERCOT's Notice of Protocol Violations filed with the Public Utility Commission of Texas (Commission) on May 22, 2012, whereby an ERCOT CRR analyst erroneously disclosed information containing Protected Information, and in violation of Protocol Section 7.5.3.1(m). Following the events in May, ERCOT revised its internal business procedures to ensure that all manual CRR postings were reviewed by an additional ERCOT CRR analyst prior to posting. The event at issue resulted from the failure of the same ERCOT CRR analyst to follow the revised business procedure prior to posting the CRR Ownership Report on October 2, 2012. This violation of company procedure resulted in ERCOT taking appropriate disciplinary action to address this matter.

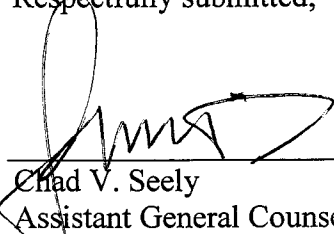
Since the first event of this kind in May, ERCOT has developed software that automates postings of CRR Auction bids and offers. ERCOT is currently evaluating all manual CRR reports to identify additional manual CRR reports that can be automated. ERCOT believes the current manual CRR posting procedure that was developed in May 2012 is sufficient to protect against the disclosure of Protected Information, and has re-emphasized the importance of following these procedures to all ERCOT staff involved in the manual posting of CRR reports until such reports can be automated.

ERCOT appreciates the severity of the violations that have occurred, and sincerely apologizes to all affected parties for the disclosure of Protected Information.

As always, ERCOT is pleased to discuss this issue in additional detail at the Commission's request.

Respectfully submitted,

By: _____



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ATTORNEYS FOR ELECTRIC
RELIABILITY COUNCIL OF TEXAS, INC.

EXHIBIT A

From: ERCOT Client Services
Sent: Friday, October 05, 2012 5:04 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: URGENT: ERCOT CRR Inventory Report - ACTION Required

ERCOT has discovered an issue with the posting of the CRR Inventory Report that was available and downloaded by your company between Tuesday Oct 2 2:05pm and Thursday Oct 5 10:06am. The posted file had some market sensitive data that should not have been included. The corrected files have already been replaced. Please delete the files and confirm when that process is complete. The file name is:

rpt.00011206.0000000000000000.20121002.140538.CRROwnershipofRecord100212.zip

Please reply at your earliest convenience with confirmation that the files have been deleted. ERCOT appreciates your support and attention in this matter.

ERCOT Client Services
ClientServices@ercot.com



The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer.

EXHIBIT B

From: ERCOT Client Services
Sent: Friday, October 05, 2012 8:16 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: NOTICE: ERCOT CRR Inventory Report

ERCOT discovered an issue with the posting of the monthly CRR Inventory Report that disclosed data related to your company in terms of CRR allocation eligibility. ERCOT is working to prepare a full summary of the disclosed data pertinent to your company and will provide to you as soon as possible. All companies that downloaded the file have been identified by ERCOT and directly contacted to delete the file and confirm when complete.

Please contact your ERCOT Account Manager with any questions.

ERCOT Client Services
ClientServices@ercot.com



The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer.