



## **Filing Receipt**

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**Item Number - 15**

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Chairman Peter M. Lake  
Commissioner Will McAdams  
Commissioner Lori Cobos  
Commissioner Jimmy Glotfelty  
Commissioner Kathleen Jackson

**FROM:** Mariah Benson, Market Analysis Division  
Harika Basaran, Market Analysis Division

**DATE:** May 4, 2023

**RE:** May 11, 2023, Open Meeting – Item No. 23  
Project No. 54445 – *CY 2023 Review of Rules Adopted by the Independent Organization (Discussion and possible action)*

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Before the Commission are three new Nodal Protocol Revision Requests (NPRRs), one Planning Guide Revision Request (PGRR), one Retail Market Guide Revision Request (RMGRR), one Nodal Operating Guide Revision Request (NOGRR), one Settlement Metering Operating Guide Revision Request (SMOGRR), one Resource Registration Glossary Guide Revision Request (RRGGRR), one Verifiable Cost Manual Revision Request (VCMRR), one Other Binding Document Revision Request (OBDRR), one Commercial Operations Market Guide Revision Request (COPMGRR), and one Load Profiling Guide Revision Request (LPGRR).

These revision requests passed through the stakeholder process by the Technical Advisory Committee (TAC) and approved by the Electric Reliability Council of Texas (ERCOT) Board of Directors (Board) at their April 18, 2023, meeting. The Board Report and ERCOT Impact Analysis for the above revisions were filed in this project on April 25, 2023.<sup>1</sup> These documents are intended to provide an overview describing each revision. Commission Staff recommends approval of each of these items. All of these revision requests did not have opposition at TAC.

- NPRR1145, *Use of State Estimator-Calculated ERCOT-Wide TLF's in Lieu of Seasonal Base Case ERCOT-Wide TLF's for Settlement*. This NPRR changes the 15-minute level ERCOT-wide Transmission Loss Factors (TLFs) that are used in the Settlement process from seasonal base case TLFs to State Estimator-calculated TLFs in the Energy Management System (EMS). It also clarifies the use of Non-Opt-In Entity (NOIE) deemed actual TLFs to remove behind-the-meter Transmission Losses.

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<sup>1</sup> Notice of Recommended Approval of Revision Requests by ERCOT Board of Directors, AIS Item No. 13.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1145 and believes it has a positive market impact by addressing market efficiency through the changing of the 15-minute level ERCOT-wide TLFs that are used in the Settlement process from seasonal base case TLFs to State Estimator-calculated TLFs in the EMS and clarifying the use of NOIE deemed actual TLFs to remove behind-the-meter Transmission Losses.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- NPRR1155, *Attestation Regarding Market Participant Citizenship, Ownership, or Headquarters* – This NPRR amends the Market Participant eligibility criteria in Section 16, Registration and Qualification of Market Participants, by providing that an Entity is not eligible to register or maintain its registration with ERCOT as a Market Participant if the Entity meets any of the prohibited citizenship, ownership or headquarters criteria established in the Lone Star Infrastructure Protection Act (LSIPA).

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	LSIPA Texas Business and Commerce Code, Sections 113.002(a)(2)(A)-(b)(2)(B) or 2274.0102(a)(2)(A)-(b)(2)(B), added by Act of June 18, 2021, 87th Leg., R.S., Ch. 975 (S.B. 2116)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1155 and believes the market impact for NPRR1155 properly aligns the Protocols with applicable law regarding registered Entities within the ERCOT market.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- NPRR1157, *Incorporation of PUCT Approval into Revision Request Process*. This NPRR requires all Revision Requests to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; adds a Credit review, Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1157 and believes the market impact for NPRR1157 aligns the Protocols with current practice

<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- SMOGRR026, *Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process* This SMOGRR requires all SMOGRRs to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; standardizes that all Revision Requests be considered by the ERCOT Board of Directors; adds an Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed SMOGRR026 and believes the market impact for SMOGRR026 aligns the Settlement Metering Operating Guide with current practice.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- RRGR034, *Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process*– This RRGR034 requires all RRGR034s to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; standardizes that all Revision Requests be considered by the ERCOT Board of Directors; adds an Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed RRGR034 and believes the market impact for RRGR034 aligns the Resource Registration Glossary Guide with current practice.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- VCMRR036, *Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process*– This VCMRR requires all VCMRRs to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; standardizes that all Revision Requests be considered by the ERCOT Board of Directors; adds an Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and

revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed VCMRR036 and believes the market impact for VCMRR036 aligns the Verifiable Cost Manual with current practice.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- *COPMGR049, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process* This COPMGR requires all COPMGRs to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; standardizes that all Revision Requests be considered by the ERCOT Board of Directors; adds an Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed COPMGR049 and believes the market impact for COPMGR049 aligns the Commercial Operations Market Guide with current practice.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- *LPGR072, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process* This LPGR requires all LPGRs to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; standardizes that all Revision Requests be considered by the ERCOT Board of Directors; adds an Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None

<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed LPGRR072 and believes the market impact for LPGRR072 aligns the Load Profiling Guide with current practice.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- *PGRR104, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process*– This PGRR requires all PGRRs to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; standardizes that all Revision Requests be considered by the ERCOT Board of Directors; adds an Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed PGRR104 and believes the market impact for PGRR104 aligns the Planning Guide with current practice.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- *RMGRR173, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process*– This RMGRR requires all RMGRRs to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; standardizes that all Revision Requests be considered by the ERCOT Board of Directors; adds an Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed RMGRR173 and believes the market impact for RMGRR173 aligns the Retail Market Guide with current practice.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- *NOGRR248, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process*– This NOGRR requires all NOGRRs to be approved by the Public Utility Commission of Texas (PUCT) prior to implementation; standardizes that all Revision Requests be considered by the ERCOT Board of Directors; adds an Independent Market Monitor (IMM) opinion, ERCOT opinion, and the ERCOT Market Impact Statement to the TAC Report; and

revises possible actions on a Revision Request from “defer” to “table” as currently captured in motions.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	Senate Bill (SB) 2 (87th Legislature, Regular Session)
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NOGRR248 and believes the market impact for NOGRR248 aligns the Nodal Operating Guide with current practice.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- *OBDRR044 Related to NPRR1085, Ensuring Continuous Validity of Physical Responsive Capability (PRC) and Dispatch through Timely Changes to Resource Telemetry and Current Operating Plans (COPs).* This OBDRR aligns the Operating Reserve Demand Curve (ORDC) pricing with the Protocol revisions of NPRR1085 related to the ONHOLD status treatment of Resources. (ONHOLD status was added with NPRR1085 to be used by a Resource which is on-line but temporarily unavailable for dispatch by SCED (Security Constrained Economic Dispatch) or for participating in Ancillary Services. This resource status is only to be used for real-time telemetry purposes).

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	NA
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed OBDRR044 and believes the market impact for OBDRR044 is that it appropriately aligns the ERCOT systems to include the ONHOLD status consistent with the revisions in NPRR1085.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	IMM supports approval of OBDRR044

Please find attached a proposed order for your consideration consistent with Commission Staff’s recommendations in this memo.

**PROJECT NO. 54445**

**CY 2023 REVIEW OF RULES  
ADOPTED BY THE INDEPENDENT  
ORGANIZATION**

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**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**PROPOSED ORDER APPROVING ERCOT REVISION REQUESTS**

This Order addresses revisions to 12 Electric Reliability Council of Texas (ERCOT) rules. The Commission approves the revisions and accompanying market impact statements.

At its meeting on April 18, 2023, the ERCOT Board of Directors (Board) recommended Commission approval of the following 12 proposed revisions to the ERCOT rules: three Nodal Protocol Revision Requests (NPRRs), one Planning Guide Revision Request (PGRR), one Retail Market Guide Revision Request (RMGRR), one Nodal Operating Guide Revision Request (NOGRR), one Settlement Metering Operating Guide Revision Request (SMOGRR), one Resource Registration Glossary Guide Revision Request (RRGGRR), one Verifiable Cost Manual Revision Request (VCMRR), one Other Binding Document Revision Request (OBDRR), one Commercial Operations Market Guide Revision Request (COPMGRR), and one Load Profiling Guide Revision Request (LPGRR).

*NPRR1145, Use of State Estimator-Calculated ERCOT-Wide TLFs in Lieu of Seasonal Base Case ERCOT-Wide TLFs for Settlement;*

*NPRR1155, Attestation Regarding Market Participant Citizenship, Ownership, or Headquarters;*

*NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*

*PGRR104, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*

*RMGRR173, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*

*NOGRR248, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*

*SMOGRR026, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*



*RRGRR034, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*

*VCMRR036, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*

*COPMGR049, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*

*LPGR072, Related to NPRR1157, Incorporation of PUCT Approval into Revision Request Process;*

*OBDR044, Related to NPRR1085, Ensuring Continuous Validity of Physical Responsive Capability (PRC) and Dispatch through Timely Changes to Resource Telemetry and Current Operating Plans (COPs).*

On April 25, 2023, for each proposed revision, ERCOT filed a copy of its Board Report, which includes an ERCOT Market Impact Statement, and ERCOT Impact Analysis. These supporting ERCOT documents constitute the market impact analysis. Commission Staff filed a memorandum on May 4, 2023, related to these revisions in which it recommends that the Commission approve the revisions to the rules.

The Commission finds that these revisions are necessary for the proper functioning of the ERCOT market as demonstrated by the supporting material. The Commission issues the following orders:

1. The Commission approves NPRR1145 and accompanying market impact statement.
2. The Commission approves NPRR1155 and accompanying market impact statement.
3. The Commission approves NPRR1157 and accompanying market impact statement.
4. The Commission approves COPMGR049 and accompanying market impact statement.
5. The Commission approves LPGR072 and accompanying market impact statement.
6. The Commission approves VCMRR036 and accompanying market impact statement.
7. The Commission approves RRGRR034 and accompanying market impact statement.
8. The Commission approves RMGR173 and accompanying market impact statement.
9. The Commission approves PGRR104 and accompanying market impact statement.

10. The Commission approves NOGRR248 and accompanying market impact statement.
11. The Commission approves PGRR104 and accompanying market impact statement.
12. The Commission approves OBDRR044 and accompanying market impact statement.

Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_ 2023

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**PETER M. LAKE, CHAIRMAN**

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**WILL MCADAMS, COMMISSIONER**

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**LORI COBOS, COMMISSIONER**

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**JIMMY GLOTFELTY, COMMISSIONER**

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**KATHLEEN JACKSON, COMMISSIONER**