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PROJECT NO. 54445

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

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**NOTICE OF RECOMMENDED APPROVAL OF REVISION REQUESTS
BY ERCOT BOARD OF DIRECTORS**

Effective June 8, 2021, rules adopted by Electric Reliability Council of Texas, Inc. (ERCOT) under delegated authority from the Public Utility Commission of Texas (Commission) are subject to Commission oversight and review and may not take effect before receiving Commission approval.

At its meeting on August 31, 2023, the ERCOT Board of Directors (Board) recommended Commission approval of the following proposed revisions to the ERCOT rules (Revision Requests) (Nodal Protocol Revision Requests (NPRRs), Load Profiling Guide Revision Request (LPGRR), Nodal Operating Guide Revision Requests (NOGRRs), Other Binding Document Revision Requests (OBDRRs), Planning Guide Revision Requests (PGRRs), Retail Market Guide Revision Request (RMGRR), and Resource Registration Glossary Revision Requests (RRGRRs)):

- NPRR1150, Related to NOGRR230, WAN Participant Security;
- NPRR1163, Related to LPGRR070, Discontinuation of Interval Data Recorder (IDR) Meter Weather Sensitivity Process;
- NPRR1164, Black Start and Isochronous Control Capable Identification;
- NPRR1165, Revisions to Requirements of Providing Audited Financial Statements and Providing Independent Amount;
- NPRR1171, Requirements for DGRs and DESRs on Circuits Subject to Load Shedding;
- NPRR1173, Changes Consistent With the Options Available to an MOU and EC Entering Retail Competition in the ERCOT Market;
- NPRR1174, Market Participant's Return of Settlement Funds to ERCOT Following Receipt of Overpayment;
- NPRR1175, Revisions to Market Entry Financial Qualifications and Continued Participation Requirements;
- NPRR1176, Update to EEA Trigger Levels;

- NPRR1182, Inclusion of Controllable Load Resources and Energy Storage Resources in the Constraint Competitiveness Test Process;
- NPRR1183, ECEII Definition Clarification and Updates to Posting Rules for Certain Documents without ECEII;
- NPRR1185, HDL Override Payment Provisions for Verbal Dispatch Instructions;
- NPRR1189, Updates to Language to Clarify the Allowable Regulation Ancillary Service Trades;
- LPGRR070, Discontinuation of Interval Data Recorder (IDR) Meter Weather Sensitivity Process;
- NOGRR215, Limit Use of Remedial Action Schemes;
- NOGRR230, WAN Participant Security;
- NOGRR247, Change UFLS Stages and Load Relief Amounts;
- NOGRR249, Communication of System Operating Limit Exceedances;
- NOGRR250, Related to NPRR1171, Requirements for DGRs and DESRs on Circuits Subject to Load Shedding;
- NOGRR251, Add Cold Weather Conditions to Template for Emergency Operations Plan;
- NOGRR252, Related to NPRR1176, Update to EEA Trigger Levels;
- OBDRR045, Additional Revisions to Demand Response Data Definitions and Technical Specifications;
- OBDRR048, Implementation of Operating Reserve Demand Curve (ORDC) Multi-Step Price Floor;
- PGRR103, Establish Time Limit for Generator Commissioning Following Approval to Synchronize;
- PGRR108, Related to NPRR1183, ECEII Definition Clarification and Updates to Posting Rules for Certain Documents without ECEII;
- RMGRR174, Related to NPRR1173, Changes Consistent With the Options Available to an MOU and EC Entering Retail Competition in the ERCOT Market;
- RRGRR033, Related to NPRR1164, Black Start and Isochronous Control Capable Identification;

- RRGR035, Related to NPRR1171, Requirements for DGRs and DESRs on Circuits Subject to Load Shedding; and
- VCMRR034, Excluding RUC Approved Fuel Costs from Fuel Adders.

Included for Commission review are the Board Reports—each of which includes an ERCOT Market Impact Statement—and ERCOT Impact Analyses for these Revision Requests.

Dated: September 8, 2023

Respectfully submitted,

/s/ Jonathan Levine

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ATTORNEYS FOR ELECTRIC RELIABILITY
COUNCIL OF TEXAS, INC.

Board Report

NPRR Number	<u>1150</u>	NPRR Title	Related to NOGRR230, WAN Participant Security
Date of Decision	August 31, 2023		
Action	Recommended Approval		
Timeline	Normal		
Proposed Effective Date	Upon implementation of Nodal Operating Guide Revision Request (NOGRR) 230, WAN Participant Security		
Priority and Rank Assigned	Not applicable		
Nodal Protocol Sections Requiring Revision	2.1, Definitions 2.2, Acronyms and Abbreviations 16.2.1, Criteria for Qualification as a Qualified Scheduling Entity		
Related Documents Requiring Revision/Related Revision Requests	NOGRR230		
Revision Description	<p>This Nodal Protocol Revision Request (NPRR) adds a requirement in Section 16.2.1 that states if a Qualified Scheduling Entity (QSE) represents a Resource Entity, Emergency Response Service (ERS) Resource, or another QSE and receives or transmits Wide Area Network (WAN) Data, as that term is defined in Section 2.1, then it must maintain connection to a Secure Private Network (SPN) as described in Nodal Operating Guide Section 7, Telemetry and Communication.</p> <p>This NPRR also adds two definitions ('Wide Area Network (WAN)' and 'Wide Area Network (WAN) Participant') which were previously located in Nodal Operating Guide Section 1.4, Definitions.</p>		
Reason for Revision	<input checked="" type="checkbox"/> Addresses current operational issues. <input type="checkbox"/> Meets Strategic goals (tied to the <u>ERCOT Strategic Plan</u> or directed by the ERCOT Board). <input type="checkbox"/> Market efficiencies or enhancements <input type="checkbox"/> Administrative <input type="checkbox"/> Regulatory requirements		

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	<input type="checkbox"/> Other: (explain) <i>(please select all that apply)</i>
Business Case	<p>This NPRR accompanies NOGRR230 which addresses requirements relating to the WAN Participants and the use of an SPN.</p>
PRS Decision	<p>On 10/13/22, PRS voted to table NPRR1150. There was one abstention from the Consumers (Occidental) Market Segment. All Market Segments participated in the vote.</p> <p>On 11/11/22, PRS voted unanimously to table NPRR1150 and refer the issue to the Reliability and Operations Subcommittee (ROS). All Market Segments participated in the vote.</p> <p>On 5/10/23, PRS voted to recommend approval of NPRR1150 as amended by the 4/20/23 ERCOT comments. There was one abstention from the Investor Owned Utility (IOU) (Lone Star Transmission) Market Segment. All Market Segments participated in the vote.</p> <p>On 6/14/23, PRS voted unanimously to endorse and forward to TAC the 5/10/23 PRS Report and 9/28/22 Impact Analysis for NPRR1150. All Market Segments participated in the vote.</p>
Summary of PRS Discussion	<p>On 10/13/22, participants reviewed the 10/12/22 ERCOT comments and requested that NPRR1150 be tabled in anticipation of further discussion regarding NOGRR230 at the November 7, 2022 ROS meeting.</p> <p>On 11/11/22, participants reviewed the 10/24/22 ERCOT, 10/26/22 ERCOT, and 11/4/22 ACES comments and requested that NPRR1150 be tabled and referred to ROS in anticipation of continued NOGRR230 discussion.</p> <p>On 5/10/23, participants reviewed the 4/20/23 ERCOT comments and noted the May 4, 2023 ROS vote to recommend approval of NOGRR230 as amended by the 4/20/23 ERCOT comments.</p> <p>On 6/14/23, participants reviewed the 9/28/22 Impact Analysis.</p>
TAC Decision	<p>On 6/27/23, TAC voted unanimously to recommend approval of NPRR1150 as recommended by PRS in the 6/14/23 PRS Report. All Market Segments participated in the vote.</p>
Summary of TAC Discussion	<p>On 6/27/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, and Independent Market Monitor (IMM) Opinion</p>

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	for NPRR1150.
ERCOT Board Decision	On 8/31/23, the ERCOT Board voted unanimously to recommend approval of NPRR1150 as recommended by TAC in the 6/27/23 TAC Report.

Opinions	
Credit Review	ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1150 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.
Independent Market Monitor Opinion	IMM has no opinion on NPRR1150.
ERCOT Opinion	ERCOT supports approval of NPRR1150.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1150 and believes that it has a positive market impact by addressing current operational issues by adding a requirement that states if a QSE represents a Resource Entity, ERS Resource, or another QSE and receives or transmits WAN Data, then it must maintain connection to an SPN.

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Comments Received

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Comment Author	Comment Summary
ERCOT 101222	Clarified that the “network” referenced in paragraph (1)(c) of Section 16.2.1 is the ERCOT WAN and removed the reference to the WAN in paragraph (1)(n) because the WAN requirement does not necessarily apply to all the Entities listed in that Section
ERCOT 102422	Relocated four definitions from Nodal Operating Guide Section 1.4 to Section 2.1 in association with NOGRR230’s 10/24/22 ERCOT comments
ERCOT 102622	Rebuilt the 10/24/22 ERCOT comments on top of the 10/12/22 ERCOT comments and struck a reference made to Nodal Operating Guide Section 1.4 located in paragraph (1)(n) of Section 16.2.1
ACES 110422	Proposed the use of multiple secure Internet connections as a more reliable method of mitigating Denial of Service (DoS) and Distributed Denial of Service (DDoS) attacks and added a new definition, “Secure Dual Homed Internet” (SDHI), to Section 2.1
ROS 120722	Requested PRS continue to table NPRR1150
ERCOT 042023	Aligned Protocol language with NOGRR230 4/20/23 ERCOT comments which allow use of other networks than an SPN if the network provides equivalent protection against internet DoS or DDoS attacks
ROS 060123	Endorsed NPRR1150 as amended by the 4/20/23 ERCOT comments

Market Rules Notes

Please note the baseline language in the following Section(s) has been updated to reflect the incorporation of the following NPRR(s) into the Protocols:

- NPRR1127, Clarification of ERCOT Hotline Uses (incorporated 12/1/22)
 - Section 16.2.1

Please note that the following NPRR(s) also propose revisions to the following section(s):

- NPRR1162, Single Agent Designation for a QSE and its Sub-QSEs for Voice Communications over the ERCOT WAN
 - Section 16.2.1
- NPRR1165, Revisions to Requirements of Providing Audited Financial Statements and Providing Independent Amount

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- Section 16.2.1
- NPPRR1175, Revisions to Market Entry Financial Qualifications and Continued Participation Requirements
 - Section 16.2.1

Proposed Protocol Language Revision

2.1 DEFINITIONS

Secure Private Network (SPN)

A network that is utilized to transmit Wide Area Network (WAN) Data between a Resource and WAN Participant, including any portions of the network that are owned or controlled by intermediate Entities. The SPN must utilize network service vendors that provide a service level agreement for the network and the components of the SPN shall not utilize the Internet. The SPN infrastructure must be designed to avoid outages relating to a Denial of Service (DoS) or Distributed Denial of Service (DDoS) attacks that may affect a Market Participant's Internet-connected equipment. Examples of an SPN would include dedicated connections such as Multi-Protocol Label Switching (MPLS), Time Division Multiplexing Digital Signal 1 (TDM DS1), Metro Ethernet, or other networks that do not rely upon the Internet and are approved by ERCOT's telecommunications and security groups.

Wide Area Network (WAN)

The WAN is a fully redundant, highly available network designed for Real-Time data transport and used by ERCOT and WAN Participants to communicate and exchange certain data as described in Nodal Operating Guide Section 7, Telemetry and Communication.

Wide Area Network (WAN) Data

Any data that has been received from or will be transmitted to ERCOT across the WAN in the format of Inter-Control Center Communication Protocol (ICCP) Data or Resource-Specific Extensible Markup Language (XML) Data.

Wide Area Network (WAN) Participant

A Transmission Operator (TO), Qualified Scheduling Entity (QSE) representing a Resource, QSE representing an Emergency Response Service (ERS) Resource, Data Agent-Only QSE (designated under ERCOT's QSE Agency Agreement form), or other Market Participant that is required under the ERCOT Protocols to gather, transmit, or exchange Inter-Control Center Communication Protocol (ICCP) Data, Resource-Specific Extensible Markup Language (XML) Data, or any of the operational voice data described in Nodal Operating Guide Section 7.1, ERCOT Wide Area Network.

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2.2 ACRONYMS AND ABBREVIATIONS

SPN Secure Private Network

16.2.1 *Criteria for Qualification as a Qualified Scheduling Entity*

Commented [JT1]: Please note NPRR1162, NPRR1165, and NPRR1175 also propose revisions to this section.

- (1) To become and remain a Qualified Scheduling Entity (QSE), an Entity must meet the following requirements:
 - (a) Submit a properly completed QSE application for qualification, including any applicable fee, necessary disclosures, and designation of Authorized Representatives, each of whom is responsible for administrative communications with the QSE and each of whom has enough authority to commit and bind the QSE and the Entities it represents;
 - (b) Sign a Standard Form Market Participant Agreement;
 - (c) Sign any required Agreements relating to use of the ERCOT Wide Area ~~Network~~ (WAN), software, and systems;
 - (d) Demonstrate to ERCOT's reasonable satisfaction that the Entity is capable of performing the functions of a QSE;
 - (e) Demonstrate to ERCOT's reasonable satisfaction that the Entity is capable of complying with the requirements of all ERCOT Protocols and Operating Guides;
 - (f) Satisfy ERCOT's creditworthiness and capitalization requirements as set forth in this Section, unless exempted from these requirements by Section 16.17, Exemption for Qualified Scheduling Entities Participating Only in Emergency Response Service;
 - (g) Be generally able to pay its debts as they come due. ERCOT may request evidence of compliance with this qualification only if ERCOT reasonably believes that a QSE is failing to comply with it;
 - (h) Provide all necessary bank account information and arrange for Fedwire system transfers for two-way confirmation;
 - (i) Be financially responsible for payment of Settlement charges for those Entities it represents under these Protocols;
 - (j) Comply with the backup plan requirements in the Operating Guides;
 - (k) Maintain a 24-hour, seven-day-per-week scheduling center with qualified personnel for the purposes of communicating with ERCOT relating to Day-Ahead and Operating Day exchange of market and operational obligations in

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representing Load, Resources, and market positions. Those personnel must be responsible for operational communications and must have sufficient authority to commit and bind the QSE and the Entities that it represents. This requirement applies to QSE Level 2, 3, and 4, as defined in Section 2.1, Definitions;

- (l) Maintain a scheduling center for the hours of 0900 to 1700 Central Prevailing Time (CPT) on Business Days with qualified personnel for the purposes of communicating with ERCOT relating to Day-Ahead and Operating Day exchange of market and operational obligations in representing Load, Resources, and market positions. Those personnel must be responsible for operational communications and must have sufficient authority to commit and bind the QSE and the Entities that it represents. This requirement applies to QSE Level 1, as defined in Section 2.1;

- (m) Demonstrate and maintain a working functional interface with all required ERCOT computer systems; and

- (n) Allow ERCOT, upon reasonable notice, to conduct a site visit to verify information provided by the QSE; and

- ~~(no) If a QSE represents a Resource Entity, Emergency Response Service (ERS) Resource, or another QSE and receives or transmits Wide Area Network (WAN) Data, as that term is defined in Nodal Operating Guide Section 1.4, Definitions, it must maintain connection to the ERCOT WAN and a Secure Private Network (SPN) or equivalent network as described in Nodal Operating Guide Section 7.1.2, WAN Participant Responsibilities Telemetry and Communication.~~

- (2) If a QSE chooses to use Electronic Data Interchange (EDI) transactions to receive Settlement Statements and Invoices, it must participate in and successfully complete testing as described in Section 19.8, Retail Market Testing, before starting operations with ERCOT as a QSE.
- (3) A QSE or QSE applicant must be able to demonstrate to ERCOT's reasonable satisfaction that none of its Principals were or are Principals of any Entity with an outstanding payment obligation that remains owing to ERCOT under any Agreement or these Protocols. For purposes of this Section, ERCOT will only consider disqualifying those Principals of the QSE or QSE applicant who were Principals of the other Entity at a time during which the unpaid financial obligation remained owing to ERCOT or during the 120-day period prior to the date on which the unpaid financial obligation first became due and owing to ERCOT.
- (4) If any of a QSE's or QSE applicant's Principals were or are Principals of a terminated Market Participant with an obligation for Default Uplift Ratio Share allocated under Section 9.19.1, Default Uplift Invoices, the terminated Market Participant must be current on all payment obligations for Default Uplift Invoices in order for the QSE to remain, or QSE applicant to become, a registered QSE. For purposes of this Section, ERCOT will only consider as disqualifying those Principals of the QSE or QSE applicant who were

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Principals of the other Entity at a time during which the other Entity was not current on its payment obligation for Default Uplift Invoices or 120 days prior to the date the other Entity first failed to pay a Default Uplift Invoice.

- (5) A QSE shall promptly notify ERCOT of any change that a reasonable examiner may deem material to the QSE's ability to continue to meet the requirements set forth in this Section, and any material change in the information provided by the QSE to ERCOT that may adversely affect the reliability or safety of the ERCOT System or the financial security of ERCOT. This includes any changes in the Principals of the QSE. If the QSE fails to so notify ERCOT of such change within two Business Days after becoming aware of the change, then ERCOT may, after providing notice to each Entity represented by the QSE, refuse to allow the QSE to perform as a QSE and take any other action ERCOT deems appropriate, in its sole discretion, to prevent ERCOT or Market Participants from bearing potential or actual risks, financial or otherwise, arising from those changes, and in accordance with these Protocols.
- (6) Subject to the following provisions of this paragraph, a QSE may partition itself into any number of subordinate QSEs ("Subordinate QSEs"). If a single Entity requests to partition itself into more than four Subordinate QSEs, ERCOT may implement the request subject to ERCOT's reasonable determination that the additional requested Subordinate QSEs will not be likely to overburden ERCOT's staffing or systems. ERCOT shall adopt an implementation plan allowing phased-in registration for these additional Subordinate QSEs in order to mitigate system or staffing impacts. However, ERCOT may not unreasonably delay that registration.
- (7) Each Subordinate QSE must be treated as an individual QSE for all purposes including communications and control functions except for liability, financial security, and financial liability requirements under this Section. That liability, financial security, and financial liability is cumulative for all Subordinate QSEs for the single Entity signing the QSE Agreement.
- (8) Continued qualification as a QSE is contingent upon compliance with all applicable requirements in these Protocols. ERCOT may suspend a QSE's rights as a Market Participant when ERCOT reasonably determines that it is an appropriate remedy for the Entity's failure to satisfy any applicable requirement.
- (9) Each QSE, or its designated QSE agent, representing one or more Resources shall be connected to the ERCOT Wide Area Network (WAN) and maintain 24-hour, seven-day-per-week operations and Hotline communications with ERCOT. Each QSE representing one or more Resources shall answer each QSE Hotline call.

ERCOT Impact Analysis Report

NPRR Number	<u>1150</u>	NPRR Title	Related to NOGRR230, WAN Participant Security
Impact Analysis Date	September 28, 2022		
Estimated Cost/Budgetary Impact	None.		
Estimated Time Requirements	No project required. This Nodal Protocol Revision Request (NPRR) can take effect upon implementation of Nodal Operating Guide Revision Request (NOGRR) 230, WAN Participant Security.		
ERCOT Staffing Impacts (across all areas)	Ongoing Requirements: No impacts to ERCOT staffing.		
ERCOT Computer System Impacts	No impacts to ERCOT computer systems.		
ERCOT Business Function Impacts	No impacts to ERCOT business functions.		
Grid Operations & Practices Impacts	No impacts to ERCOT grid operations and practices.		

Evaluation of Interim Solutions or Alternatives for a More Efficient Implementation

None offered.

Comments

None.

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NPRR Number	<u>1163</u>	NPRR Title	Related to LPGRR070, Discontinuation of Interval Data Recorder (IDR) Meter Weather Sensitivity Process
Date of Decision	August 31, 2023		
Action	Recommended Approval		
Timeline	Normal		
Proposed Effective Date	Upon implementation of Load Profiling Guide Revision Request (LPGRR) 070, Discontinuation of Interval Data Recorder (IDR) Meter Weather Sensitivity Process		
Priority and Rank Assigned	Not applicable		
Nodal Protocol Sections Requiring Revision	2.2, ACRONYMS AND ABBREVIATIONS 11.4.3, Interval Consumption Data Estimation 11.4.3.1, Weather Responsiveness Determination (delete) 11.4.3.2, Weather Sensitive Proxy Day Method 11.4.3.3, Non-Weather Sensitive Proxy Day Method		
Related Documents Requiring Revision/Related Revision Requests	LPGRR070		
Revision Description	This Nodal Protocol Revision Request (NPRR) discontinues the process of evaluating Interval Data Recorder (IDR) Meters to determine if they are Weather Sensitive (WS), in alignment with LPGRR070.		
Business Case	The weather sensitivity classifications Non-Weather Sensitive (NWS) or WS are only used during IDR estimation if ERCOT has not received interval data for the Operating Day. The classification of Electric Service Identifiers (ESI IDs) with IDRs into a WS group and a NWS group determines the proxy day method used for estimation purposes. Since the inception of the BUSLRG and BUSLRGDG profile type codes, which allow for daily submission of interval data, there has been a significant drop in the number of IDR Meters. By the end of this year, CenterPoint plans to begin their conversion of IDR Meters to BUSLRG/BUSLRGDG profile type codes which will lead to another significant drop. The Profiling Working Group (PWG) and other retail Market Participants have discussed the development of this NPRR which reflects the conclusion that the process of evaluating IDR Meters to determine if they are WS is no longer necessary. Discontinuation of this process will allow the		

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	<p>Transmission and/or Distribution Service Providers (TDSPs) to focus their efforts on more important matters.</p> <p>Additionally, this NPRR specifies that ERCOT shall use the NWS proxy day method for BUSLRG and BUSLRGDG profile types even though their weather sensitivity classification is set to WS.</p>
PRS Decision	<p>On 3/8/23, PRS voted unanimously to table NPRR1163 and refer the issue to the Retail Market Subcommittee (RMS). All Market Segments participated in the vote.</p> <p>On 4/13/23, PRS voted unanimously to recommend approval of NPRR1163 as amended by the 3/28/23 ERCOT comments. All Market Segments participated in the vote.</p> <p>On 5/10/23, PRS voted to endorse and forward to TAC the 4/13/23 PRS Report and the 2/14/23 Impact Analysis for NPRR1163. There was one abstention from the Investor Owned Utility (IOU) (Lone Star Transmission) Market Segment. All Market Segments participated in the vote.</p>
Summary of PRS Discussion	<p>On 3/8/23, participants reviewed NPRR1163. Market Participants commented that there are still a number of IDR Meters that will remain due to technical limitations, and emphasized the importance of Initial Settlement accuracy.</p> <p>On 4/13/23, participants reviewed the 3/28/23 ERCOT comments.</p> <p>On 5/10/23, participants reviewed the Impact Analysis.</p>
TAC Decision	<p>On 5/23/23, TAC voted to table NPRR1163. There was one abstention from the Independent Generator (Luminant) Market Segment. All Market Segments participated in the vote.</p> <p>On 6/27/23, TAC voted unanimously to recommend approval of NPRR1163 as recommended by PRS in the 5/10/23 PRS Report. All Market Segments participated in the vote.</p>
Summary of TAC Discussion	<p>On 5/23/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, and Independent Market Monitor (IMM) Opinion for NPRR1161, and discussed tabling NPRR1163 to allow TAC to consider NPRR1163 and LPGRR070 together.</p> <p>On 6/27/23, there was no discussion.</p>
ERCOT Board Decision	<p>On 8/31/23, the ERCOT Board voted unanimously to recommend approval of NPRR1163 as recommended by TAC in the 6/27/23 TAC Report.</p>

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Opinions	
Credit Review	ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1163 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.
Independent Market Monitor Opinion	IMM has no opinion on NPRR1163.
ERCOT Opinion	ERCOT supports approval of NPRR1163.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1163 and believes the market impact for NPRR1163 is that it appropriately discontinues the process of evaluating Interval Data Recorder (IDR) Meters to determine if they are Weather Sensitive, a process that has become unnecessary with the increased use of BUSLRG/BUSLRGDG profile type codes.

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Market Segment	Not Applicable

Market Rules Staff Contact	
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Comments Received	
Comment Author	Comment Summary
RMS 030823	Requested PRS to table NPRR1163 and refer the issue to RMS
ERCOT 032823	Specified that ERCOT shall use the NWS proxy day method for BUSLRG and BUSLRGDG profile types even though their classification is set to WS

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RMS 040523

Endorsed NPRR1163 as amended by the 3/28/23 ERCOT comments

Market Rules Notes

Please note that the following NPRR also proposes revisions to the following section:

- NPRR1174, Market Participant's Return of Settlement Funds to ERCOT Following Receipt of Overpayment
 - Section 2.2

Revised Proposed Protocol Language

2.2 ACRONYMS AND ABBREVIATIONS

Commented [EWG1]: Please note NPRR1174 also proposes revisions to this section.

4-CP	4-Coincident Peak
AAA	American Arbitration Association
AAN	Advance Action Notice
AASP	Average Aggregated Set Point
ACE	Area Control Error
ACH	Automated Clearing House
ACL	Available Credit Limit
ADR	Alternative Dispute Resolution
AEIC	Association of Edison Illuminating Companies
AGC	Automatic Generation Control
AGR	Aggregate Generation Resource
AIL	Aggregate Incremental Liability
ALA	Applicable Legal Authority
ALR	Aggregate Load Resource
AML	Adjusted Metered Load
AMP	Automatic Mitigation Plan
AMS	Advanced Metering System
ANSI ASC X12	American National Standards Institute Accredited Standards Committee X12
AREP	Affiliated Retail Electric Provider
ARR	Adjusted RPS Requirement
ASDC	Ancillary Service Demand Curve
AVR	Automatic Voltage Regulator
BLT	Block Load Transfer
BSS	Black Start Service
CAO	Control Area Operator
CARD	CRR Auction Revenue Distribution
CCD+	Cash Concentration and Disbursement Plus
CCF	Capacity Conversion Factor

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CCN	Certificate of Convenience and Necessity
CCT	Constraint Competitiveness Test
CEO	Chief Executive Officer
CFC	Constant Frequency Control
CFE	Comision Federal de Electricidad
CFTC	Commodity Futures Trading Commission
CIM	Common Information Model
CMLTD	Current Maturities of Long-Term Debt
CMP	Constraint Management Plan
CMZ	Congestion Management Zone
COP	Current Operating Plan
CPS	Control Performance Standard
CPT	Central Prevailing Time
CR	Competitive Retailer
CRR	Congestion Revenue Right
CRRBA	Congestion Revenue Right Balancing Account
CSA	Continuous Service Agreement
CSV	Comma Separated Value
CTX	Corporate Trade Exchange
DAM	Day-Ahead Market
DAS	Data Aggregation System
DASPP	Day-Ahead Settlement Point Price
DASWCAP	Day-Ahead System-Wide Offer Cap
DC	Direct Current
DC Tie	Direct Current Tie
DCAA	Digital Certificate Audit Attestation
DCTO	Direct Current Tie Operator
DESR	Distribution Energy Storage Resource
DG	Distributed Generation
DGR	Distribution Generation Resource
DLC	Direct Load Control
DLF	Distribution Loss Factor
DME	Decision Making Entity
DRG	Distributed Renewable Generation
DRUC	Day-Ahead Reliability Unit Commitment
DSC	Debt Service Coverage
DSP	Distribution Service Provider
DSR	Dynamically Scheduled Resource

[NPRR1000: Delete the acronym “DSR” above upon system implementation.]

DUNS	Data Universal Numbering System
DUNS #	DUNS Number

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e-Tag	Electronic Tag
EAf	Equivalent Availability Factor
EAL	Estimated Aggregate Liability
EC	Electric Cooperative
ECEI	ERCOT Critical Energy Infrastructure Information
ECI	Element Competitiveness Index
ECRS	ERCOT Contingency Reserve Service
EDI	Electronic Data Interchange
EEA	Energy Emergency Alert
EFT	Electronic Funds Transfer
ELSE	External Load Serving Entity
EMMS	Energy and Market Management System
EMS	Energy Management System
EPRI	Electric Power Research Institute
EPS	ERCOT-Polled Settlement
ERCOT	Electric Reliability Council of Texas, Inc.
ERCOT Board	The Board of Directors of the Electric Reliability Council of Texas, Inc.
ERS	Emergency Response Service
ESI ID	Electric Service Identifier
ESR	Energy Storage Resource
ESREDP	Energy Storage Resource Energy Deployment Performance
ESS	Energy Storage System
F&A	Finance and Audit
FASD	First Available Switch Date
FCE	Future Credit Exposure
Fed	Federal
FERC	Federal Energy Regulatory Commission
FFR	Fast Frequency Response
FFSS	Firm Fuel Supply Service
FFSSR	Firm Fuel Supply Service Resource
FGR	Flowgate Right
FIP	Fuel Index Price
FIS	Full Interconnection Study
FME	Frequency Measurable Event
FOP	Fuel Oil Price
FPA	Federal Power Act
FRC	Frequency Responsive Capacity
FRR	Final RPS Requirement
FRRS	Fast Responding Regulation Service
FRRS-Down	Fast Responding Regulation Down Service
FRRS-Up	Fast Responding Regulation Up Service

[NPRR1013: Delete the acronyms “FRRS”, “FRRS-Down”, and “FRRS-Up” above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

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GADS	Generation Availability Data System
GREDP	Generation Resource Energy Deployment Performance
GSU	Generator Step-Up
GTBD	Generation To Be Dispatched
GTC	Generic Transmission Constraint
GTL	Generic Transmission Limit
HASL	High Ancillary Service Limit

[NPRR1013: Delete the acronym “HASL” above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

HCAP	High System-Wide Offer Cap
HDL	High Dispatch Limit
HE	Hour Ending
HEL	High Emergency Limit
HIO	High Impact Outage
HITE	High Impact Transmission Element
HRL	High Reasonability Limit
HRUC	Hourly Reliability Unit Commitment
HSL	High Sustained Limit
HWR	High Winter Ratio
Hz	Hertz
IBR	Inverter-Based Resource
ICCP	Inter-Control Center Communications Protocol
IDR	Interval Data Recorder
IE	Interconnecting Entity
IEL	Initial Estimated Liability
IGE	Induction Generator Effects
IHLF	Intra-Hour Load Forecast
IHPPF	Intra-Hour Photo Voltaic Power Forecast
IHWPF	Intra-Hour Wind Power Forecast
IMM	Independent Market Monitor
IMRE	Independent Market Information System Registered Entity
IOU	Investor Owned Utility
IPM	Independent Power Marketer
IROL	Interconnection Reliability Operating Limit
IRR	Intermittent Renewable Resources
kV	Kilovolt
kVA	Kilovolt-Ampere
kVAr	Kilovolt-Ampere reactive

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kVArh	Kilovolt-Ampere reactive hour
kW	Kilowatt
kWh	Kilowatt-Hour
LASL	Low Ancillary Service Limit

[NPRR1013: Delete the acronym “LASL” above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

LCAP	Low System-Wide Offer Cap
LDL	Low Dispatch Limit
LEL	Low Emergency Limit
LFC	Load Frequency Control
LMP	Locational Marginal Price
LPC	Low Power Consumption
LRL	Low Reasonability Limit
LRS	Load Ratio Share
LSE	Load Serving Entity
LSL	Low Sustained Limit
MCPC	Market Clearing Price for Capacity
MDAS	Meter Data Acquisition System
MIS	Market Information System
MMBtu	Million British Thermal Units
MOC	Mitigated Offer Cap
MOU	Municipally Owned Utility
MPC	Maximum Power Consumption
MPT	Main Power Transformer
MRA	Must-Run Alternative
MRE	Meter Reading Entity
MTLF	Mid-Term Load Forecast
MVA	Megavolt Ampere
MVAr	Mega Volt-Amperes reactive
MW	Megawatt
MWh	Megawatt Hour
NCBI	Notice of Change of Banking Information
NCI	Notice of Change of Information
NERC	North American Electric Reliability Corporation
NESC	National Electrical Safety Code
NFRC	Non-Frequency Responsive Capacity

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[NPRR1013: Delete the acronym “NFRC” above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

NIST	National Institute of Standards and Technology
NOIE	Non-Opt-In Entity
NOMCR	Network Operations Model Change Request
Non-Spin	Non-Spinning Reserve
NSA	Network Security Analysis
NSO	Notification of Suspension of Operations
NWS	Non-Weather Sensitive
NWSIDR	Non-Weather Sensitive IDR
O&M	Operations and Maintenance
OAE	Outage Adjustment Evaluation
OCN	Operating Condition Notice
ORDC	Operating Reserve Demand Curve

[NPRR1013: Delete the acronym “ORDC” above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

OSA	Outage Schedule Adjustment
PCAP	Pre-Contingency Action Plan
PCRR	Pre-Assigned Congestion Revenue Right
PMI	Private Microgrid Island
PNM	Peaker Net Margin
POLR	Provider of Last Resort
POC	Peaking Operating Cost
POCC	Point of Common Coupling
POI	Point of Interconnection
POIB	Point of Interconnection Bus
POS	Power Operating System
PRC	Physical Responsive Capability
PRM	Planning Reserve Margin
PRR	Protocol Revision Request
PRS	Protocol Revision Subcommittee
PSS	Power System Stabilizer
PTB	Price-to-Beat
PTP	Point-to-Point
PUCT	Public Utility Commission of Texas
PURA	Public Utility Regulatory Act, Title II, Texas Utility Code
PURPA	Public Utility Regulatory Policy Act
PV	PhotoVoltaic

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PVGR	PhotoVoltaic Generation Resource
PVGRPP	PhotoVoltaic Generation Resource Production Potential
PWG	Profiling Working Group
QF	Qualifying Facility
QSE	Qualified Scheduling Entity
QSGR	Quick Start Generation Resource
RAP	Remedial Action Plan
RAS	Remedial Action Scheme
RDF	Reserve Discount Factor
REC	Renewable Energy Credit
Reg-Down	Regulation Down
Reg-Up	Regulation Up
REP	Retail Electric Provider
RID	Resource ID
RIDR	Representative IDR
RMR	Reliability Must-Run
RMS	Retail Market Subcommittee
ROS	Reliability and Operations Subcommittee
RPG	Regional Planning Group
RPP	Renewable Production Potential
RPS	Renewable Portfolio Standard
RRS	Responsive Reserve
RSASM	Reconfiguration Supplemental Ancillary Services Market

[NPRR1013: Delete the acronym “RSASM” above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

RTEP	Real-Time Energy Price
RTM	Real-Time Market
RTSWCAP	Real-Time System-Wide Offer Cap
RUC	Reliability Unit Commitment
RUCAC	Reliability Unit Commitment for Additional Capacity
SASM	Supplemental Ancillary Services Market

[NPRR1013: Delete the acronym “SASM” above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

SCADA	Supervisory Control and Data Acquisition
SCED	Security-Constrained Economic Dispatch
SCUC	Security-Constrained Unit Commitment

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SDRAMP	SCED Down Ramp Rate
SFT	Simultaneous Feasibility Test
SGIA	Standard Generation Interconnection Agreement
SMOG	Settlement Metering Operating Guide
SODESS	Settlement Only Distribution Energy Storage System
SODG	Settlement Only Distribution Generator
SOESS	Settlement Only Energy Storage System
SOG	Settlement Only Generator
SOTESS	Settlement Only Transmission Energy Storage System
SOTG	Settlement Only Transmission Generator
SOTSG	Settlement Only Transmission Self-Generator
SRR	Statewide RPS Requirement
SSCI	Subsynchronous Control Interaction
SSO	Subsynchronous Oscillation
SSR	Subsynchronous Resonance
STEC	South Texas Electric Cooperative
STLF	Short-Term Load Forecast
STPPF	Short-Term PhotoVoltaic Power Forecast
STWPF	Short-Term Wind Power Forecast
SURAMP	SCED Up Ramp Rate
SWCAP	System-Wide Offer Cap

[NPRR1013: Delete the acronym “SWCAP” above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

SWGR	Switchable Generation Resource
T&D	Transmission and Distribution
TAC	Technical Advisory Committee
TDSP	Transmission and/or Distribution Service Provider
TDTWG	Texas Data Transport Working Group
TEPPF	Total ERCOT PhotoVoltaic Power Forecast
TEWPF	Total ERCOT Wind Power Forecast
TIER	Times/Interest Earning Ratio
TGR	Transmission Generation Resource
TLF	Transmission Loss Factor
TMTP	Texas Market Test Plan
TO	Transmission Operator
TOAP	Temporary Outage Action Plan
TOU	Time Of Use
TOUS	Time Of Use Schedule
TPE	Total Potential Exposure
TSP	Transmission Service Provider
TTPT	Texas Test Plan Team
TUO	Total Usable Offset

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TWC	Texas Water Code
TX SET	Texas Standard Electronic Transaction
UDSP	Updated Desired Set Point
UFE	Unaccounted For Energy
UFLS	Under-Frequency Load Shed
URL	Unit Reactive Limit
USA	User Security Administrator
USD	United States Dollar or U.S. Dollar
UVLS	Under-Voltage Load Shed
VAr	Volt-Ampere reactive
VDI	Verbal Dispatch Instruction
VEE	Validation, Editing and Estimating
VSS	Voltage Support Service
WAN	Wide Area Network
WGR	Wind-powered Generation Resource
WGRPP	Wind-powered Generation Resource Production Potential
WMS	Wholesale Market Subcommittee
WRUC	Weekly Reliability Unit Commitment
WS	Weather Sensitive
WSIDR	Weather Sensitive IDR
WSL	Wholesale Storage Load
XML	Extensible Markup Language

11.4.3 Interval Consumption Data Estimation

- (1) ERCOT will estimate all ESI IDs with Interval Data Recorders (IDRs) for which consumption data has not been received for the Operating Day. The method for estimating interval data for ESI IDs with IDRs ~~Meters Meters~~ is a “Weather Response Informed Proxy Day” technique. This approach seeks to increase estimation accuracy by segmenting ESI IDs with IDRs ~~Meters Meters~~ into two groups based on a known indicator of Load, (i.e., weather). The classification of ESI IDs with IDRs ~~Meters Meters~~ into a ~~w~~Weather-~~s~~Sensitive (WS) group and a ~~n~~Non-~~w~~Weather-~~s~~Sensitive (NWS) group determines the proxy day method used for estimation purposes. The proxy day estimation method for each group captures the factors that best predict the ESI ID-specific Load shape for the Operating Day.
- (2) The NWS proxy day method will be used for estimating interval data for IDRs where the profile type code is BUSLRG or BUSLRGDG.
- (3) The WS proxy day method will be used for estimating interval data for IDRs where the profile type code is not BUSIDRRQ, BUSLRG, or BUSLRGDG.

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- (2) ~~The Weather Sensitive Proxy Day Method will be used for estimating interval data for ESI IDs with Advanced Meters or Municipally-Owned Utility (MOU) / Electric Cooperative (EC) Non-BUSIDRRQ IDRs.~~

11.4.3.1 ~~Weather Responsiveness Determination~~

- (1) ~~ERCOT shall perform the weather responsiveness test for all ESI IDs with IDR Meters as specified below.~~
- (2) ~~For each ESI ID with an IDR Meter, two variables shall be calculated for each Business Day on which the ESI ID is active and for which actual interval data is available during the time period (June 1st – September 30th) immediately preceding the date the test is run:~~
- (a) ~~Daily kWh; and~~
- (b) ~~Average Weather Zone daily dry bulb temperature.~~

~~**Average Weather Zone Daily Dry Bulb Temperature = ((MAX + MIN) / 2)**~~

The above variables are defined as follows:

Variable	Unit	Description
MAX		Maximum Weather Zone daily dry bulb temperature.
MIN		Minimum Weather Zone daily dry bulb temperature.

- (3) ~~For each ESI ID an R-square (Pearson Product Moment Coefficient of Determination) shall be calculated between these two variables, and all ESI IDs with R-square greater than or equal to 0.6 shall be classified as weather sensitive and all ESI IDs with an R-square less than 0.6 shall be classified as non-weather sensitive.~~
- (4) ~~The weather responsiveness determination shall be performed annually between November 1st and November 15th.~~
- (5) ~~No later than November 20th, ERCOT shall produce a report that contains the ESI IDs that require profile code modifications as a result of the weather responsiveness test. This report shall be published to Market Participants in a data extract via the Market Information System (MIS) Certified Area by November 20th.~~
- (6) ~~If an ESI ID is inactive or de-energized at the time the weather responsiveness test is performed, or if it is de-energized for 50% or more of the time period beginning June 1st and ending September 30th, it shall retain its current weather sensitivity classification and shall not be re-evaluated until the following year.~~
- (7) ~~If, for a specific ESI ID, 50% or more of the data required for the calculations described above is missing, the ESI ID shall retain its current weather sensitivity classification.~~
- (8) ~~Beginning on December 1st, and continuing monthly thereafter until May of the following year, ERCOT shall repeat the weather responsiveness test. These tests shall be limited to ESI IDs that had some missing data during the previous time period when the most recent~~

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~~weather responsiveness test was performed. As above, ERCOT shall produce a report that contains the ESI IDs requiring profile code modifications and shall publish the report via the MIS Certified Area.~~

- ~~(9) TSPs and/or DSPs shall successfully complete at least 99% of the weather sensitivity code modifications (Load Profile ID changes) no later than 90 days after the ESI ID appears on the ERCOT report. Load Profile ID changes shall be effective as of the most current meter read date.~~
- ~~(10) On a monthly basis, ERCOT shall produce a report of ESI IDs that are overdue in having their weather sensitivity codes modified by the above referenced tests.~~
- ~~(11) As a part of the Load Profile Class assignment, TSPs and/or DSPs will assign a non-weather sensitive classification to all newly installed IDR Meters and a weather sensitive classification to all Advanced Meters and MOU/EC Non-BUSIDRRQ IDRs.~~

11.4.3.2 Weather Sensitive Proxy Day Method

- (1) For ESI IDs ~~estimated~~~~designated~~ as Weather Sensitive IDR (WSIDR), ERCOT will use this ~~weather sensitive~~~~WS~~ proxy day ~~selection~~ method. ESI IDs within the same Weather Zone will be grouped together. The proxy days will be the same for all ESI IDs within each of the Weather Zones. This method incorporates the following:
 - (a) To determine eligible proxy days, select all days (of matching weekday/weekend day type and time period) within five degrees of the maximum temperature of the target Operating Day based on the previous 365 days and then limit the selection to those days that have their maximum temperatures occurring within two hours of the maximum temperature hour of occurrence of the Operating Day. The maximum temperature separation criterion provides initial assurance that the eligible day will have a similar diurnal temperature pattern as the target Settlement Operating Day.
 - (b) Perform two tests on each potential proxy day identified in item (a) above:
 - (i) Temperature magnitude test sums the squared differences between the hourly temperatures of the target Operating Day and the hourly temperatures of the potential proxy day; and
 - (ii) Temperature shape test calculates the incremental change in temperature from hour to hour during the day and sums the squared differences between the corresponding values of the target Operating Day and the potential proxy day.
 - (c) Each potential proxy day for each test described in item (b) above is ranked in ascending order based on the sum of squared differences.
 - (d) A final ranking is performed with the temperature magnitude test weighted more heavily than the shape test. The weighting factors are 70% and 30%.
 - (e) Select the top three ranked eligible days.

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- (f) For each ESI ID, do the following:
 - (i) Use the top ranked proxy day for the target Operating Day, if available;
 - (ii) If the top ranked proxy day data is not available, use the second ranked proxy day data as the estimate;
 - (iii) If the second ranked proxy day data is not available, use the third proxy day; and
 - (iv) If no data is available for any of the proxy days selected, then default to the ~~non-weather sensitive~~ NWS proxy day ~~method selection list; and (v)~~ method determination. ~~—— If still no estimate is generated when the non-weather sensitive method is used, the IDR data will be estimated using the default profile class average profile for the Operating Day.~~

11.4.3.3 Non-Weather Sensitive Proxy Day Method

- (1) For ESI IDs ~~estimated~~ designated as Non-Weather Sensitive IDR (NWSIDR), ERCOT will use ~~this NWS method for~~ proxy day ~~method determination~~. This method incorporates the following:
 - (a) Use the most recent proxy day for which data is available as the estimate for the target Operating Day. From historical ESI ID specific interval data, choose the most recent occurrence of the appropriate day of the week (Sunday, Monday, Tuesday, Wednesday, Thursday, Friday, Saturday) corresponding to the day of the week of the Operating Day (holidays are treated as Sundays) within the most recent 12 months of the Operating Day; or
 - (b) If there is no historic interval data available according to item (a) above, the IDR data will be estimated using the default profile assigned to the ESI ID for the Operating Day. If non-interval consumption data with a meter read within 12 months of the Operating Day is available, and if the ESI ID was profiled with a non-interval meter data type code within 90 days of the Operating Day, the default profile shall be estimated and/or scaled in accordance with Section 11.4.2, Non-Interval Missing Consumption Data Estimation.

ERCOT Impact Analysis Report

NPRR Number	<u>1163</u>	NPRR Title	Related to LPGRR070, Discontinuation of Interval Data Recorder (IDR) Meter Weather Sensitivity Process
Impact Analysis Date	February 14, 2023		
Estimated Cost/Budgetary Impact	None.		
Estimated Time Requirements	No project required. This Nodal Protocol Revision Request (NPRR) can take effect following implementation of Load Profiling Guide Revision Request (LPGRR) 070, Discontinuation of Interval Data Recorder (IDR) Meter Weather Sensitivity Process.		
ERCOT Staffing Impacts (across all areas)	Ongoing Requirements: No impacts to ERCOT staffing.		
ERCOT Computer System Impacts	No impacts to ERCOT computer systems.		
ERCOT Business Function Impacts	No impacts to ERCOT business functions.		
Grid Operations & Practices Impacts	No impacts to ERCOT grid operations and practices.		

Evaluation of Interim Solutions or Alternatives for a More Efficient Implementation

None offered.

Comments

There are no additional impacts to this NPRR beyond what was captured in the Impact Analysis for LPGRR070.

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NPRR Number	<u>1164</u>	NPRR Title	Black Start and Isochronous Control Capable Identification
Date of Decision	August 31, 2023		
Action	Recommended Approval		
Timeline	Normal		
Proposed Effective Date	Upon system implementation		
Priority and Rank Assigned	Priority – 2023; Rank – 3810		
Nodal Protocol Sections Requiring Revision	2.1, Definitions 3.10.7.1.3, Transmission Breakers and Switches 3.14.2, Black Start		
Related Documents Requiring Revision/Related Revision Requests	Resource Registration Glossary Revision Request (RRGRR) 033, Related to NPRR1164, Black Start and Isochronous Control Capable Identification		
Revision Description	<p>This Nodal Protocol Revision Request (NPRR) requires that Resource Entities identify whether a physical Resource has the potential capability (even if unverified) to be called upon or used during a black start emergency or if it has the capability for isochronous control, and requires that Resource Entities and Transmission Service Providers (TSPs) identify if a breaker or switch has a Synchroscope or Synchronism Check Relay. This NPRR defines the terms Black Start Capable Resource, Isochronous Control Capable Resource, Synchroscope, and Synchronism Check Relay.</p>		
Reason for Revision	<div style="display: flex; flex-direction: column; gap: 5px;"> <div><input type="checkbox"/> Addresses current operational issues.</div> <div><input type="checkbox"/> Meets Strategic goals (tied to the <u>ERCOT Strategic Plan</u> or directed by the ERCOT Board).</div> <div><input type="checkbox"/> Market efficiencies or enhancements</div> <div><input type="checkbox"/> Administrative</div> <div><input type="checkbox"/> Regulatory requirements</div> <div><input checked="" type="checkbox"/> Other: (explain) (please select all that apply)</div> </div>		

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Business Case	<p>Currently, black start training utilizes a list of units that may be black start capable, but that are not contracted Black Start Resources, and a separate list of units that are capable of isochronous control. These lists are both manually maintained and are based on knowledge and experience of ERCOT Qualified Scheduling Entities (QSEs) and Transmission Operators (TOs) over several years of black start training. Both of these capabilities have been used in some simulations of the black start training to incorporate into the training the additional challenges of the contracted Black Start Resources or cranking path to the next start unit being unavailable. In these training simulations, alternative options must be innovated to still create alternative, stable black start cranking paths or accomplish short time frame Critical Load restorations. This training technique helps to challenge operators to utilize system fundamentals as well as black start strategies and principles to accomplish objectives with critical thinking.</p> <p>There are currently no explicit requirements for identification of breakers or switches with a Synchroscope or Synchronism Check Relay. This NPRR also requires that breakers and switches identify if this equipment has these capabilities. Situational awareness of these capabilities helps to identify synchronization points and ensure that voltage, frequency, and phase angle permissives are within range to allow the closing of the breakers and switches.</p> <p>To help provide clarity and consistency of the required designations, ERCOT has proposed definitions for a Black Start Capable Resource, Isochronous Control Capable Resource, Synchroscope, and Synchronism Check Relay as well.</p> <p>By requiring this information to be maintained in the Network Operations Model and Resources Registration data, ERCOT can then integrate it with the Energy Management System (EMS) and associated simulator to ensure this designation is maintained by the Resource Entities and TSPs as capabilities change and as new physical Resources are interconnected to the ERCOT System. This will then ensure this information is maintained for use in black start training and, if needed, for situational awareness during a Blackout.</p>
PRS Decision	<p>On 3/8/23 PRS voted unanimously to table NPRR1164 and refer the issue to ROS. All Market Segments participated in the vote.</p> <p>On 7/13/23, PRS voted unanimously to recommend approval of NPRR1164 as submitted. All Market Segments participated in the vote.</p> <p>On 8/10/23, PRS voted unanimously to endorse and forward to TAC the 7/13/23 PRS Report and 2/21/23 Impact Analysis for NPRR1164</p>

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	with a recommended priority of 2023 and rank of 3810. All Market Segments participated in the vote.
Summary of PRS Discussion	<p>On 3/8/23, ERCOT Staff reviewed NPRR1164. Participants expressed concern for certifying as black start-capable untested Resources that are not offered in to provide Black Start Service (BSS); ERCOT Staff noted that Operators informally look at the information contemplated in NPRR1164 as part of black start training. Participants requested the Black Start Working Group (BSWG) review NPRR1164, and noted that an open session of BSWG may be necessary.</p> <p>On 7/13/23, participants noted the 7/7/23 ROS comments endorsing NPRR1164 as submitted.</p> <p>On 8/10/23, participants reviewed the 2/21/23 Impact Analysis and the proposed priority and rank for NPRR1164.</p>
TAC Decision	On 8/22/23, TAC voted unanimously to recommend approval of NPRR1164 as recommended by PRS in the 8/10/23 PRS Report as revised by TAC. All Market Segments participated in the vote.
Summary of TAC Discussion	On 8/22/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, Independent Market Monitor (IMM) Opinion, and Business Case for NPRR1164, and a proposed reference clarification to the definition of Black Start Capable Resource.
ERCOT Board Decision	On 8/31/23, the ERCOT Board voted unanimously to recommend approval of NPRR1164 as recommended by TAC in the 8/22/23 TAC Report.

Opinions	
Credit Review	ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1164 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.
Independent Market Monitor Opinion	IMM has no opinion on NPRR1164.
ERCOT Opinion	ERCOT supports approval of NPRR1164.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1164 and believes the market impact for NPRR1164 is improved Black Start training capabilities and, if needed, improved situational awareness during a Blackout, as lists of units that are Black Start capable and are capable of isochronous control will be maintained in the Network Operations

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	Model and Resource Registration data, and may be integrated with the ERCOT operations tools.
--	--

Sponsor	
Name	Stephen Solis
E-mail Address	Stephen.Solis@ercot.com
Company	ERCOT
Phone Number	512-248-6772
Cell Number	512-426-4721
Market Segment	Not Applicable

Market Rules Staff Contact	
Name	Brittney Albracht
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Phone Number	512-225-7027

Comments Received	
Comment Author	Comment Summary
ROS 041023	Requested PRS continue to table NPPR1164 for further review by the Network Data Support Working Group (NDSWG) and System Protection Working Group (SPWG)
Oncor 061623	Documented Oncor's understanding of the implementation plans for NPPR1164
ROS 070723	Endorsed NPPR1164 as submitted

Market Rules Notes

None

Proposed Protocol Language Revision

2.1 DEFINITIONS

Black Start Capable Resource

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A physical Resource that can start without support of the ERCOT Transmission Grid and that a Resource Entity believes can meet the Black Start capability tests in Section 8.1.1.2.1.5, System Black Start Capability Qualification and Testing, excluding the 72 hour Back-up Fuel requirement in paragraph (1)(g) ~~72 hours Back-up Fuel requirement~~.

Isochronous Control Capable Resource

A Resource that is capable of controlling frequency in isochronous control mode instead of droop control mode during a Blackout or Partial Blackout.

Synchronism Check Relay

A relay that electrically determines if the difference in voltage magnitude, frequency and phase angle falls within allowable limits for a breaker or switch to close. The Synchronism Check Relay will either allow or prevent closing depending on its settings.

Synchroscope

A piece of equipment that is used to monitor voltage waveforms from the two sides of an open circuit breaker or disconnect switch to ensure that the voltage magnitude, frequency, and phase angle are close enough to close the breaker or switch.

3.10.7.1.3 *Transmission Breakers and Switches*

- (1) ERCOT's Network Operations Model must include all transmission breakers and switches, the operation of which may cause a change in the flow on transmission lines or Electrical Buses. Breakers and switches may only be connected to defined Electrical Buses.
- (2) Each TSP and Resource Entity shall provide ERCOT with the following information, subject to the naming conventions in Section 3.10.7.1, Modeling of Transmission Elements and Parameters:

[NPRR857: Replace paragraph (2) above with the following upon system implementation and satisfying the following conditions: (1) Southern Cross provides ERCOT with funds to cover the entire estimated cost of the project; and (2) Southern Cross has signed an interconnection agreement with a TSP and the TSP gives ERCOT written notice that Southern Cross has provided it with: (a) Notice to proceed with the construction of the interconnection; and (b) The financial security required to fund the interconnection facilities:]

- (2) Each TSP, DCTO, and Resource Entity shall provide ERCOT with the following information, subject to the naming conventions in Section 3.10.7.1, Modeling of Transmission Elements and Parameters:

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- (a) Equipment owner(s);
- (b) Equipment operator(s);
- (c) The Transmission Element name;
- (d) The substation name;
- (e) Connectivity;
- (f) Normal status;
- (g) Synchronism ~~C~~eheck ~~R~~elay phase angle limits that are applied to operator-initiated, non-automated control actions of TSP-owned transmission breakers; and

[NPRR857: Replace item (g) above with the following upon system implementation and satisfying the following conditions: (1) Southern Cross provides ERCOT with funds to cover the entire estimated cost of the project; and (2) Southern Cross has signed an interconnection agreement with a TSP and the TSP gives ERCOT written notice that Southern Cross has provided it with: (a) Notice to proceed with the construction of the interconnection; and (b) The financial security required to fund the interconnection facilities:]

- (g) Synchronism ~~C~~eheck ~~R~~elay phase angle limits that are applied to operator-initiated, non-automated control actions of TSP-owned or DCTO-owned transmission breakers; and

- (h) Other data necessary to model Transmission Element(s).
- (3) ERCOT shall develop methods to accurately model changes in transmission line loading resulting from Load rollover schemes transferring more than ten MW. This may include modeling distribution circuit breakers, dead line sensing, or other methods that signal when the Load should be transferred from one transmission line to another transmission line. ERCOT may employ heuristic rule sets for all manual Load transfers and for automated transfers where feasible. ERCOT application software is required to model the effects of automatic or manual schemes in the field transfer Load under line outage conditions. Each TSP and as applicable, Resource Entity, shall define the Load rollover schemes under Section 3.10.7.2, Modeling of Resources and Transmission Loads, and furnish this information to ERCOT. Transmission field (right-of-way) switches must be connected to a named Electrical Bus and be included in the Network Operations Model.

[NPRR857: Replace paragraph (3) above with the following upon system implementation and satisfying the following conditions: (1) Southern Cross provides ERCOT with funds to cover the entire estimated cost of the project; and (2) Southern Cross has signed an interconnection agreement with a TSP and the TSP gives ERCOT written notice that Southern Cross has provided it with: (a) Notice to proceed with the construction of the

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interconnection; and (b) The financial security required to fund the interconnection facilities:]

- (3) ERCOT shall develop methods to accurately model changes in transmission line loading resulting from Load rollover schemes transferring more than ten MW. This may include modeling distribution circuit breakers, dead line sensing, or other methods that signal when the Load should be transferred from one transmission line to another transmission line. ERCOT may employ heuristic rule sets for all manual Load transfers and for automated transfers where feasible. ERCOT application software is required to model the effects of automatic or manual schemes in the field transfer Load under line outage conditions. Each TSP and as applicable, each DCTO and Resource Entity, shall define the Load rollover schemes under Section 3.10.7.2, Modeling of Resources and Transmission Loads, and furnish this information to ERCOT. Transmission field (right-of-way) switches must be connected to a named Electrical Bus and be included in the Network Operations Model.

3.14.2 Black Start

- (1) Each Generation Resource providing BSS must meet the requirements specified in North American Electric Reliability Corporation (NERC) Reliability Standards and the Operating Guides.
- (2) Each Generation Resource providing BSS must meet the technical requirements specified in Section 8.1.1, QSE Ancillary Service Performance Standards, and Section 8.1.1.1, Ancillary Service Qualification and Testing.
- (3) Bids for BSS are due on or before February 15th of each three-year period. Bids must be evaluated based on evaluation criteria attached as an appendix to the request for bids and contracted by December 31st for the following three-year period. ERCOT shall ensure BSSs are arranged, provided, and deployed as necessary to reenergize the ERCOT System following a Blackout or Partial Blackout.
 - (a) Resources shall disclose any weather-related limitations that could affect the Resource's ability to provide BSS using the form provided in Section 22, Attachment M, Generation Resource Disclosure Regarding Bids for Black Start Service, as part of a bid to provide BSS.
 - (b) BSS bids shall include the hourly stand-by price and the BSS Back-up Fuel costs where applicable.
 - (c) When a Resource is selected to provide BSS, the Black Start Resource shall be required to complete all applicable testing requirements as specified in Section 8.1.1.2.1.5, System Black Start Capability Qualification and Testing.
 - (d) ERCOT shall provide a list of all prospective Black Start Resources that responded to the RFP for BSS to the impacted TSPs no later than seven days after

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the date on which bids for BSS are due. Any feedback from affected TSPs shall be limited to the identification of transmission constraints that may adversely impact the ability of the Black Start Resource to energize the Next Start Resource and shall be due to ERCOT by March 1st of that year. ERCOT shall share the feedback with the QSE representing the prospective Black Start Resource as soon as practicable. The QSE representing the Black Start Resource shall have the option to provide a response to any feedback provided by an affected TSP.

- (4) ERCOT may schedule unannounced Black Start testing, to verify that BSS is operable as specified in Section 8.1.1.2.1.5.
- (5) QSEs representing Generation Resources contracting for BSSs shall participate in training and restoration drills coordinated by ERCOT.
- (6) ERCOT shall periodically determine and review the location and number of Black Start Resources required, as well as any special transmission or voice communication needs required. ERCOT and providers of this service shall meet the requirements as specified in the Operating Guides and in NERC Reliability Standards.
- (7) A Resource Entity representing a Black Start Resource may request that an alternate Generation Resource which is connected to the same black start primary and secondary cranking path as the original Black Start Resource be substituted in place of the original Black Start Resource during the three year term of an executed Standard Form Black Start Agreement (Section 22, Attachment D, Standard Form Black Start Agreement) if the alternate Generation Resource meets testing and verification under established qualification criteria to ensure BSS.
 - (a) ERCOT, in its sole discretion, may reject a Resource Entity's request for an alternate Generation Resource and will provide the Resource Entity an explanation of such rejection.
 - (b) If ERCOT accepts the alternative Generation Resource as the substituted Black Start Resource, such acceptance shall not affect the original terms, conditions and obligations of the Resource Entity under the Standard Form Black Start Agreement. The Resource Entity shall submit to ERCOT an Amendment to Standard Form Black Start Agreement (Section 22, Attachment I, Amendment to Standard Form Black Start Agreement) after qualification criteria has been met.
- (8) For the purpose of the Black Start Hourly Standby Fee as described in Section 6.6.8.1, Black Start Hourly Standby Fee Payment, the Black Start Service Availability Reduction Factor shall be determined by using the availability for the original Black Start Resource and any substituted Black Start Resource(s), as appropriate for the rolling 4380-hour period of the evaluation.
- (9) Each Generation Resource selected to provide BSS shall be prepared and able to provide BSS at any time as may be required by ERCOT, subject only to the limitations described in ERCOT Protocols or the Black Start Agreement.

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- (10) Each Generation Resource selected to provide BSS shall be able to utilize BSS Back-up Fuel for BSS and shall maintain a contracted amount of BSS Back-up Fuel to run the Black Start Resource for a minimum of 72 hours at its maximum output. The Generation Resource shall maintain the contracted amount of BSS Back-up Fuel at all times during the duration of the BSS contract term unless performing a BSS Back-up Fuel Switching Test or the Generation Resource is operating pursuant to a Black Start deployment event. This requirement does not apply to Resources that do not rely on purchased fuel.
- (11) A Black Start Resource may utilize the contracted amount of BSS Back-up Fuel outside of BSS if ERCOT determines it is necessary during an Energy Emergency Alert (EEA) event.
- (12) A Black Start Resource is not obligated to contract its full on site fuel storage capability for BSS Back-up Fuel. On site backup fuel in excess of the contracted BSS Back-up Fuel amount may be used by the Generation Resource at the discretion of the Generation Resource and ERCOT shall not prevent the Black Start Resource from utilizing the excess fuel, nor shall the Black Start Resource be required to request permission from ERCOT to utilize fuel in excess of the contracted BSS Back-up Fuel amount.
- (13) ERCOT may, at its discretion, waive the BSS Back-up Fuel requirement stated in this Section, in whole or in part, if ERCOT deems necessary in order to procure a sufficient number or preferred combination of Generation Resources to provide BSS.
- (14) A Resource Entity that submits a bid or is contracted to provide BSS or serve as an alternate to provide BSS with a Switchable Generation Resource (SWGR):
 - (a) Shall not nominate the SWGR to satisfy supply adequacy or capacity planning requirements in any Control Area other than the ERCOT Region during the term of the BSS contract;
 - (b) Shall submit a report to ERCOT in compliance with paragraph (2) of Section 16.5.4, Maintaining and Updating Resource Entity Information, indicating that the SWGR does not have any contractual requirement in a non-ERCOT Control Area during the term of the BSS contract; and
 - (c) Shall take any further action requested by ERCOT to ensure that ERCOT will be classified as the “Primary Party” for the SWGR under any agreement between ERCOT and another Control Area Operator during the term of the BSS contract.
- (15) If a Resource Entity with a SWGR is contracted to provide BSS or designated as an alternate to provide BSS, the Resource Entity shall have its Black Start plan procedures approved by ERCOT. In the event of a Partial Blackout or Blackout of the ERCOT System, the Resource Entity with a SWGR shall immediately:
 - (a) Effectuate its Black Start plan procedures to be available to provide BSS; and
 - (b) Provide BSS as directed by ERCOT or the local Transmission Operator (TO).

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- (16) Each Resource Entity shall identify in its Resources Registration data if its Resource is a Black Start Capable Resource and an Isochronous Control Capable Resource.
- (17) Each Resource Entity and each TSP shall identify in the Network Operations Model if a modeled breaker or switch it operates or directs the operation of has a Synchroscope and a Synchronism Check Relay associated with the breaker or switch.

ERCOT Impact Analysis Report

NPRR Number	<u>1164</u>	NPRR Title	Black Start and Isochronous Control Capable Identification
Impact Analysis Date	February 21, 2023		
Estimated Cost/Budgetary Impact	Between \$75k and \$125k		
Estimated Time Requirements	<p>The timeline for implementing this Nodal Protocol Revision Request (NPRR) is dependent upon Public Utility Commission of Texas (PUCT) prioritization and approval.</p> <p>Estimated project duration: 6 to 9 months</p>		
ERCOT Staffing Impacts (across all areas)	<p>Implementation Labor: 100% ERCOT; 0% Vendor</p> <p>Ongoing Requirements: No impacts to ERCOT staffing.</p>		
ERCOT Computer System Impacts	<p>The following ERCOT systems would be impacted:</p> <ul style="list-style-type: none"> • Grid Modeling Systems 46% • Energy Management Systems 38% • Resource Integration and Ongoing Operations (RIOO) 8% • Data Management & Analytic Systems 8% 		
ERCOT Business Function Impacts	ERCOT will update its business processes to implement this NPRR.		
Grid Operations & Practices Impacts	No impacts to ERCOT grid operations and practices.		

Evaluation of Interim Solutions or Alternatives for a More Efficient Implementation

None offered.

Comments

None.

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NPRR Number	<u>1165</u>	NPRR Title	Revisions to Requirements of Providing Audited Financial Statements and Providing Independent Amount
Date of Decision	August 31, 2023		
Action	Recommended Approval		
Timeline	Normal		
Proposed Effective Date	Upon system implementation		
Priority and Rank Assigned	Priority – 2023; Rank – 3800		
Nodal Protocol Sections Requiring Revision	16.2.1, Criteria for Qualification as a Qualified Scheduling Entity 16.11, Financial Security for Counter-Parties 16.11.5, Monitoring of a Counter-Party's Creditworthiness and Credit Exposure by ERCOT 16.11.8, Conversion of Letters of Credit and Surety Bonds to Cash Collateral 16.16.1, Counter-Party Criteria 16.16.2, Annual Certification 16.16.3, Verification of Risk Management Framework 16.17, Exemption for Qualified Scheduling Entities Participating Only in Emergency Response Service 22, Attachment J, Annual Certification Form to Meet ERCOT Additional Minimum Participation Requirements		
Related Documents Requiring Revision/Related Revision Requests	Guarantee Agreement (being repealed) Credit Application		
Revision Description	<p>This Nodal Protocol Revision Request (NPRR) strengthens ERCOT's market entry eligibility and continued participation requirements for ERCOT Counter-Parties (i.e., Qualified Scheduling Entities (QSEs) and Congestion Revenue Right (CRR) Account Holders). Specific changes include:</p> <ul style="list-style-type: none"> • Removing minimum capitalization requirements; • Requiring all ERCOT Counter-Parties to post Independent Amounts; • Removing references to guarantors; • Clarifying the requirement for financial statements; and 		

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	<ul style="list-style-type: none"> Referencing International Financial Reporting Standards (IFRS) rather than retired International Accounting Standards (IAS).
Reason for Revision	<p><input type="checkbox"/> Addresses current operational issues.</p> <p><input type="checkbox"/> Meets Strategic goals (tied to the <u>ERCOT Strategic Plan</u> or directed by the ERCOT Board).</p> <p><input checked="" type="checkbox"/> Market efficiencies or enhancements</p> <p><input type="checkbox"/> Administrative</p> <p><input type="checkbox"/> Regulatory requirements</p> <p><input type="checkbox"/> Other: (explain) (please select all that apply)</p>
Business Case	<p>NPRR1112, Elimination of Unsecured Credit Limits, eliminates unsecured credit extended to ERCOT Counter-Parties effective October 1, 2023.</p> <p>The Protocols currently allow Counter-Parties to avoid posting Independent Amounts based on their own financial statements. A Counter-Party may also avoid posting the Independent Amount by providing its parent's or a third-party's financial statements. This is accomplished by posting a Guarantee Agreement with a face-value of a nominal amount (generally, \$5,000).</p> <p>Allowing Counter-Parties to avoid paying the Independent Amount is inconsistent with the policy underlying NPRR1112, which eliminated unsecured credit. Under the proposed revision, all Counter-Parties will be required to post an Independent Amount, which further protects ERCOT marketplace from potential losses.</p> <p>Additionally, financial statements of a non-parent company do not provide useful information to ERCOT in evaluating the financial condition of Counter-Parties. However, it is beneficial for ERCOT to be able to review financial statements of either the Counter-Party or its Ultimate Parent. This NPRR clarifies that financial statements of either the Counter-Party or its Ultimate Parent are required by ERCOT, and adds a definition of Ultimate Parent to be "an Entity that is not controlled by any other Entity."</p>
PRS Decision	<p>On 4/13/23, PRS voted unanimously to table NPRR1165 and refer the issue to the Credit Finance Sub Group (CFSG). All Market Segments participated in the vote.</p> <p>On 6/14/23, PRS voted to recommend approval of NPRR1165 as amended by the 4/28/23 ERCOT comments. There was one</p>

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	<p>opposing vote from the Municipal (CPS Energy) Market Segment. All Market Segments participated in the vote.</p> <p>On 7/13/23, PRS voted to endorse and forward to TAC the 6/14/23 PRS Report and 2/23/23 Impact Analysis for NPRR1165 with a recommended priority of 2023 and rank of 3800. There were three abstentions from the Independent Generator (Eolian) and Municipal (2) (CPS Energy, GEUS) Market Segments. All Market Segments participated in the vote.</p>
Summary of PRS Discussion	<p>On 4/13/23, ERCOT Staff provided an overview of NPRR1165.</p> <p>On 6/14/23, participants reviewed the 4/28/23 ERCOT comments, the 5/23/23 CFSG comments, and ERCOT Staff reviewed the purpose of NPRR1165.</p> <p>On 7/13/23, there was no discussion</p>
TAC Decision	<p>On 7/25/23, TAC voted to recommend approval of NPRR1165 as recommended by PRS in the 7/13/23 PRS Report. There was one opposing vote from the Municipal (CPS Energy) Market Segment. All Market Segments participated in the vote.</p>
Summary of TAC Discussion	<p>On 7/25/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, and Independent Market Monitor (IMM) Opinion for NPRR1165.</p>
ERCOT Board Decision	<p>On 8/31/23, the ERCOT Board voted unanimously to recommend approval of NPRR1165 as recommended by TAC in the 7/25/23 TAC Report.</p>

Opinions	
Credit Review	See 6/26/23 CFSG Comments
Independent Market Monitor Opinion	IMM has no opinion on NPRR1165.
ERCOT Opinion	ERCOT supports approval of NPRR1165.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1165 and believes the market impact for NPRR1165 strengthens ERCOT's market entry eligibility and continued participation requirements for ERCOT Counter-Parties (i.e., QSEs and CRR Account Holders).

Sponsor	
Name	Katherine Gross / Sanchir Dashnyam

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Market Segment	Not applicable

Market Rules Staff Contact	
Name	Cory Phillips
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Comments Received	
Comment Author	Comment Summary
DC Energy 032423	Proposed revisions to the definition of "Ultimate Parent"
ERCOT 042823	Proposed additional revisions to the 3/24/23 DC Energy comments to remove the phrase "fully consolidating" from the term, "Ultimate Parent"
CFSG 052323	Endorsed NPRR1165 as amended by the 4/28/23 ERCOT comments
CFSG 062623	Noted NPRR1165 has positive credit impacts

Market Rules Notes

Please note that the following NPRR(s) also propose revisions to the following section(s):

- NPRR1150, Related to NOGRR230, WAN Participant Security
 - Section 16.2.1
- NPRR1162, Single Agent Designation for a QSE and its Sub-QSEs for Voice Communications over the ERCOT WAN
 - Section 16.2.1
- NPRR1175, Revisions to Market Entry Financial Qualifications and Continued Participation Requirements
 - Section 16.2.1

Proposed Protocol Language Revision
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16.2.1 *Criteria for Qualification as a Qualified Scheduling Entity*

Commented [CP1]: Please note NPRRs 1150, 1162, and 1175 also propose revisions to this section.

- (1) To become and remain a Qualified Scheduling Entity (QSE), an Entity must meet the following requirements:
 - (a) Submit a properly completed QSE application for qualification, including any applicable fee, necessary disclosures, and designation of Authorized Representatives, each of whom is responsible for administrative communications with the QSE and each of whom has enough authority to commit and bind the QSE and the Entities it represents;
 - (b) Sign a Standard Form Market Participant Agreement;
 - (c) Sign any required Agreements relating to use of the ERCOT network, software, and systems;
 - (d) Demonstrate to ERCOT's reasonable satisfaction that the Entity is capable of performing the functions of a QSE;
 - (e) Demonstrate to ERCOT's reasonable satisfaction that the Entity is capable of complying with the requirements of all ERCOT Protocols and Operating Guides;
 - (f) Satisfy ERCOT's creditworthiness ~~and capitalization~~ requirements as set forth in this Section, unless exempted from these requirements by Section 16.17, Exemption for Qualified Scheduling Entities Participating Only in Emergency Response Service;
 - (g) Be generally able to pay its debts as they come due. ERCOT may request evidence of compliance with this qualification only if ERCOT reasonably believes that a QSE is failing to comply with it;
 - (h) Provide all necessary bank account information and arrange for Fedwire system transfers for two-way confirmation;
 - (i) Be financially responsible for payment of Settlement charges for those Entities it represents under these Protocols;
 - (j) Comply with the backup plan requirements in the Operating Guides;
 - (k) Maintain a 24-hour, seven-day-per-week scheduling center with qualified personnel for the purposes of communicating with ERCOT relating to Day-Ahead and Operating Day exchange of market and operational obligations in representing Load, Resources, and market positions. Those personnel must be responsible for operational communications and must have sufficient authority to commit and bind the QSE and the Entities that it represents. This requirement applies to QSE Level 2, 3, and 4, as defined in Section 2.1, Definitions;
 - (l) Maintain a scheduling center for the hours of 0900 to 1700 Central Prevailing Time (CPT) on Business Days with qualified personnel for the purposes of

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communicating with ERCOT relating to Day-Ahead and Operating Day exchange of market and operational obligations in representing Load, Resources, and market positions. Those personnel must be responsible for operational communications and must have sufficient authority to commit and bind the QSE and the Entities that it represents. This requirement applies to QSE Level 1, as defined in Section 2.1;

- (m) Demonstrate and maintain a working functional interface with all required ERCOT computer systems; and
 - (n) Allow ERCOT, upon reasonable notice, to conduct a site visit to verify information provided by the QSE.
- (2) If a QSE chooses to use Electronic Data Interchange (EDI) transactions to receive Settlement Statements and Invoices, it must participate in and successfully complete testing as described in Section 19.8, Retail Market Testing, before starting operations with ERCOT as a QSE.
- (3) A QSE or QSE applicant must be able to demonstrate to ERCOT's reasonable satisfaction that none of its Principals were or are Principals of any Entity with an outstanding payment obligation that remains owing to ERCOT under any Agreement or these Protocols. For purposes of this Section, ERCOT will only consider disqualifying those Principals of the QSE or QSE applicant who were Principals of the other Entity at a time during which the unpaid financial obligation remained owing to ERCOT or during the 120-day period prior to the date on which the unpaid financial obligation first became due and owing to ERCOT.
- (4) If any of a QSE's or QSE applicant's Principals were or are Principals of a terminated Market Participant with an obligation for Default Uplift Ratio Share allocated under Section 9.19.1, Default Uplift Invoices, the terminated Market Participant must be current on all payment obligations for Default Uplift Invoices in order for the QSE to remain, or QSE applicant to become, a registered QSE. For purposes of this Section, ERCOT will only consider as disqualifying those Principals of the QSE or QSE applicant who were Principals of the other Entity at a time during which the other Entity was not current on its payment obligation for Default Uplift Invoices or 120 days prior to the date the other Entity first failed to pay a Default Uplift Invoice.
- (5) A QSE shall promptly notify ERCOT of any change that a reasonable examiner may deem material to the QSE's ability to continue to meet the requirements set forth in this Section, and any material change in the information provided by the QSE to ERCOT that may adversely affect the reliability or safety of the ERCOT System or the financial security of ERCOT. This includes any changes in the Principals of the QSE. If the QSE fails to so notify ERCOT of such change within two Business Days after becoming aware of the change, then ERCOT may, after providing notice to each Entity represented by the QSE, refuse to allow the QSE to perform as a QSE and take any other action ERCOT deems appropriate, in its sole discretion, to prevent ERCOT or Market Participants from

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bearing potential or actual risks, financial or otherwise, arising from those changes, and in accordance with these Protocols.

- (6) Subject to the following provisions of this paragraph, a QSE may partition itself into any number of subordinate QSEs (“Subordinate QSEs”). If a single Entity requests to partition itself into more than four Subordinate QSEs, ERCOT may implement the request subject to ERCOT’s reasonable determination that the additional requested Subordinate QSEs will not be likely to overburden ERCOT’s staffing or systems. ERCOT shall adopt an implementation plan allowing phased-in registration for these additional Subordinate QSEs in order to mitigate system or staffing impacts. However, ERCOT may not unreasonably delay that registration.
- (7) Each Subordinate QSE must be treated as an individual QSE for all purposes including communications and control functions except for liability, financial security, and financial liability requirements under this Section. That liability, financial security, and financial liability is cumulative for all Subordinate QSEs for the single Entity signing the QSE Agreement.
- (8) Continued qualification as a QSE is contingent upon compliance with all applicable requirements in these Protocols. ERCOT may suspend a QSE’s rights as a Market Participant when ERCOT reasonably determines that it is an appropriate remedy for the Entity’s failure to satisfy any applicable requirement.
- (9) Each QSE, or its designated QSE agent, representing one or more Resources shall be connected to the ERCOT Wide Area Network (WAN) and maintain 24-hour, seven-day-per-week operations and Hotline communications with ERCOT. Each QSE representing one or more Resources shall answer each QSE Hotline call.

16.11 Financial Security for Counter-Parties

- (1) The term “Financial Security” in this Section means the collateral amount posted with ERCOT in any of the forms listed in Section 16.11.3, Alternative Means of Satisfying ERCOT Creditworthiness Requirements.
- (2) The term “Secured Collateral” in this Section means the collateral posted by a Counter-Party with ERCOT in the form of an unconditional, irrevocable letter of credit, a surety bond naming ERCOT as the beneficiary, or cash.

[NPRR1112: Delete paragraph (2) above upon system implementation and October 1, 2023, and renumber accordingly.]

- (3) The term “Remainder Collateral” in this Section means the Secured Collateral minus Total Potential Exposure Secured (TPES) minus Net Positive Exposure of approved Congestion Revenue Right (CRR) Bilateral Trades minus Available Credit Limit (ACL) locked for CRR Auction, calculated in accordance with paragraph (3) of Section 16.11.4.6.1, Credit Requirements for CRR Auction Participation.

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[NPRR1112: Replace paragraph (3) above with the following upon system implementation and October 1, 2023:]

- (2) The term “Remainder Collateral” in this Section means the Financial Security minus Total Potential Exposure Secured (TPES) minus Net Positive Exposure of approved Congestion Revenue Right (CRR) Bilateral Trades minus Available Credit Limit (ACL) locked for CRR Auction, calculated in accordance with paragraph (3) of Section 16.11.4.6.1, Credit Requirements for CRR Auction Participation.

- (4) The term “Ultimate Parent” in this Section is defined as the most distant fully consolidating parent that prepares consolidated financial statements within the hierarchical ownership structure~~refers to an Entity that is not controlled by any other Entity.~~

16.11.5 Monitoring of a Counter-Party’s Creditworthiness and Credit Exposure by ERCOT

- (1) ERCOT shall monitor the creditworthiness and credit exposure of each Counter-Party ~~or its guarantor, if any.~~ To enable ERCOT to monitor creditworthiness, each Counter-Party shall provide to ERCOT:
- (a) Its own or its Ultimate Parent~~guarantor~~’s quarterly (semi-annually, if the Ultimate Parent~~guarantor~~ is foreign and rated by a rating agency acceptable to ERCOT) unaudited financial statements not later than 60 days (90 days if the Ultimate Parent~~guarantor~~ is foreign and rated by a rating agency acceptable to ERCOT) after the close of each of the issuer’s fiscal quarters; if an issuer’s financial statements are publicly available electronically and the issuer provides to ERCOT sufficient information to access those financial statements, then the issuer is considered to have met this requirement.
 - (b) Its own or its Ultimate Parent~~guarantor~~’s annual audited financial statements not later than 120 days after the close of each of the issuer’s fiscal year; if an issuer’s financial statements are publicly available electronically and the issuer provides to ERCOT sufficient information to access those financial statements, then the issuer is considered to have met this requirement. ERCOT may extend the period for providing interim unaudited or annual audited statements on a case-by-case basis. Annual audited financial statements must be prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) or Financial Reporting Standards (IFRS)~~International Accounting Standards (IAS).~~
 - (c) For paragraphs (a) and (b) above, financial statements shall include the Counter-Party’s or its Ultimate Parent~~guarantor~~’s:
 - (i) Statement of Financial Position (balance sheet) as of the applicable quarterly or annual ending date;
 - (ii) Statement of Income (or Profit and Loss); and

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- (iii) Statement of Cash Flows.
 - (d) Notice of a material change. A Counter-Party that has been granted an Unsecured Credit Limit pursuant to Section 16.11.2, Requirements for Setting a Counter-Party's Unsecured Credit Limit, shall inform ERCOT within one Business Day if it has experienced a material change in its operations, financial condition or prospects that might adversely affect the Counter-Party and require a revision to its Unsecured Credit Limit. ERCOT may require the Counter-Party to meet one of the credit requirements of Section 16.11.3, Alternative Means of Satisfying ERCOT Creditworthiness Requirements.
- (2) A Counter-Party is responsible at all times for maintaining:
- (a) Secured Collateral in an amount equal to or greater than that Counter-Party's
 - (i) TPES; plus
 - (ii) Net Positive Exposure of approved CRR Bilateral Trades; plus
 - (iii) ACL locked for CRR Auction, if any; and
 - (b) Remainder Collateral plus Financial Security defined as guarantees in paragraph (a) of Section 16.11.3 in an amount equal to or greater than that Counter-Party's
 - (i) TPEA; minus
 - (ii) Unsecured Credit Limit.
- (3) ERCOT shall promptly notify each Counter-Party of the need to increase its Financial Security, including whether Secured Collateral must be provided, and allow the Counter-Party time, as defined in paragraph (6)(a) below, to provide additional Financial Security to maintain compliance with this Section.
- (4) When either the Counter-Party's TPEA or TPES as defined in Section 16.11.4, Determination and Monitoring of Counter-Party Credit Exposure, reaches 90% of its requirement, ERCOT shall use reasonable efforts to electronically issue a warning to the Counter-Party's Authorized Representative and credit contact advising the Counter-Party that it should consider increasing its Financial Security. However, failure to issue that warning does not prevent ERCOT from exercising any of its other rights under this Section.
- (5) ERCOT may suspend a Counter-Party when:
- (a) That Counter-Party's TPES as defined in Section 16.11.4, equals or exceeds 100% of its Secured Collateral; or
 - (b) That Counter-Party's TPEA as defined in Section 16.11.4 equals or exceeds 100% of the sum of its Unsecured Credit Limit and its Remainder Collateral.

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The Counter-Party is responsible at all times for managing its activity within both its TPEA and its TPES or increasing its Financial Security to avoid reaching its limits. Any failure by ERCOT to send a Notice as set forth in this Section does not relieve the Counter-Party from the obligation to maintain appropriate Financial Security in amounts equal to or greater than that Counter-Party's TPES and TPEA as defined in Section 16.11.4.

- (6) To the extent that a Counter-Party fails to maintain Secured Collateral in amounts equal to or greater than its TPES or Remainder Collateral in amounts equal to or greater than its TPEA, each as defined in Section 16.11.4:
 - (a) ERCOT shall promptly notify the Counter-Party of the amount by which its Financial Security must be increased, including whether Secured Collateral must be provided and allow it:
 - (i) Until 1500 on the second Bank Business Day from the date on which ERCOT delivered the Notice to increase its Financial Security if ERCOT delivered its Notice before 1500; or
 - (ii) Until 1700 on the second Bank Business Day from the date on which ERCOT delivered Notification to increase its Financial Security if ERCOT delivered its Notice after 1500 but prior to 1700.

ERCOT shall notify the QSE's Authorized Representative(s) and Credit Contact if it has not received the required security by 1530 on the Bank Business Day on which the security was due; however, failure to notify the Counter-Party's representatives or contact that the required security was not received does not prevent ERCOT from exercising any of its other rights under this Section.

- (b) At the same time ERCOT notifies the Counter-Party that is the QSE, ERCOT may notify each LSE and Resource represented by the Counter-Party that the LSE or Resource may be required to designate a new QSE if its current QSE fails to increase its Financial Security.
- (c) ERCOT is not required to make any payment to that Counter-Party unless and until the Counter-Party increases its Financial Security, including any Secured Collateral required. The payments that ERCOT will not make to a Counter-Party include Invoice receipts, CRR revenues, CRR credits, reimbursements for short payments, and any other reimbursements or credits under any other agreement between the Market Participant and ERCOT. ERCOT may retain all such amounts until the Counter-Party has fully discharged all payment obligations owed to ERCOT under the Counter-Party Agreement, other agreements, and these Protocols.
- (d) ERCOT may reject any bids or offers in a CRR Auction from the Counter-Party until it has increased its Financial Security, including any Secured Collateral required. ERCOT may reject any bids or offers from the Counter-Party in the DAM until it has increased its Financial Security.

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- (7) If a Counter-Party increases its Financial Security as required by ERCOT by the deadline in paragraph (6)(a) above, then ERCOT may notify each LSE and Resource represented by the Counter-Party.
- (8) If a Counter-Party increases its Financial Security as required by ERCOT by the deadline in paragraph (6)(a) above, then ERCOT shall release any payments held.

[NPRR1112: Replace Section 16.11.5 above with the following upon system implementation and October 1, 2023:]

16.11.5 Monitoring of a Counter-Party's Creditworthiness and Credit Exposure by ERCOT

- (1) ERCOT shall monitor the creditworthiness and credit exposure of each Counter-Party ~~or its guarantor, if any.~~ To enable ERCOT to monitor creditworthiness, each Counter-Party shall provide to ERCOT:
- (a) Its own or its ~~Ultimate Parent~~~~guarantor~~'s quarterly (semi-annually, if the ~~Ultimate Parent~~~~guarantor~~ is foreign and rated by a rating agency acceptable to ERCOT) unaudited financial statements not later than 60 days (90 days if the ~~Ultimate Parent~~~~guarantor~~ is foreign and rated by a rating agency acceptable to ERCOT) after the close of each of the issuer's fiscal quarters; if an issuer's financial statements are publicly available electronically and the issuer provides to ERCOT sufficient information to access those financial statements, then the issuer is considered to have met this requirement.
 - (b) Its own or its ~~Ultimate Parent~~~~guarantor~~'s annual audited financial statements not later than 120 days after the close of each of the issuer's fiscal year; if an issuer's financial statements are publicly available electronically and the issuer provides to ERCOT sufficient information to access those financial statements, then the issuer is considered to have met this requirement. ERCOT may extend the period for providing interim unaudited or annual audited statements on a case-by-case basis. Annual audited financial statements must be prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) or ~~International Accounting Standards (IAS)~~Financial Reporting Standards (IFRS).
 - (c) For paragraphs (a) and (b) above, financial statements shall include the Counter-Party's or its ~~Ultimate Parent~~~~guarantor~~'s:
 - (i) Statement of Financial Position (balance sheet) as of the applicable quarterly or annual ending date;
 - (ii) Statement of Income (or Profit and Loss); and
 - (iii) Statement of Cash Flows.

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(d) Notice of a material change. A Counter-Party shall inform ERCOT within one Business Day if it has experienced a material change in its operations, financial condition or prospects that might adversely affect the Counter-Party.

~~(e) Any guarantor of a Counter-Party that submits its own financial statements pursuant to this section must provide a guarantee in one of the standard form documents approved by the ERCOT Board of Directors and be approved by ERCOT. No modifications of such forms are permitted.~~

(2) A Counter-Party is responsible at all times for maintaining:

(a) Financial Security in an amount equal to or greater than that Counter-Party's

(i) TPES; plus

(ii) Net Positive Exposure of approved CRR Bilateral Trades; plus

(iii) ACL locked for CRR Auction, if any; and

(b) Remainder Collateral in an amount equal to or greater than that Counter-Party's TPEA.

(3) ERCOT shall promptly notify each Counter-Party of the need to increase its Financial Security and allow the Counter-Party time, as defined in paragraph (6)(a) below, to provide additional Financial Security to maintain compliance with this Section.

(4) When either the Counter-Party's TPEA or TPES as defined in Section 16.11.4, Determination and Monitoring of Counter-Party Credit Exposure, reaches 90% of its requirement, ERCOT shall use reasonable efforts to electronically issue a warning to the Counter-Party's Authorized Representative and credit contact advising the Counter-Party that it should consider increasing its Financial Security. However, failure to issue that warning does not prevent ERCOT from exercising any of its other rights under this Section.

(5) ERCOT may suspend a Counter-Party when:

(a) That Counter-Party's TPES as defined in Section 16.11.4, equals or exceeds 100% of its Financial Security; or

(b) That Counter-Party's TPEA as defined in Section 16.11.4 equals or exceeds 100% of its Remainder Collateral.

The Counter-Party is responsible at all times for managing its activity within both its TPEA and its TPES or increasing its Financial Security to avoid reaching its limits. Any failure by ERCOT to send a Notice as set forth in this Section does not relieve the Counter-Party from the obligation to maintain appropriate Financial Security in

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amounts equal to or greater than that Counter-Party's TPES and TPEA as defined in Section 16.11.4.

- (6) To the extent that a Counter-Party fails to maintain Financial Security in amounts equal to or greater than its TPES or Remainder Collateral in amounts equal to or greater than its TPEA, each as defined in Section 16.11.4:

- (a) ERCOT shall promptly notify the Counter-Party of the amount by which its Financial Security must be increased and allow it:
 - (i) Until 1500 on the second Bank Business Day from the date on which ERCOT delivered the Notice to increase its Financial Security if ERCOT delivered its Notice before 1500; or
 - (ii) Until 1700 on the second Bank Business Day from the date on which ERCOT delivered Notification to increase its Financial Security if ERCOT delivered its Notice after 1500 but prior to 1700.

ERCOT shall notify the QSE's Authorized Representative(s) and Credit Contact if it has not received the required security by 1530 on the Bank Business Day on which the security was due; however, failure to notify the Counter-Party's representatives or contact that the required security was not received does not prevent ERCOT from exercising any of its other rights under this Section.

- (b) At the same time ERCOT notifies the Counter-Party that is the QSE, ERCOT may notify each LSE and Resource represented by the Counter-Party that the LSE or Resource may be required to designate a new QSE if its current QSE fails to increase its Financial Security.
 - (c) ERCOT is not required to make any payment to that Counter-Party unless and until the Counter-Party increases its Financial Security. The payments that ERCOT will not make to a Counter-Party include Invoice receipts, CRR revenues, CRR credits, reimbursements for short payments, and any other reimbursements or credits under any other agreement between the Market Participant and ERCOT. ERCOT may retain all such amounts until the Counter-Party has fully discharged all payment obligations owed to ERCOT under the Counter-Party Agreement, other agreements, and these Protocols.
 - (d) ERCOT may reject any bids or offers in a CRR Auction from the Counter-Party until it has increased its Financial Security. ERCOT may reject any bids or offers from the Counter-Party in the DAM until it has increased its Financial Security.
- (7) If a Counter-Party increases its Financial Security as required by ERCOT by the deadline in paragraph (6)(a) above, then ERCOT may notify each LSE and Resource represented by the Counter-Party.

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- (8) If a Counter-Party increases its Financial Security as required by ERCOT by the deadline in paragraph (6)(a) above, then ERCOT shall release any payments held.

[NPRR1023: Insert Section 16.11.8 below upon system implementation and renumber accordingly:]

16.11.8 Conversion of Letters of Credit and Surety Bonds to Cash Collateral

- (1) To facilitate Settlement of Market Participant Invoices arising in consequence of a Payment Breach or other Default by a Market Participant, including but not limited to those described in Section 16.11.6.1.4, Repossession of CRRs by ERCOT, Section 16.11.6.1.5, Declaration of Forfeit of CRRs, and Section 16.11.6.1.6, Liquidation of Repossessed or Forfeited CRRs, ERCOT may at its sole discretion initiate conversion of ~~guarantees~~, letters of credit, or surety bonds held as Financial Security to cash collateral.

16.16.1 Counter-Party Criteria

- (1) In order to participate in the ERCOT Real-Time, Day-Ahead and Congestion Revenue Right (CRR) markets, in addition to satisfying any other eligibility requirements set forth in the ERCOT Protocols, each Counter-Party must satisfy, and at all times remain in compliance with, the following requirements:
- (a) **Expertise in Markets.** All employees or agents transacting in ERCOT markets pursuant to the ERCOT Protocols have had appropriate training and/or experience and are qualified and authorized to transact on behalf of the Counter-Party.
 - (b) **Market Operational Capabilities.** Counter-Party has appropriate market operating procedures and technical abilities to promptly and effectively respond to all ERCOT market communications.
 - (c) **Allowable Contract Participants.** Each Counter-Party must be one of the following:
 - (i) An “Appropriate Person” as defined in sections 4(c)(3)(A) through (J) of the Commodity Exchange Act (7 U.S.C. § 6(c)(3)(A)-(J));
 - (ii) An “Eligible Contract Participant,” as defined in section 1a(18)(A) of the Commodity Exchange Act (7 U.S.C. § 1a(18)(A)) and in Commodity Futures Trading Commission (CFTC) regulation 1.3(m) (17 C.F.R. § 1.3(m)); or
 - (iii) A “person who actively participates in the generation, transmission, or distribution of electric energy,” as that term is defined in the CFTC’s final exemption order (78 Fed. Reg. 19,879).

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ERCOT may request necessary information to verify compliance with this requirement.

- (d) ~~**Capitalization**~~**Independent Amount.** Counter-Party, ~~or an acceptable guarantor,~~ shall ~~provide an Independent Amount~~**maintain minimum capital** as follows:

- (i) ~~For a Counter Party seeking authorization to participate or participating in all ERCOT markets;~~

~~(A) \$10 million in total assets; or~~

~~(B) \$1 million in:~~

~~(1) Unencumbered assets for unrated Electric Cooperative (EC) and Municipal systems; or~~

~~(2) Tangible Net Worth for all other Entities.~~

- (ii) ~~For a Counter Party seeking authorization to participate or participating in all ERCOT markets except for the CRR market:~~

~~(A) \$5 million in total assets; or~~

~~(B) \$500,000 in:~~

~~(1) Unencumbered assets for unrated EC and Municipal systems; or~~

~~(2) Tangible Net Worth for all other Entities.~~

- (iii) ~~To fulfill the capitalization requirements above, a Counter Party must provide:~~

~~(A) Audited financial statements of the Counter Party or its guarantor in accordance with Section 16.11, Financial Security for Counter Parties; and~~

[NPRR1112: Replace paragraph (A) above with the following upon system implementation and October 1, 2023:]

~~(A) Audited financial statements of the Counter Party or its guarantor in accordance with Section 16.11.5, Monitoring of a Counter Party's Creditworthiness and Credit Exposure by ERCOT; and~~

~~(B) If for a guarantor, a guarantee on one of the standard form documents approved by the ERCOT Board, for an amount no less~~

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~~than the minimum necessary to meet the capitalization requirements.~~

- ~~(iv) — Regardless of whether the Counter Party or an acceptable guarantor meets the capitalization criteria above, ERCOT may nevertheless require the Counter Party to meet the capitalization criteria by posting an Independent Amount in the event that the Counter Party or a guarantor has a material change that may adversely affect the Counter Party's or an acceptable guarantor's financial condition in conjunction with or subsequent to the most recent audited annual or unaudited quarterly financial statements. The Counter Party shall notify ERCOT within one day after a material adverse change has occurred. The final determination of a material adverse change is solely within ERCOT's discretion.~~
- ~~(v) — In the event audited financial statements do not meet the capitalization requirements, or there has been a material adverse change in the financial condition of the Counter Party or acceptable guarantor in conjunction with or subsequent to the most recent audited annual or unaudited quarterly financial statements, Counter Party will provide an Independent Amount in the form and amount necessary to participate in the ERCOT markets as follows:~~
 - ~~(iA) For a Counter-Party seeking authorization to participate or participating in all ERCOT markets, \$500,000 Independent Amount.~~
 - ~~(iiB) For a Counter-Party seeking authorization to participate or participating in all ERCOT markets except for the CRR market, \$200,000 Independent Amount.~~
 - ~~(iiiC) For purposes of assessment of the Independent Amount, ERCOT will deem a Counter-Party that is or is applying to be a CRR Account Holder as having a desire to participate in all ERCOT markets.~~
 - ~~(ivD) Financial Security posted pursuant to this section is fully available to ERCOT in the event of the Counter-Party's Payment Breach.~~
 - ~~(vE) ERCOT shall add the Independent Amount to that Counter-Party's Total Potential Exposure Secured (TPES) pursuant to Section 16.11 and designate it as the Independent Amount. ERCOT will require Financial Security for the Independent Amount in the same way as it does for other TPES elements.~~
 - ~~(viF) Any non-payment of the Independent Amount is considered a Payment Breach pursuant to Section 16.11.6, Payment Breach and Late Payments by Market Participants. ERCOT may use any of the remedies provided in Section 16.11.6 to collect the Independent Amount for each Counter-Party.~~

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- (e) **Risk Management Capabilities.** Each Counter-Party shall maintain appropriate, comprehensive risk management capabilities with respect to the ERCOT markets in which the Counter-Party transacts or wishes to transact. ERCOT may review documentation supporting a Counter-Party's risk management framework as part of its processes for verifying the implementation of a Counter-Party's risk management framework as described in Section 16.16.3, Verification of Risk Management Framework.

16.16.2 Annual Certification

- (1) Each Counter-Party must submit to ERCOT annually a notarized certificate, signed by an officer or executive with authority to bind the Counter-Party, in the form of Section 22, Attachment J, Annual Certification Form to Meet ERCOT Additional Minimum Participation Requirements, certifying that the Counter-Party is in compliance with each of the Counter-Party criteria and agrees to procedures for verification of its risk management framework as described in Section 16.16.3, Verification of Risk Management Framework.
- (2) The certificate must be received by ERCOT no later than 120 days after the close of the fiscal year of the Counter-Party or its ~~parent/guarantor~~. ERCOT may extend the period for providing the certificate on a case-by-case basis.
- (3) For new entry Counter-Parties, the certificate must be received by ERCOT prior to participation in any ERCOT markets.
- (4) A Counter-Party shall notify ERCOT within one day if it has experienced a material adverse change that would make its most recent annual certificate inaccurate.

16.16.3 Verification of Risk Management Framework

- (1) ERCOT will periodically perform or cause to be performed procedures to assess the risk management framework of Counter-Parties, including its implementation.
- (2) ERCOT may retain a third party either to assess the sufficiency of the Counter-Party's risk management framework or to provide guidance and advice as to what constitutes appropriate content with respect to generally accepted risk management practices in their respective markets, commensurate and proportional in sophistication, scope and frequency to the volume of transactions and the nature and extent of risk taken by the Counter-Party.
- (3) ERCOT shall identify the nature and scope of generally accepted risk management practices in their respective markets by which Counter-Party risk management frameworks will be assessed. Key elements will include:
- (a) The risk management framework is documented in a risk policy addressing market and credit risks that has been approved by a Counter-Party's risk management function which includes appropriate corporate persons or bodies that are independent of the Counter-Party's trading functions, such as a risk

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management committee, a designated risk officer, participant Counter-Party's board or board committee, or, if applicable, a board or committee of the Counter-Party's parent company.

- (b) A Counter-Party maintains an organizational structure with clearly defined roles and responsibilities that clearly segregate trading and risk control functions.
 - (c) There is clarity of authority specifying the transactions into which traders are allowed to enter.
 - (d) A Counter-Party ensures that traders have adequate training and/or experience relative to their delegations of authority in systems and the markets in which they transact.
 - (e) As appropriate, a Counter-Party has risk limits in place to control risk exposures.
 - (f) A Counter-Party has reporting in place to ensure risks are adequately communicated throughout the organization.
 - (g) A Counter-Party has processes in place for independent confirmation of executed transactions.
 - (h) A Counter-Party performs a periodic valuation or mark-to-market of risk positions, as appropriate.
- (4) The ERCOT Board may approve minimum standards under an Other Binding Document.
- (5) Upon notice of being selected for verification, a Counter-Party will make available or submit to ERCOT, or a third party acting on ERCOT's behalf, such documentation as is necessary to provide evidence of the sufficiency and implementation of its risk management framework. Such information may include, but not be limited to, documents of the following nature: risk policies, organizational charts, Delegations of Authority, training records, risk limit structure, reporting frameworks, and relevant procedures, all in a level of detail acceptable to ERCOT. Along with such documentation, a Counter-Party will provide a written explanation to ERCOT or its agent of how its risk management framework conforms to the risk management standards noted above. Requested information and documents must be made available for review by ERCOT, or a third party acting on ERCOT's behalf, 30 days after Notice of the request. ERCOT will provide Counter-Party Notice of inadequate documentation and will give Counter-Party ten Business Days to correct the inadequacy. At ERCOT's sole discretion, these deadlines may be extended on a case-by-case basis.
- (6) If necessary, Counter-Parties will support the verification process by, among other things, making appropriate personnel available for interviews, permitting on-site observation of credit and risk management processes and procedures, and providing written responses to written inquiries on a timely basis. A Counter-Party may request that ERCOT or a third party performing verification on ERCOT's behalf perform the review on-site at the

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Counter-Party's location. Any resulting additional expenses will in this case be the sole responsibility of the Counter-Party making the request.

- (7) ERCOT will perform procedures to verify the risk management framework at least annually for any Counter-Party if that Counter-Party or its ~~parent/guarantor~~.
- (a) Is ineligible for unsecured credit under Section 16.11.2, Requirements for Setting a Counter-Party's Unsecured Credit Limit; and

[NPRR1112: Replace paragraph (a) above with the following upon system implementation and October 1, 2023:]

- (a) Has had one or more late payments or represents a Qualified Scheduling Entity (QSE) or CRR Account Holder that has short-paid Settlement Invoices in the year preceding the date of the annual certificate; and
- (b) Has had exposure in CRR Obligations in the ERCOT CRR market during the year preceding the date of the annual certificate.
- (i) Notwithstanding the above, ERCOT will perform risk management framework verification procedures on other Counter-Parties at its sole discretion.
- (8) Upon completion of its review, ERCOT will notify the Counter-Party whether or not any material deficiencies were noted. If material deficiencies exist, ERCOT may, in its sole discretion, establish in consultation with the Counter-Party, a remediation plan for any deficiencies. The remediation period allowed for specific deficiencies should be consistent with the severity of those deficiencies and may have incremental deadlines. The total remediation period will not exceed 90 days, unless extended, at ERCOT's sole discretion, on a case-by-case basis.
- (9) Risk management deficiencies remaining beyond the ERCOT-defined remediation periods constitute a material breach under the Counter-Party's Standard Form Market Participant Agreement as provided for in Section 22, Attachment A, Standard Form Market Participant Agreement. Upon a material breach, ERCOT may, in addition to any other rights or remedies ERCOT has under any agreement, these Protocols or at common law, suspend any or all future activities in the ERCOT market, pending remediation of deficiencies. An action by ERCOT to suspend activities in the ERCOT market is subject to the provisions of Section 20, Alternative Dispute Resolution Process.
- (10) Participation in ERCOT markets is contingent on verification by ERCOT, or by a third party acting on ERCOT's behalf, that the proposed measures have been implemented.
- (11) If a Counter-Party provides evidence that its risk management framework has been deemed sufficient for transacting in another Regional Transmission Operator/Independent

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System Operator market in the United States, ERCOT may elect to forego verification processes.

- (12) In conjunction with providing its annual certificate, if a Counter-Party certifies that there has been no material change in its risk management capabilities since the framework was last verified, ERCOT may elect to forego verification. ERCOT may not forego verification more than once in any 24-month period.

16.17 Exemption for Qualified Scheduling Entities Participating Only in Emergency Response Service

- (1) A Qualified Scheduling Entity (QSE) that is not also registered as a Congestion Revenue Rights (CRR) Account Holder, that does not participate in the Day-Ahead Market (DAM) or Real-Time Market (RTM), that represents only Emergency Response Service (ERS) Resources, and whose Total Potential Exposure (TPE) (as calculated in Section 16.11.4.1, Determination of Total Potential Exposure for a Counter-Party) is zero may request designation as an ERS-only QSE.
- (2) A QSE must submit a written request for designation as an ERS-only QSE at least five Business Days before the desired effective date of the designation.
- (3) Upon determining that the QSE has addressed all financial risk to ERCOT's satisfaction, ERCOT shall designate the QSE as an ERS-only QSE, and shall notify the QSE of that designation in writing.
- (4) Except as provided in paragraph (5) below, an ERS-only QSE is exempt from the following requirements:
 - (a) The requirement to maintain sufficient collateral under Sections 16.11.1, ERCOT Creditworthiness Requirements for Counter-Parties, and 16.11.5, Monitoring of a Counter-Party's Creditworthiness and Credit Exposure by ERCOT;
 - (b) The requirement to submit financial statements and any notice of material changes under paragraph (1) of Section 16.11.5; and
 - (c) All requirements under Section 16.16, Additional Counter-Party Qualification Requirements.
- (5) If ERCOT posts an RTM True-Up Statement or RTM Resettlement Statement providing for a resettlement of any ERS Time Period, and as a result of that resettlement alone, ERCOT determines that an ERS-only QSE has a positive TPE as calculated in Section 16.11.4.1, ERCOT will require that QSE to comply with Section 16.11.5, excluding paragraph (1), until its TPE again equals zero. If the QSE fails to pay when due any payment or Financial Security obligation owed to ERCOT, ERCOT may terminate the QSE's ERS-only status.
- (6) ERCOT shall ensure that its systems prevent participation by ERS-only QSEs in the DAM and RTM.

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- (7) A QSE must request termination of its ERS-only status in writing. Termination of ERS-only status will be effective only upon ERCOT's written confirmation that the QSE has satisfied all creditworthiness ~~and capitalization~~ requirements applicable to QSEs.
- (8) Nothing in this Section affects an ERS-only QSE's obligation under paragraph (5) of Section 16.2.1, Criteria for Qualification as a Qualified Scheduling Entity, to provide ERCOT notice of any material change that could adversely affect the reliability or safety of the ERCOT System. Additionally, ERCOT may at any time require any ERS-only QSE to demonstrate that its risk management policies and practices are sufficient to ensure that it will be capable of meeting its ERS performance requirements during any ERS Standard Contract Term for which it has submitted an offer or for which it is committed to provide ERS.

ERCOT Nodal Protocols

Section 22

Attachment J: Annual Certification Form to Meet ERCOT Additional Minimum Participation Requirements

October 1, 2013

Annual Certification Form to Meet ERCOT Additional Minimum Participation Requirements

Counter-Party Name: Counter-Party Name
("Counter-Party")

I, _____, a duly authorized officer or executive of Counter-Party, understanding that Electric Reliability Council of Texas, Inc. ("ERCOT") is relying on this Certification as evidence that Counter-Party meets the minimum participation requirements set forth in the ERCOT Protocols, hereby represent that I have full authority to bind the Counter-Party and further certify and represent the following:

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1. **Expertise in Markets.** All employees or agents transacting in ERCOT markets pursuant to the ERCOT Protocols have had appropriate training and/or experience and are qualified and authorized to transact on behalf of the Counter-Party.
2. **Market Operational Capabilities.** Counter-Party has appropriate market operating procedures and technical abilities to promptly and effectively respond to all ERCOT market communications.
3. ~~**Capitalization.** Counter-Party has read and agrees to the capitalization requirements as detailed in the ERCOT Protocols.~~
34. **Risk Management Capabilities.** Counter-Party maintains appropriate, comprehensive risk management capabilities with respect to the ERCOT markets in which the Counter-Party transacts or wishes to transact.
45. **Verification of Risk Management Framework.** Counter-Party has read and agrees to the requirements for verification of its risk management framework as detailed in the ERCOT Protocols.

Risk management framework verification processes undertaken by ERCOT or a third party acting on ERCOT's behalf are by necessity limited in scope and nature and cannot address their appropriateness or sufficiency with respect to the full range of risks that may face a Counter-Party or that all such capabilities and controls are in fact operating as purported. In performing an assessment of risk management framework, ERCOT or its agent rely on the assertions and documentary evidence produced by the Counter-Party, and accept no liability for the consequences of insufficient implementation or effectiveness in mitigating risks of the Counter-Party or the impact of risks upon the financial strength of the Counter-Party with respect to ERCOT or other Independent System Operator/Regional Transmission Operator - administered markets.

☐ By checking this box, I further certify and represent that there has been no material change in internal risk management capabilities since last verified by ERCOT.

☐ By checking this box, I further certify and represent that Counter-Party is:

- (a) An "Appropriate Person" as defined in sections 4(c)(3)(A) through (J) of the Commodity Exchange Act (7 U.S.C. § 6(c)(3)(A)-(J));
- (b) An "Eligible Contract Participant" as defined in section 1a(18)(A) of the Commodity Exchange Act (7 U.S.C. § 1a(18)(A)) and in

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Commodity Futures Trading Commission (CFTC) regulation
1.3(m) (17 C.F.R. § 1.3(m)); or

- (c) In the business of:
- (i) Generating, transmitting or distributing electric energy; or
 - (ii) Providing electric energy services that are necessary to support the reliable operation of the transmission system.

This area is provided for the Counter-Party to provide any additional information or clarification necessary with respect to this Certification.

Date: _____

Signature: _____

Print Name: _____

Title: _____

Subscribed and sworn before me _____ a notary public in the
State of _____ in and for the County of _____, this ____
day of _____, 20__.

(Notary Public Signature)

My commission expires: ____/____/____

ERCOT Impact Analysis Report

NPRR Number	<u>1165</u>	NPRR Title	Revisions to Requirements of Providing Audited Financial Statements and Providing Independent Amount
Impact Analysis Date	February 23, 2023		
Estimated Cost/Budgetary Impact	Between \$50k and \$100k		
Estimated Time Requirements	The timeline for implementing this Nodal Protocol Revision Request (NPRR) is dependent upon Public Utility Commission of Texas (PUCT) prioritization and approval. Estimated project duration: 5 to 8 months		
ERCOT Staffing Impacts (across all areas)	Implementation Labor: 100% ERCOT; 0% Vendor Ongoing Requirements: No impacts to ERCOT staffing.		
ERCOT Computer System Impacts	The following ERCOT systems would be impacted: <ul style="list-style-type: none">• Credit Management Systems (CMM) 100%		
ERCOT Business Function Impacts	ERCOT will update its business processes to implement this NPRR.		
Grid Operations & Practices Impacts	No impacts to ERCOT grid operations and practices.		

Evaluation of Interim Solutions or Alternatives for a More Efficient Implementation

None offered.

Comments

None.

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NPRR Number	<u>1171</u>	NPRR Title	Requirements for DGRs and DESRs on Circuits Subject to Load Shedding
Date of Decision	August 31, 2023		
Action	Recommended Approval		
Timeline	Normal		
Proposed Effective Date	Upon system implementation		
Priority and Rank Assigned	Priority – 2024; Rank – 4050		
Nodal Protocol Sections Requiring Revision	3.8.6, Distribution Generation Resources (DGRs) and Distribution Energy Storage Resources (DESRs) 3.16, Standards for Determining Ancillary Service Quantities 23, Form Q, Interconnection Circuit Designation for Distribution Generation Resources (DGRs) and Distribution Energy Storage Resources (DESRs) (new)		
Related Documents Requiring Revision/Related Revision Requests	Nodal Operating Guide Revision Request (NOGRR) 250, Related to NPRR1171, Requirements for DGRs and DESRs on Circuits Subject to Load Shedding Resource Registration Guide Revision Request (RRGRR) 035, Related to NPRR1171, Requirements for DGRs and DESRs on Circuits Subject to Load Shedding		
Revision Description	<p>This Nodal Protocol Revision Request (NPRR) clarifies various reliability requirements for Distribution Generation Resources (DGRs) and Distribution Energy Storage Resources (DESRs) that are seeking qualification to provide Ancillary Service(s) and/or participate in Security-Constrained Economic Dispatch (SCED), as follows:</p> <ul style="list-style-type: none"> • Paragraph (1) of Section 3.8.6 allows for a DGR/DESR situated on a circuit subject to disconnection during Load shed events to participate in the Day-Ahead Market (DAM) and provide Ancillary Services allowed by Section 3.18, Resource Limits in Providing Ancillary Service; • Section 3.16 recognizes that ERCOT will establish limits on Ancillary Services that may be provided by DGRs/DESRs on circuits subject to disconnection during Load shed events; and 		

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	<ul style="list-style-type: none"> New Section 23, Form Q, establishes a formal notification process for the Distribution Service Provider (DSP) to indicate whether the interconnecting feeder for the DGR/DESR is subject to Load shed and whether the DSP has determined that there are operational restrictions on the DGR/DESR.
Reason for Revision	<input checked="" type="checkbox"/> Addresses current operational issues. <input type="checkbox"/> Meets Strategic goals (tied to the <u>ERCOT Strategic Plan</u> or directed by the ERCOT Board). <input checked="" type="checkbox"/> Market efficiencies or enhancements <input type="checkbox"/> Administrative <input type="checkbox"/> Regulatory requirements <input type="checkbox"/> Other: (explain) <i>(please select all that apply)</i>
Business Case	<p>ERCOT has noted a marked increase in interest in proposed interconnections of Resources on the Distribution System and the provision of Ancillary Services by those Resources. The Public Utility Commission of Texas (PUCT) has asked ERCOT to review all Ancillary Services provided by DGRs and DESRs and review which may be provided by a Resource on a distribution circuit that may be subject to Under-Frequency Load Shed (UFLS), Under-Voltage Load Shed (UVLS), or Load shed during an Energy Emergency Alert (EEA) event.</p> <p>In response to the PUCT's request, this NPRR identifies the Ancillary Services that can be provided by DGRs and DESRs on feeders subject to Load shedding.</p>
PRS Decision	<p>On 4/13/23, PRS voted unanimously to table NPRR1171 and refer the issue to ROS. All Market Segments participated in the vote.</p> <p>On 7/13/23, PRS voted unanimously to recommend approval of NPRR1171 as submitted. All Market Segments participated in the vote.</p> <p>On 8/10/23, PRS voted unanimously to endorse and forward to TAC the 7/13/23 PRS Report and 3/29/23 Impact Analysis for NPRR1171 with a recommended priority of 2024 and rank of 4050. All Market Segments participated in the vote.</p>
Summary of PRS Discussion	<p>On 4/13/23, some participants expressed concern for operational limitations, reporting accuracy, and reliability. Participants requested further review by ROS.</p>

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	<p>On 7/13/23, participants noted the 7/7/23 ROS comments endorsing NPRR1171 as submitted.</p> <p>On 8/10/23, participants reviewed the 3/29/23 Impact Analysis, and the proposed rank and priority for NPRR1171.</p>
TAC Decision	On 8/22/23, TAC voted unanimously to recommend approval of NPRR1171 as recommended by PRS in the 8/10/23 PRS Report as amended by the 8/18/23 ERCOT comments. All Market Segments participated in the vote.
Summary of TAC Discussion	On 8/22/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, Independent Market Monitor (IMM) Opinion, and Business Case for NPRR1171, and the 8/18/23 ERCOT comments to correct baseline language. Participants offered to develop a problem statement to determine if a workshop and/or additional NPRR is needed to address issues associated with transmission and distribution utility mobile generation implementation issues.
ERCOT Board Decision	On 8/31/23, the ERCOT Board voted unanimously to recommend approval of NPRR1171 as recommended by TAC in the 8/22/23 TAC Report.

Opinions	
Credit Review	ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1171 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.
Independent Market Monitor Opinion	IMM has no opinion on NPRR1171.
ERCOT Opinion	ERCOT supports approval of NPRR1171.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1171 and believes the market impact for NPRR1171 is identification of Ancillary Services that can be provided by DGRs and DESRs on feeders subject to Load shedding.

Sponsor	
Name	Clayton Stice
E-mail Address	clayton.stice2@ercot.com
Company	ERCOT

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Phone Number	512-248-6806
Cell Number	512-627-5020
Market Segment	Not Applicable

Market Rules Staff Contact	
Name	Brittney Albracht
E-Mail Address	Brittney.Albracht@ercot.com
Phone Number	512-225-7027

Comments Received	
Comment Author	Comment Summary
ROS 050423	Requested PRS continue to table NPRR1171 for further review by the Operations Working Group (OWG)
Tesla 050923	Suggested distribution connected resources should be allowed to provide all Ancillary Services based on a risk assessment; the scope of NPRR1171 should clearly exclude application to aggregated distributed energy resources; and that limiting the provision of Ancillary Services year-round to avoid distribution system interruptions is an undue burden
TAEBA 061423	Suggested the scope of NPRR1171 should clearly exclude application to aggregated distributed energy resources, and that ERCOT should be explicit that behind-the-meter resources are eligible under rule changes to Section 3.8.6 if their capacity is large enough to perform Ancillary Services
ROS 070723	Endorsed NPRR1171 as submitted
ERCOT 081823	Reinstated baseline inadvertently omitted from paragraph (1) of Section 3.8.6 in order to show the language intentionally struck

Market Rules Notes

Please note that administrative revisions have been made to the language, authored as "ERCOT Market Rules".

Please note that the following NPRR(s) also propose revisions to the following section(s):

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- NPRR1183, ECEI Definition Clarification and Updates to Posting Rules for Certain Documents without ECEI
 - Section 3.16

Please note the baseline Protocol language in the following section(s) has been updated to reflect the incorporation of the following NPRR(s) into the Protocols:

- NPRR863, Creation of ERCOT Contingency Reserve Service and Revisions to Responsive Reserve (unboxed 6/9/23)
 - Section 3.16

Proposed Protocol Language Revision

3.8.6 *Distribution Generation Resources (DGRs) and Distribution Energy Storage Resources (DESRs)*

- (1) As a condition for the interconnection of a DGR or DESR, the affected Resource Entity, after consultation with the relevant Distribution Service Provider (DSP), shall ~~provide documentation from the DSP to ERCOT stating that the interconnecting distribution circuit will not be disconnected as part of an Energy Emergency Alert (EEA) Level 3, an under-frequency Load shedding event, or an under-voltage Load shedding event, unless required for DSP local system maintenance or during a DSP local system emergency.~~ submit an executed Section 23, Form Q, Interconnection Circuit Designation for Distribution Generation Resources (DGRs) and Distribution Energy Storage Resources (DESRs).
- (a) The DSP shall indicate that the interconnecting distribution circuit for the DGR or DESR is subject to Load shed if the DSP determines that the distribution circuit may be disconnected as part of an Energy Emergency Alert (EEA) Level 3 Load shedding event, an Under-Frequency Load Shed (UFLS) event, or an Under-Voltage Load Shed (UVLS) event.
- (b) The DSP shall indicate that the interconnecting distribution circuit for the DGR or DESR is not subject to Load shed if the DSP determines that the distribution circuit will not be disconnected for any Load shed purpose during any of the events listed in paragraph (a) above. This condition may be met where:
- (i) A DGR or DESR is connected to a distribution circuit which the DSP has excluded from Load shedding events, which may include, but is not limited to, a distribution circuit that interconnects only DGRs or DESRs;
or
- (ii) A DGR or DESR is connected to a distribution circuit where a recloser or other sectionalizing device excludes the DGR or DESR from Load shedding events on the distribution circuit.
- (c) If the DSP has indicated that the interconnecting distribution circuit may be subject to Load shed, the DGR or DESR may qualify to provide only the

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following Ancillary Services, subject to the limits established by ERCOT pursuant to Section 3.16, Standards for Determining Ancillary Service Quantities:

(i) Non-Spinning Reserve Service (Non-Spin); and

(ii) Regulation Down Service (Reg-Down).

(d) If the DSP has indicated that the interconnecting distribution circuit is not subject to Load shed, then the DGR or DESR shall not be subject to the Ancillary Service qualification limitations described in paragraph (c) above.

(e) The DSP shall identify on Section 23, Form Q, whether the DSP has identified any operational limitations for the DGR or DESR based on known system limitations and planning or operational studies, including studies performed in accordance with Planning Guide Section 5.4.2, Submission of Interconnection Agreement and TSP and/or DSP Studies and Technical Requirements. Temporary limitations, such as may occur during maintenance outage conditions, are not required to be reported on Section 23, Form Q.

(a2) If a DSP ~~subsequently~~ at any time after the interconnection of a DGR or DESR determines that any circuit to which a the DGR or DESR is interconnected will need to be subject to disconnect Load shed during these any of the Load shedding events listed in paragraph (1)(a) above, or that a DGR or DESR will need to be moved electrically relocated to a circuit that will be subject to disconnect Load shed during these Load shedding events:

(a) The DSP shall promptly notify ERCOT and notify the designated contact for the DGR or DESR;

(bii) The Resource Entity for the DGR or DESR shall promptly notify-submit an updated Section 23, Form Q, to ERCOT of this fact and shall make a corresponding update to its via the Resource Registration process data; and

(ciii) The Ancillary Service qualification limitations in paragraph (1)(c) above will apply to the DGR or DESR will immediately be disqualified from offering to provide any Ancillary Service.

(3b) If a DGR or DESR is interconnected to a circuit that is subject to Load shed and then either is relocated to a different circuit that is not subject to Load shed during any of the Load shed events listed in paragraph (1)(a) above or Upon receiving notification from the DSP that the DGR or DESR is no longer subject to disconnection Load shed during any of these Load shedding events, and that no known system limitations or changes have occurred that would inhibit the DGR or DESR from complying with Ancillary Service performance requirements, the Resource Entity for the DGR or DESR shall notify-submit an updated Section 23, Form Q, to ERCOT of this fact via the and shall make a corresponding update to its Resource Registration process data and will, at that time, be eligible to offer to provide Ancillary Services if the Resource is otherwise qualified to do so.

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- (42) For a proposed conversion of an existing Settlement Only Distribution Generator (SODG) to a DGR or DESR, the Resource Entity will follow the generation interconnection process outlined in Planning Guide Section 5, Generator Interconnection or Modification~~the interconnecting DSP will evaluate the proposed conversion and will determine whether it is electrically and operationally feasible. If the interconnecting DSP determines that the conversion is not electrically or operationally feasible, the DSP may disallow the conversion.~~

[NPRR995: Replace paragraph (42) above with the following upon system implementation:]

- (42) For a proposed conversion of an existing Settlement Only Distribution Generator (SODG) to a DGR or for a proposed conversion of an existing Settlement Only Distribution Energy Storage System (SODESS) to a DESR, the Resource Entity will follow the generation interconnection process outlined in Planning Guide Section 5, Generator Interconnection or Modification~~the interconnecting DSP will evaluate the proposed conversion and will determine whether it is electrically and operationally feasible. If the interconnecting DSP determines that the conversion is not electrically or operationally feasible, the DSP may disallow the conversion.~~

- (3) The Resource Node for a DGR or DESR shall be fixed at a single Electrical Bus in the ERCOT Network Operations Model.
- (a) If a DSP determines that a topology change has altered, or is expected to alter, the electrical path connecting the DGR or DESR to the ERCOT Transmission Grid for a period longer than 60 days:
- (i) The DSP shall promptly notify the interconnecting Transmission Service Provider (TSP) and the designated contact for the DGR or DESR, and the interconnecting TSP shall notify ERCOT; and
- (ii) The Resource Entity shall submit a change request to ERCOT via the Resource Registration process.

3.16 Standards for Determining Ancillary Service Quantities

- (1) ERCOT shall comply with the requirements for determining Ancillary Service quantities as specified in these Protocols and the ERCOT Operating Guides.
- (2) ERCOT shall, at least annually, determine with supporting data, the methodology for determining the quantity requirements for each Ancillary Service needed for reliability, including:
- (a) The percentage or MW limit of ERCOT Contingency Reserve Service (ECRS) allowed from Load Resources providing ECRS;

Commented [EWG1]: Please note NPRR1183 also proposes revisions to this section.

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- (b) The maximum amount (MW) of Responsive Reserve (RRS) that can be provided by Resources capable of Fast Frequency Response (FFR);

[NPRR1128: Replace item (b) above with the following upon system implementation:]

- (b) The maximum amount (MW) of Responsive Reserve (RRS) that can be provided by Resources capable of Fast Frequency Response (FFR) and specify the Operating Hours where prioritizing procurement of FFR up to the maximum FFR amount is beneficial in improving reliability;
- (c) The maximum amount (MW) of Regulation Up Service (Reg-Up) that can be provided by Resources providing Fast Responding Regulation Up Service (FRRS-Up); and
- (d) The maximum amount (MW) of Regulation Down Service (Reg-Down) that can be provided by Resources providing Fast Responding Regulation Down Service (FRRS-Down).

[NPRR1007: Delete items (c) and (d) above upon system implementation of the Real-Time Co-Optimization (RTC) project and renumber accordingly.]

- (e) The minimum capacity required from Resources providing RRS using Primary Frequency Response shall not be less than 1,150 MW.
- (3) The ERCOT Board shall review and approve ERCOT's methodology for determining the minimum Ancillary Service requirements, any minimum capacity required from SCED dispatchable Resources to provide Non-Spin, the maximum amount of Non-Spin that can be provided by DGRs and DESRs that are interconnected to a distribution circuit that is subject to Load shed, the minimum capacity required from Resources providing Primary Frequency Response to provide RRS, the maximum amount of RRS that can be provided by Resources capable of FFR, and the maximum amount of Reg-Up and Reg-Down that can be provided by Resources providing FRRS-Up and FRRS-Down.

[NPRR1007 and NPRR1128: Replace applicable portions of paragraph (3) above with the following upon system implementation of the Real-Time Co-Optimization (RTC) project for NPRR1007; or upon system implementation for NPRR1128:]

- (3) The ERCOT Board shall review and approve ERCOT's methodology for determining the minimum Ancillary Service requirements, any minimum capacity required from SCED dispatchable Resources to provide Non-Spin, the maximum amount of Non-Spin that can be provided by DGRs and DESRs that are interconnected to a distribution circuit that is subject to Load shed, the minimum capacity required from Resources providing Primary Frequency Response to provide RRS, the maximum amount of RRS that can be provided by Resources capable of FFR, and the Operating

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Hours where prioritizing procurement of FFR up to the maximum FFR amount is beneficial in improving reliability.

- (4) If ERCOT determines a need for additional Ancillary Service Resources under these Protocols or the ERCOT Operating Guides, after an Ancillary Service Plan for a specified day has been posted, ERCOT shall inform the market by posting notice on the ERCOT website, of ERCOT's intent to procure additional Ancillary Service Resources under Section 6.4.9.2, Supplemental Ancillary Services Market. ERCOT shall post the reliability reason for the increase in service requirements.

[NPRR1007: Delete paragraph (4) above upon system implementation of the Real-Time Co-Optimization (RTC) project and renumber accordingly.]

- (5) Monthly, ERCOT shall determine and post on the Market Information System (MIS) Secure Area a minimum capacity required from Resources providing RRS using Primary Frequency Response. The remaining capacity required for RRS may be supplied by all Resources qualified to provide RRS, provided that RRS from Load Resources on high-set under-frequency relays and Resources providing FFR shall be limited to 60% of the total ERCOT RRS requirement. ERCOT may increase the minimum capacity required from Resources providing RRS using Primary Frequency Response if it believes that the current posted quantity will have a negative impact on reliability or if it would require additional Regulation Service to be deployed.

[NPRR1128: Replace paragraph (5) above with the following upon system implementation:]

- (5) Monthly, ERCOT shall determine and post on the Market Information System (MIS) Secure Area a minimum capacity required from Resources providing RRS using Primary Frequency Response. The remaining capacity required for RRS may be supplied by all Resources qualified to provide RRS, provided that RRS from Load Resources on high-set under-frequency relays and Resources providing FFR shall be limited to 60% of the total ERCOT RRS requirement. ERCOT may increase the minimum capacity required from Resources providing RRS using Primary Frequency Response if it believes that the current posted quantity will have a negative impact on reliability or if it would require additional Regulation Service to be deployed. ERCOT may add more Operating Hours where prioritizing procurement of FFR up to the maximum FFR amount is beneficial in improving reliability if it believes that these additional hours are vulnerable to low system inertia. ERCOT will issue an operations notice when such a change is made.
- (6) The amount of RRS that a Qualified Scheduling Entity (QSE) can self-arrange using a Load Resource excluding Controllable Load Resources and Resources providing FFR is limited to its Load Ratio Share (LRS) of the capacity allowed to be provided by Resources not providing RRS using Primary Frequency Response established in

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paragraph (5) above, provided that RRS from these Resources shall be limited to 60% of the total ERCOT RRS requirement.

- (7) However, a QSE may offer more of the Load Resource above the percentage limit established by ERCOT for sale of RRS to other Market Participants. The total amount of RRS using the Load Resource procured by ERCOT is also limited to the capacity established in paragraph (5) above, up to the lesser of the 60% limit or the limit established by ERCOT in paragraph (5) above.
- (8) Monthly, ERCOT shall determine and post on the MIS Secure Area a minimum capacity required from Resources providing ECRS. The amount of Load Resources excluding Controllable Load Resources that may or may not be on high-set under-frequency relays providing ECRS is limited to 50% of the total ERCOT ECRS requirement.
- (9) The amount of ECRS that a QSE can self-arrange using a Load Resource excluding Controllable Load Resources is limited to the lower of:
 - (a) 50% of its ECRS Ancillary Service Obligation; or
 - (b) A reduced percentage of its ECRS Ancillary Service Obligation based on the limit established by ERCOT in paragraph (8) above.
- (10) A QSE may offer more of the Load Resource above the percentage limit established by ERCOT for sale of ECRS to other Market Participants. The total amount of ECRS using the Load Resource excluding Controllable Load Resources procured by ERCOT is also limited to the lesser of the 50% limit or the limit established by ERCOT in paragraph (9) above.
- (11) The maximum MW amount of capacity from Resources providing FRRS-Up is limited to 65 MW. ERCOT may reduce this limit if it believes that this amount will have a negative impact on reliability or if this limit would require additional Regulation Service to be deployed.
- (12) The maximum MW amount of capacity from Resources providing FRRS-Down is limited to 35 MW. ERCOT may reduce this limit if it believes that this amount will have a negative impact on reliability or if this limit would require additional Regulation Service to be deployed.
- (13) Resources can only provide FRRS-Up or FRRS-Down if awarded Regulation Service in the Day-Ahead Market (DAM) for that particular Resource, up to the awarded quantity.

[NPRR1007: Delete paragraphs (11)-(13) above upon system implementation of the Real-Time Co-Optimization (RTC) project.]

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ERCOT Nodal Protocols

Section 23

Form Q: INTERCONNECTION CIRCUIT DESIGNATION FOR DISTRIBUTION GENERATION RESOURCES AND DISTRIBUTION ENERGY STORAGE RESOURCES

Date TBD

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Date Received: _____

INTERCONNECTION CIRCUIT DESIGNATION FOR DISTRIBUTION GENERATION RESOURCES AND DISTRIBUTION ENERGY STORAGE RESOURCES

A Resource Entity with a Distribution Generation Resource (DGR) or Distribution Energy Storage Resource (DESR) must complete Part I and then submit this form to the interconnecting Distribution Service Provider (DSP) in accordance with Protocol Section 3.8.6, Distribution Generation Resources (DGRs) and Distribution Energy Storage Resources (DESRs).

The DSP must indicate in Part II whether the circuit interconnecting the DGR or DESR is subject to Load shed.

In Part III, the DSP must indicate whether any operational limitations for the DGR or DESR have been identified based on known system limitations or as a result of planning or operational studies, including studies performed in accordance with Planning Guide Section 5.4.2, Submission of Interconnection Agreement and TSP and/or DSP Studies and Technical Requirements.

Part IV of this form must be signed by the Authorized Representative ("AR") or Backup AR for the Resource Entity or by any officer with the authority to bind the Resource Entity. Part V of this form must be signed by the AR or Backup AR for the DSP or any officer with the authority to bind the DSP.

The Resource Entity must submit the completed, executed form to ERCOT via email to MPRegistration@ercot.com (.pdf version). If you need assistance completing this form, or if you have any questions, please call (512) 248-3900.

PART I – RESOURCE REGISTRATION INFORMATION FOR DGR OR DESR

DGR or DESR – Resource Entity shall identify the DGR or DESR as detailed in its Resource Registration information.

<u>Resource Name</u>	
<u>GENCODE</u>	
<u>METER ID (if available)</u>	

PART II – INTERCONNECTING CIRCUIT INFORMATION FOR DGR OR DESR IDENTIFIED IN PART I

The DSP must check one of the following boxes:

<u>The distribution circuit interconnecting the DGR or DESR is subject to Load shed</u>	<input type="checkbox"/>
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The distribution circuit interconnecting the DGR or DESR is not subject to Load shed

☐

PART III – IDENTIFICATION WHETHER ANY OPERATIONAL RESTRICTIONS HAVE BEEN IDENTIFIED FOR DGR OR DESR IDENTIFIED IN PART I

The DSP shall indicate if any operational limitations have been identified by checking one:

Operational limitations have been identified by the DSP as a result of planning or operations studies

☐

No operational limitations were identified by the DSP as a result of planning or operations studies

☐

If operational limitations have been identified by the DSP, describe those limitations:

PART IV – RESOURCE ENTITY AFFIRMATION

I affirm that I have the authority to submit this form on behalf of the Resource Entity named below.

±

<u>Name of Resource Entity</u>	_____
<u>Signature of AR, Backup AR or Officer:</u>	_____
<u>Printed Name of AR, Backup AR or Officer:</u>	_____
<u>Date:</u>	_____

PART V – DISTRIBUTION SERVICE PROVIDER AFFIRMATION

I affirm that I have personal knowledge of the facts stated in Parts II and III of this form, that I have the authority to execute this form on behalf of the DSP identified below, and that the DSP identified below is the interconnecting DSP for the DGR or DESR identified in Part I. I further affirm that all statements made and information provided in Parts II and III of this form are true, correct, and complete.

<u>Name of Distribution Service Provider</u>	_____
<u>Signature of AR, Backup AR or Officer:</u>	_____
<u>Printed Name of AR, Backup AR or Officer:</u>	_____
<u>Date:</u>	_____

ERCOT Impact Analysis Report

NPRR Number	<u>1171</u>	NPRR Title	Requirements for DGRs and DESRs on Circuits Subject to Load Shedding
Impact Analysis Date	March 29, 2023		
Estimated Cost/Budgetary Impact	Between \$350k and \$550k		
Estimated Time Requirements	The timeline for implementing this Nodal Protocol Revision Request (NPRR) is dependent upon Public Utility Commission of Texas (PUCT) prioritization and approval. Estimated project duration: 9 to 12 months		
ERCOT Staffing Impacts (across all areas)	Implementation Labor: 50% ERCOT; 50% Vendor Ongoing Requirements: No impacts to ERCOT staffing.		
ERCOT Computer System Impacts	The following ERCOT systems would be impacted: <ul style="list-style-type: none">• Market Operation Systems 93%• Energy Management Systems 4%• Data Management & Analytic Systems 3%• Resource Integration and Ongoing Operations (RIOO) 1%		
ERCOT Business Function Impacts	No impacts to ERCOT business functions.		
Grid Operations & Practices Impacts	No impacts to ERCOT grid operations and practices.		

Evaluation of Interim Solutions or Alternatives for a More Efficient Implementation

None offered.

Comments

None.

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NPRR Number	<u>1173</u>	NPRR Title	Changes Consistent With the Options Available to an MOU and EC Entering Retail Competition in the ERCOT Market
Date of Decision	August 31, 2023		
Action	Recommended Approval		
Timeline	Normal		
Proposed Effective Date	November 1, 2023		
Priority and Rank Assigned	Not applicable		
Nodal Protocol Sections Requiring Revision	<p>15.1.9.1, Request to Initiate Continuous Service Agreement in an Investor Owned Utility Service Territory</p> <p>15.1.10, Continuous Service Agreement Competitive Retail Processing in Municipally Owned Utility/Electric Cooperative Service Territory</p> <p>15.1.10.1, Request to Initiate Continuous Service Agreement</p> <p>16.6, Registration of Municipally Owned Utilities and Electric Cooperatives in the ERCOT Region</p> <p>24.4, Municipally Owned Utility/Electric Cooperative Transmission and/or Distribution Service Provider to Competitive Retailer Monthly Remittance Advice</p> <p>24.6, MOU/EC TDSP to CR Maintain Customer Information Request</p>		
Related Documents Requiring Revision/Related Revision Requests	Retail Market Guide Revision Request (RMGRR) 174, Related to NPRR1173, Changes Consistent With the Options Available to an MOU and EC Entering Retail Competition in the ERCOT Market		
Revision Description	This Nodal Protocol Revision Request (NPRR) provides needed references to the Retail Market Guide to account for Texas Standard Electronic Transaction (TX SET) processing options for Municipally Owned Utility (MOU) or Electric Cooperative (EC) service areas.		
Reason for Revision	<p><input checked="" type="checkbox"/> Addresses current operational issues.</p> <p><input type="checkbox"/> Meets Strategic goals (tied to the <u>ERCOT Strategic Plan</u> or directed by the ERCOT Board).</p> <p><input type="checkbox"/> Market efficiencies or enhancements</p> <p><input type="checkbox"/> Administrative</p>		

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	<input type="checkbox"/> Regulatory requirements <input type="checkbox"/> Other: (explain) <i>(please select all that apply)</i>
Business Case	These changes support options available to an MOU/EC for retail transaction processes upon entry into retail competition.
PRS Decision	<p>On 5/10/23, PRS voted to recommend approval of NPRR1173 as submitted. There was one abstention from the Investor Owned Utility (IOU) (Lone Star Transmission) Market Segment. All Market Segments participated in the vote.</p> <p>On 6/14/23, PRS voted unanimously to endorse and forward to TAC the 5/10/23 PRS Report and 4/17/23 Impact Analysis for NPRR1173. All Market Segments participated in the vote.</p>
Summary of PRS Discussion	<p>On 5/10/23, ERCOT Staff reviewed NPRR1173. Participants noted the request that PRS table NPRR1173 and refer the issue to RMS, and that additional discussions can still take place at the June 2023 RMS meeting before the June 2023 PRS meeting.</p> <p>On 6/14/23, participants reviewed the 4/17/23 Impact Analysis.</p>
TAC Decision	<p>On 6/27/23, TAC voted unanimously to table NPRR1173. All Market Segments participated in the vote.</p> <p>On 8/22/23, TAC voted unanimously to recommend approval of NPRR1173 as recommended by PRS in the 6/14/23 PRS Report. All Market Segments participated in the vote.</p>
Summary of TAC Discussion	<p>On 6/27/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, and Independent Market Monitor (IMM) Opinion for NPRR1173, and discussed tabling NPRR1173 to allow TAC to consider NPRR1173 and RMGRR174 together.</p> <p>On 8/22/23, there was no discussion.</p>
ERCOT Board Decision	On 8/31/23, the ERCOT Board voted unanimously to recommend approval of NPRR1173 as recommended by TAC in the 8/22/23 TAC Report.

Opinions

Credit Review	ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1173 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.
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Independent Market Monitor Opinion	IMM has no opinion on NPRR1173.
ERCOT Opinion	ERCOT supports approval of NPRR1173.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1173 and believes that it has a positive market impact by addressing current operational issues by inserting references to account for TX SET processing options for MOU or EC service areas.

Sponsor	
Name	Dave Michelsen
E-mail Address	dave.michelsen@ercot.com
Company	ERCOT
Phone Number	512-285-6740
Cell Number	
Market Segment	Not applicable

Market Rules Staff Contact	
Name	Jordan Troublefield
E-Mail Address	jordan.troublefield@ercot.com
Phone Number	512-248-6521

Comments Received	
Comment Author	Comment Summary
RMS 060723	Endorsed NPRR1173 as submitted

Market Rules Notes

Please note the baseline language in the following Section(s) has been updated to reflect the incorporation of the following NPRR(s) into the Protocols:

- NPRR1168, Related to RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes (incorporated 8/1/23)
 - Section 15.1.9.1
 - Section 15.1.10.1

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Proposed Protocol Language Revision

15.1.9.1 Request to Initiate Continuous Service Agreement in an Investor Owned Utility Service Territory or in a Municipally Owned Utility/Electric Cooperative Service Territory as Indicated in Retail Market Guide Section 8.1, Municipally Owned Utility and/or Electric Cooperative Transmission and/or Distribution Service Provider Market

- (1) When a CR establishes a CSA at an ESI ID, the CR will send an 814_18, Establish/Delete CSA Request, to ERCOT. ERCOT will determine if the ESI ID has a CSA on record. If there is a current CSA CR, ERCOT will send notice of CSA termination using the 814_18, Establish/Delete CSA Request, within one Retail Business Day of receipt of the 814_18 transaction from the new CSA CR and will respond to the new CSA CR using the 814_19, Establish/Delete CSA Response, within one Retail Business Day of receipt of the 814_18 transaction. If there is not a current CSA, ERCOT will respond to the new CSA CR using the 814_19, Establish/Delete CSA Response, within one Retail Business Day of receipt of the 814_18 transaction.

[NPRR1095 and NPRR1168: Replace applicable portions of paragraph (1) above with the following upon system implementation of NPRR1095; or upon system implementation of RMGRR172 for NPRR1168; and renumber accordingly:]

- (1) When a CR establishes a CSA at an ESI ID, the CR will send an 814_18, Establish/Change/Delete CSA Request, to ERCOT. ERCOT will determine if the ESI ID has a CSA on record. If there is not a current CSA, ERCOT will respond to the new CSA CR using the 814_19, Establish/Change/Delete CSA Response, within one Retail Business Day of receipt of the 814_18 transaction. ERCOT will hold the CSA in a pending status until the start date of the CSA.
- (2) If there is a current CSA, ERCOT will respond to the new CSA CR using the 814_19 transaction within one Retail Business Day of receipt of the 814_18 transaction. ERCOT will hold the CSA in a pending status until the start date of the CSA and on the start date of the new CSA, ERCOT will send notice of CSA termination using the 814_18 transaction to the current CSA, within one Retail Business Day.

- (2) If a CSA CR wishes to establish CSAs with multiple ESI IDs, the CSA CR must submit an 814_18 transaction for each ESI ID.

15.1.10 Continuous Service Agreement Competitive Retailer Processing in Municipally Owned Utility/Electric Cooperative Service Territory

- (1) This Section sets forth the processes to initiate or terminate a CSA in an MOU or EC service territory, unless otherwise indicated in Retail Market Guide Section 8.1, Municipally Owned Utility and/or Electric Cooperative Transmission and/or Distribution Service Provider Market.

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15.1.10.1 Request to Initiate Continuous Service Agreement

- (1) When a CR establishes a CSA at an ESI ID, the CR will send an 814_18, Establish/Delete CSA Request, to ERCOT. This will be forwarded to the MOU/EC TDSP within one Retail Business Day, ~~unless otherwise indicated in Retail Market Guide Section 8.1, Municipally Owned Utility and/or Electric Cooperative Transmission and/or Distribution Service Provider Market.~~ ERCOT will send the 814_18 transaction, and if an 814_19, Establish/Delete CSA Response, is not received from the MOU/EC TDSP within ten Business Days, ERCOT will cancel the CSA request and send an 814_08, Cancel Request, to the requesting CSA CR and MOU/EC TDSP. Additional 814_18 transactions received on the ESI ID while the first 814_18 transaction is still pending will be rejected at ERCOT. If an 814_18 transaction is received on an ESI ID with an existing CSA relationship, ERCOT will forward the 814_18 transaction to the MOU/EC TDSP within one Retail Business Day, and upon receipt of the 814_19 transaction (accept) from the MOU/EC TDSP, will send an 814_18 transaction to the current CSA CR and an 814_19 transaction to the new CSA CR within one Retail Business Day of receipt of the 814_19 transaction from the MOU/EC TDSP.

[NPRR1095 and NPRR1168: Replace applicable portions of paragraph (1) above with the following upon system implementation of NPRR1095; or upon system implementation of RMGRR172 for NPRR1168; and renumber accordingly:]

- (1) When a CR establishes a CSA at an ESI ID, the CR will send an 814_18, Establish/Change/Delete CSA Request, to ERCOT. This will be forwarded to the MOU/EC TDSP within one Retail Business Day, ~~unless otherwise indicated in Retail Market Guide Section 8.1, Municipally Owned Utility and/or Electric Cooperative Transmission and/or Distribution Service Provider Market.~~ ERCOT will send the 814_18 transaction, and if an 814_19, Establish/Change/Delete CSA Response, is not received from the MOU/EC TDSP within ten Business Days, ERCOT will cancel the CSA request and send an 814_08, Cancel Request, to the requesting CSA CR and MOU/EC TDSP. Additional 814_18 transactions received on the ESI ID while the first 814_18 transaction is still pending will be rejected at ERCOT. Upon receipt of the 814_19 transaction (accept) from the MOU/EC TDSP, ERCOT will send an 814_19 transaction to the new CSA CR within one Retail Business Day. ERCOT will hold the CSA in a pending status until the start date of the CSA.
- (2) If an 814_18 transaction is received on an ESI ID with an existing CSA relationship, ERCOT will forward the 814_18 transaction to the MOU/EC TDSP within one Retail Business Day, and upon receipt of the 814_19 transaction (accept) from the MOU/EC TDSP, will send an 814_19 transaction to the new CSA CR within one Retail Business Day of receipt of the 814_19 transaction from the MOU/EC TDSP. ERCOT will hold the CSA in a pending status until the start date of the CSA. On the start date of the new CSA, ERCOT will send notice of the CSA termination using the 814_18 transaction to the current CSA within one Retail Business Day.

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- (2) If a CSA CR wishes to establish CSAs with multiple ESI IDs, the CSA CR must submit an 814_18 transaction for each ESI ID.

16.6 Registration of Municipally Owned Utilities and Electric Cooperatives in the ERCOT Region

- (1) Each Municipally Owned Utility (MOU) and Electric Cooperative (EC) shall register with ERCOT and sign the Agreements that apply to the functions it performs in the ERCOT Region, regardless of whether planning to be a Non-Opt-In Entity (NOIE) or a Competitive Retailer (CR).
- (2) If an MOU or EC decides to register an affiliate as a CR, it must notify ERCOT of its intentions six months prior to opting in. Each MOU and EC that decides to opt in shall register as a CR and notify ERCOT of its intentions six months prior to opting in.
- ~~(3) Each MOU and EC shall designate a Qualified Scheduling Entity (QSE) with ERCOT on its behalf.~~
- (43) Each MOU and EC shall assign an Electric Service Identifier (ESI ID) to each NOIE wholesale point of delivery as specified in these Protocols. The ESI IDs must be assigned to a Load Serving Entity (LSE).

24.4 Municipally Owned Utility/Electric Cooperative Transmission and/or Distribution Service Provider to Competitive Retailer Monthly Remittance Advice

- (1) This transaction set, from a Municipally Owned Utility^{2s} (MOU) Transmission and/or Distribution Service Provider (TDSP) or an Electric Cooperative^{2s} (EC) TDSP (MOU/EC TDSP) to the Competitive Retailer (CR) is used by the MOU/EC TDSP to notify the CR of payment details related to a specific Invoice, unless otherwise indicated in Retail Market Guide Section 8.1, Municipally Owned Utility and/or Electric Cooperative Transmission and/or Distribution Service Provider Market. An MOU/EC TDSP must pass an 820_03, MOU/EC Remittance Advice, for every CR account number even when a cancel and restatement of usage subsequently cancels the original invoice.
- (2) Each Market Participant is responsible for ensuring that the data provided in the 820_03 transaction is presented in a format that is consistent with the market specifications in the Texas Standard Electronic Transaction (TX SET) Implementation Guide.

24.6 MOU/EC TDSP to CR Maintain Customer Information Request

This transaction set, from a Municipally Owned Utility (MOU)/Electric Cooperative (EC) Transmission and/or Distribution Service Provider (TDSP) to the Competitive Retailer (CR), is used by the MOU/EC TDSP to provide the CR with Customer information (name, address, membership id, and home or contact telephone number) for a particular point of delivery served by both the MOU/EC TDSP and CR and to continually provide the CR updates of such information, unless otherwise indicated in Retail Market Guide Section 8.1, Municipally Owned Utility and/or Electric Cooperative Transmission and/or Distribution Service Provider Market.

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~~MOU/EC TDSPs in a MOU/EC service territory are more likely to have current Customer information due to the fact that they maintain contact with the Customer and perform billing functions.~~

ERCOT Impact Analysis Report

NPRR Number	<u>1173</u>	NPRR Title	Changes Consistent With the Options Available to an MOU and EC Entering Retail Competition in the ERCOT Market
Impact Analysis Date	April 17, 2023		
Estimated Cost/Budgetary Impact	None.		
Estimated Time Requirements	No project required. This Nodal Protocol Revision Request (NPRR) can take effect following Public Utility Commission of Texas (PUCT) approval.		
ERCOT Staffing Impacts (across all areas)	Ongoing Requirements: No impacts to ERCOT staffing.		
ERCOT Computer System Impacts	No impacts to ERCOT computer systems.		
ERCOT Business Function Impacts	No impacts to ERCOT business functions.		
Grid Operations & Practices Impacts	No impacts to ERCOT grid operations and practices.		

Evaluation of Interim Solutions or Alternatives for a More Efficient Implementation

None offered.

Comments

None.

Board Report

NPRR Number	<u>1174</u>	NPRR Title	Market Participant's Return of Settlement Funds to ERCOT Following Receipt of Overpayment
Date of Decision	August 31, 2023		
Action	Recommended Approval		
Timeline	Normal		
Proposed Effective Date	November 1, 2023		
Priority and Rank Assigned	Not applicable		
Nodal Protocol Sections Requiring Revision	2.1, Definitions 2.2, Acronyms and Abbreviations 20, Alternative Dispute Resolution Procedure 20.7, Alternative Dispute Resolution Costs 20.8, Requests for Documents and Data 20.10, Return of Settlement Funds by a Qualified Scheduling Entity or Congestion Revenue Right Account Holder to ERCOT (new) 20.10.1, Applicability (new) 20.10.2, Initiation of Return of Settlement Funds (new) 20.10.3, Process for a Return of Settlement Funds Request (new) 20.10.4, Settlement Following Approved Return of Settlement Funds (new)		
Related Documents Requiring Revision/Related Revision Requests	None		
Revision Description	This Nodal Protocol Revision Request (NPRR) establishes a process that will allow a Qualified Scheduling Entity (QSE) or Congestion Revenue Right (CRR) Account Holder to return Settlement funds to ERCOT in the event that the QSE or CRR Account Holder receives an overpayment from ERCOT.		
Reason for Revision	<input checked="" type="checkbox"/> Addresses current operational issues. <input type="checkbox"/> Meets Strategic goals (tied to the <u>ERCOT Strategic Plan</u> or directed by the ERCOT Board). <input type="checkbox"/> Market efficiencies or enhancements <input type="checkbox"/> Administrative		

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	<input type="checkbox"/> Regulatory requirements <input type="checkbox"/> Other: (explain) <i>(please select all that apply)</i>
Business Case	<p>This NPRR benefits the ERCOT market by allowing QSEs and CRR Account Holders to return an overpayment of Settlement funds so that the market can be resettled and such funds can be distributed to the appropriate Market Participants.</p>
PRS Decision	<p>On 5/10/23, PRS voted to table NPRR1174 and refer the issue to WMS and Credit Finance Sub Group (CFSG). There was one abstention from the Investor Owned Utility (IOU) (Lone Star Transmission) Market Segment. All Market Segments participated in the vote.</p> <p>On 7/13/23, PRS voted unanimously to recommend approval of NPRR1174 as amended by the 6/9/23 TPS comments. All Market Segments participated in the vote.</p> <p>On 8/10/23, PRS voted unanimously to endorse and forward to TAC the 7/13/23 PRS Report and 4/24/23 Impact Analysis for NPRR1174. All Market Segments participated in the vote.</p>
Summary of PRS Discussion	<p>On 5/10/23, ERCOT Staff provided an overview of NPRR1174, noting the similarities to the existing Alternative Dispute Resolution (ADR) process. Participants requested additional review of Settlement and resettlement scenarios by WMS and CFSG.</p> <p>On 7/13/23, participants reviewed the 6/8/23 WMS comments, the 6/9/23 TPS comments, and the 6/26/23 CFSG comments for NPRR1174.</p> <p>On 8/10/23, there was no discussion.</p>
TAC Decision	<p>On 8/22/23, TAC voted unanimously to recommend approval of NPRR1174 as recommended by PRS in the 8/10/23 PRS Report. All Market Segments participated in the vote.</p>
Summary of TAC Discussion	<p>On 8/22/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, and Independent Market Monitor (IMM) Opinion for NPRR1174.</p>
ERCOT Board Decision	<p>On 8/31/23, the ERCOT Board voted unanimously to recommend approval of NPRR1174 as recommended by TAC in the 8/22/23 TAC Report.</p>

Opinions

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Credit Review	ERCOT Credit Staff and the CFSG have reviewed NPRR1174 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.
Independent Market Monitor Opinion	IMM supports NPRR1174.
ERCOT Opinion	ERCOT supports approval of NPRR1174.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1174 and believes the market impact for NPRR1174 provides a clear, cost-effective method to return overpayments to ERCOT for distribution to appropriate Market Participants.

Sponsor	
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Company	ERCOT
Phone Number	512-248-6686 / 512-275-5997 / 512-275-7436
Cell Number	
Market Segment	Not applicable

Market Rules Staff Contact	
Name	Cory Phillips
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Phone Number	512-248-6464

Comments Received	
Comment Author	Comment Summary
WMS 060823	Endorsed NPRR1174 as submitted
TPS 060923	Proposed edits removing the requirement to report a Protocol violation in order to return funds to ERCOT
CFSG 062623	Endorsed NPRR1174 as amended by the 6/9/23 TPS comments

Market Rules Notes

Board Report

None

Proposed Protocol Language Revision

2.1 DEFINITIONS

Return of Settlement Funds (RSF)

Procedures, outlined in Section 20, Alternative Dispute Resolution Procedure and Procedure for Return of Settlement Funds, for returning to ERCOT the overpayment of Settlement funds.

2.2 ACRONYMS AND ABBREVIATIONS

RSF Return of Settlement Funds

20 ALTERNATIVE DISPUTE RESOLUTION PROCEDURE AND PROCEDURE FOR RETURN OF SETTLEMENT FUNDS

20.7 Alternative Dispute Resolution Costs and Return of Settlement Funds

- (1) Each party shall be responsible for its own costs incurred during an Alternative Dispute Resolution (ADR) or Return of Settlement Funds (RSF) proceeding.

20.8 Requests for Documents and Data

- (1) If, as part of the Alternative Dispute Resolution (ADR) proceeding or Return of Settlement Funds (RSF) proceeding, a party requests documents or data from another party to the ADR or RSF proceeding, the responding party must provide one of the following within 15 days of the request:
 - (a) The requested documents or data;
 - (b) An explanation of why the documents or data should not be produced (*e.g.* relevance); or
 - (c) An explanation of why the information cannot be provided on that date and a reasonable date on which the documents or data will be produced.
- (2) All information provided pursuant to this subsection shall be provided by mail, email, or other mutually agreed-upon method.

20.10 Return of Settlement Funds by a Qualified Scheduling Entity or Congestion Revenue Right Account Holder to ERCOT

20.10.1 Applicability

- (1) This Section applies to a claim by a Qualified Scheduling Entity (QSE) or Congestion Revenue Right (CRR) Account Holder ("Applicant") that it ~~violated the Protocols, an Other Binding Document, or any other applicable law, and, as a result, received a~~

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payment or reduction of charge from ERCOT that exceeds the amount that ERCOT should have credited to the QSE or CRR Account Holder for a Charge Type for a given Operating Day or other period of time ("Overpayment").

- (2) An Applicant may use the procedures set forth in this Section to return Settlement funds to ERCOT in the event that it has received an Overpayment. This process shall be known as a Return of Settlement Funds (RSF) proceeding.
- (3) An Applicant that seeks to initiate a RSF proceeding shall file a request with ERCOT, as described in Section 20.10.2, Initiation of Return of Settlement Funds, within one year of the Operating Day at issue. ERCOT may reject a request if it determines that other Protocol processes apply to address the issue.
- (4) If ERCOT denies an Applicant's RSF request, the Applicant may appeal ERCOT's decision to the Public Utility Commission of Texas (PUCT) pursuant to P.U.C. PROC. R. 22.251, Review of Electric Reliability Council of Texas (ERCOT) Conduct.

20.10.2 Initiation of Return of Settlement Funds

- (1) To initiate an RSF proceeding, an Applicant shall complete and submit to the ERCOT Legal Department and the Independent Market Monitor (IMM) the designated form provided on the ERCOT website in the manner required by the form. All written requests shall include the following information:
 - (a) The name of the Applicant initiating the RSF proceeding;
 - (b) The amount of Settlement funds that the Applicant intends to return;
 - (c) A description of the reason(s) for the Applicant's initiation of the RSF proceeding, including references to any statute(s), rule(s), Protocol Section(s), Other Binding Document(s), Agreement(s), or other law(s) that may form all or part of the basis for the RSF;
 - (d) The Operating Day(s) involved in the RSF;
 - (e) A list of all other parties that would be affected by the RSF; and
 - (f) Designation of a senior representative who is responsible for handling matters relating to the RSF proceeding.
- (2) The date on which ERCOT receives the completed RSF written request shall be the RSF initiation date.

20.10.3 Process for a Return of Settlement Funds Request

- (1) Unless otherwise specified in these Protocols, the process for the resolution of an Applicant's request to return an Overpayment of Settlement funds filed under this Section

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will follow the process established for the resolution of ADRs under Section 20.5, Alternative Dispute Resolution Process.

20.10.4 *Settlement Following Approved Return of Settlement Funds*

- (1) If resettlement is practicable to address an adjustment required by the resolution of an RSF proceeding, ERCOT shall issue a Resettlement Statement for the affected Operating Day(s) and shall adjust applicable timelines accordingly.
- (2) If a resettlement is not practicable to address an adjustment required by an RSF resolution, ERCOT shall make the adjustments through a separate miscellaneous RSF Invoice that is produced outside of normal Settlement Invoices. The appropriate payments and charges, along with Settlement quality information, shall be supplied to all impacted Market Participants.

ERCOT Impact Analysis Report

NPRR Number	<u>1174</u>	NPRR Title	Market Participant's Return of Settlement Funds to ERCOT Following Receipt of Overpayment
Impact Analysis Date	April 24, 2023		
Estimated Cost/Budgetary Impact	None.		
Estimated Time Requirements	No project required. This Nodal Protocol Revision Request (NPRR) can take effect following Public Utility Commission of Texas (PUCT) approval.		
ERCOT Staffing Impacts (across all areas)	Ongoing Requirements: No impacts to ERCOT staffing.		
ERCOT Computer System Impacts	No impacts to ERCOT computer systems.		
ERCOT Business Function Impacts	ERCOT will update its business processes to implement this NPRR.		
Grid Operations & Practices Impacts	No impacts to ERCOT grid operations and practices.		

Evaluation of Interim Solutions or Alternatives for a More Efficient Implementation

None offered.

Comments

None.

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NPRR Number	<u>1175</u>	NPRR Title	Revisions to Market Entry Financial Qualifications and Continued Participation Requirements
Date of Decision	August 31, 2023		
Action	Recommended Approval		
Timeline	Normal		
Proposed Effective Date	November 1, 2023		
Priority and Rank Assigned	Not Applicable		
Nodal Protocol Sections Requiring Revision	1.3.1.1, Items Considered Protected Information 16.2.1, Criteria for Qualification as a Qualified Scheduling Entity 16.2.1.1, QSE Background Check Process (new) 16.2.1.1, Data Agent-Only Qualified Scheduling Entities 16.2.2.2, Incomplete QSE Applications 16.8.1, Criteria for Qualification as a CRR Account Holder 16.8.1.1, CRR Account Holder Background Check Process (new) 16.8.2.2, Incomplete CRR Account Holder Applications 16.11.1.2 Review of Counter-Party Eligibility (new) 16.11.1.2.1, Failure to Maintain Eligibility (new) 23, Form A, Congestion Revenue Right (CRR) Account Holder Application for Registration 23, Form G, QSE Application and Service Filing for Registration Form ERCOT Fee Schedule		
Related Documents Requiring Revision/Related Revision Requests	None		
Revision Description	<p>This Nodal Protocol Revision Request (NPRR) strengthens ERCOT's market entry qualification and continued participation requirements for ERCOT Counter-Parties i.e., Qualified Scheduling Entities (QSEs) and Congestion Revenue Right (CRR) Account Holders, classifies information provided in the background check as Protected Information, modifies application forms for QSEs and CRR Account Holders, and adds a new background check fee to the ERCOT Fee Schedule.</p> <p>This NPRR makes the following modifications to Section 16, Registration and Qualification of Market Participants:</p>		

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	<p>(1) Creates a new background check process as a part of ERCOT's review of current and prospective Counter-Parties;</p> <p>(2) Authorizes ERCOT to review current and prospective Counter-Parties to determine whether they pose an unreasonable financial risk to ERCOT based on their background check;</p> <p>(3) Authorizes ERCOT to suspend a QSE or CRR Account Holder if it poses an unreasonable financial risk; and</p> <p>(4) Authorizes ERCOT to terminate the registration of a Counter-Party if it is deemed an unreasonable financial risk that cannot be remedied.</p>
Reason for Revision	<p><input checked="" type="checkbox"/> Addresses current operational issues.</p> <p><input type="checkbox"/> Meets Strategic goals (tied to the <u>ERCOT Strategic Plan</u> or directed by the ERCOT Board).</p> <p><input checked="" type="checkbox"/> Market efficiencies or enhancements</p> <p><input type="checkbox"/> Administrative</p> <p><input type="checkbox"/> Regulatory requirements</p> <p><input type="checkbox"/> Other: (explain) <i>(please select all that apply)</i></p>
Business Case	<p>In an attempt to mitigate market exposure, this NPRR makes changes to qualifications and requirements for prospective and current Counter-Parties. ERCOT's goal is to strike a balance between open access, competition, and barriers to entry, while protecting the integrity of the market.</p> <p>Based on ERCOT's review of various Know Your Customer (KYC) practices and proposals in financial markets and other independent System Operators, and following consultation with ERCOT stakeholders, this NPRR limits overall market exposure by potential bad actors, and helps avoid uplifts to the ERCOT market by reducing risk of bad actors entering or re-entering the ERCOT market as new Entities; reducing risk of Entities/individuals with history of manipulating markets entering the ERCOT market; and reducing risk of Entities/individuals sanctioned in other markets entering the ERCOT market.</p> <p>The background check fee proposed in this NPRR is designed to cover the cost of background checks of new and prospective Counter-Parties — a service that will benefit Counter-Parties in mitigating market exposure by bad actors.</p>

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	Finally, this NPRR continues to phase out acceptance of paper checks by ERCOT, as well as acceptance of applications by fax or mail (relying on emailed applications instead).
PRS Decision	<p>On 5/10/23, PRS voted to table NPRR1175 and refer the issue to CFSG. There was one abstention from the Investor Owned Utility (IOU) (Lone Star Transmission) Market Segment. All Market Segments participated in the vote.</p> <p>On 7/13/23, PRS voted unanimously to recommend approval of NPRR1175 as amended by the 6/26/23 CFSG comments. All Market Segments participated in the vote.</p> <p>On 8/10/23, PRS voted unanimously to endorse and forward to TAC the 7/13/23 PRS Report and 4/25/23 Impact Analysis for NPRR1175. All Market Segments participated in the vote.</p>
Summary of PRS Discussion	<p>On 5/10/23, ERCOT Staff reviewed NPRR1175. Participants requested further review by the CFSG for issues such as limitations on what constitutes unreasonable financial risk, and questions regarding civil matters pertaining to conviction of or settlement by parties in cases involving fraud.</p> <p>On 7/13/23, participants noted the 6/26/23 CFSG comments endorsing the 6/19/23 ERCOT comments as revised by CFSG.</p> <p>On 8/10/23, participants reviewed the 4/25/23 Impact Analysis.</p>
TAC Decision	On 8/22/23, TAC voted unanimously to recommend approval of NPRR1175 as recommended by PRS in the 8/10/23 PRS Report as revised by TAC. All Market Segments participated in the vote.
Summary of TAC Discussion	On 8/22/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, and Independent Market Monitor (IMM) Opinion for NPRR1175, and corrected a typographical error from “loses” to “losses”. Participants discussed the applicability of the background check fee to a principal of multiple Market Participants, and that a “complaint” contemplated in the language is limited to financial matters from existing organizations.
ERCOT Board Decision	On 8/31/23, the ERCOT Board voted unanimously to recommend approval of NPRR1175 as recommended by TAC in the 8/22/23 TAC Report.

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Credit Review	ERCOT Credit Staff and the CFSG have reviewed NPRR1175 and believe that NPRR1175 will have positive credit implications. See 7/25/23 CFSG comments.
Independent Market Monitor Opinion	IMM has no opinion on NPRR1175.
ERCOT Opinion	ERCOT supports approval of NPRR1175.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1175 and believes the market impact for NPRR1175 is mitigated exposure to uplifts and bad actors by reducing the risk, by way of background checks, of re/entry to the ERCOT market by participants with a history of market manipulation or sanction by other markets.

Sponsor	
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Company	ERCOT
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Cell Number	216-224-3943 / 832-212-1800
Market Segment	Not Applicable

Market Rules Staff Contact	
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Comments Received	
Comment Author	Comment Summary
ERCOT 061923	Revised language to address concerns raised at the May 17, 2023 CFSG meeting, including expansion of factors that may be considered as an Unreasonable Financial Risk, and third-party background checks
CFSG 062623	Endorsed NPRR1175 as amended by the 6/19/23 ERCOT comments as revised by CFSG

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CFSG 072523	Stated that CFSG believes NPRR1175 will have positive credit implications
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Market Rules Notes

Please note administrative revisions have been made to the language, authored as "ERCOT Market Rules".

Please note the baseline Protocol language in the following section(s) has been updated to reflect the incorporation of the following NPRR(s) into the Protocols:

- NPRR1169, Expansion of Generation Resources Qualified to Provide Firm Fuel Supply Service in Phase 2 of the Service
 - Section 1.3.1.1 (incorporated 7/1/23)
- NPRR1166, Protected Information Status of DC Tie Schedule Information
 - Section 1.3.1.1 (incorporated 8/1/23)

Please note the following NPRR(s) also propose revisions to the following section(s):

- NPRR1150, Related to NOGRR230, WAN Participant Security
 - Section 16.2.1
- NPRR1162, Single Agent Designation for a QSE and its Sub-QSEs for Voice Communications over the ERCOT WAN
 - Section 16.2.1
- NPRR1165, Revisions to Requirements of Providing Audited Financial Statements and Providing Independent Amount
 - Section 16.2.1
- NPRR1170, Capturing Natural Gas Delivery Information for Natural Gas Generation Resources
 - Section 1.3.1.1
- NPRR1181, Submission of Seasonal Coal and Lignite Inventory Declaration
 - Section 1.3.1.1
- NPRR1188, Implement Nodal Dispatch and Energy Settlement for Controllable Load Resources
 - Section 1.3.1.1
- NPRR1191, Registration, Interconnection, and Operation of Customers with Large Loads; Information Required of Customers with Loads 25 MW or Greater
 - ERCOT Fee Schedule

Proposed Protocol Language Revision

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1.3.1.1 Items Considered Protected Information

Commented [EWG1]: Please note NPRR1170, NPRR1181, and NPRR1188 also propose revisions to this section.

- (1) Subject to the exclusions set out in Section 1.3.1.2, Items Not Considered Protected Information, and in Section 3.2.5, Publication of Resource and Load Information, “Protected Information” is information containing or revealing any of the following:
- (a) Base Points, as calculated by ERCOT. The Protected Information status of this information shall expire 60 days after the applicable Operating Day;
 - (b) Bids, offers, or pricing information identifiable to a specific Qualified Scheduling Entity (QSE) or Resource. The Protected Information status of part of this information shall expire 60 days after the applicable Operating Day, as follows:
 - (i) Ancillary Service Offers by Operating Hour for each Resource for all Ancillary Services submitted for the Day-Ahead Market (DAM) or any Supplemental Ancillary Services Market (SASM);
 - (ii) The quantity of Ancillary Service offered by Operating Hour for each Resource for all Ancillary Service submitted for the DAM or any SASM; and
 - (iii) Energy Offer Curve prices and quantities for each Settlement Interval by Resource. The Protected Information status of this information shall expire within seven days after the applicable Operating Day if required to be posted as part of paragraph (5) of Section 3.2.5 and within two days after the applicable Operating Day if required to be posted as part of paragraph (7) of Section 3.2.5;

[NPRR1013: Replace paragraph (b) above with the following upon system implementation of the Real-Time Co-Optimization (RTC) project:]

- (b) Bids, offers, or pricing information identifiable to a specific Qualified Scheduling Entity (QSE) or Resource. The Protected Information status of part of this information shall expire 60 days after the applicable Operating Day, as follows:
 - (i) Ancillary Service Offers by Operating Hour or Security-Constrained Economic Dispatch (SCED) interval for each Resource for all Ancillary Services submitted for the Day-Ahead Market (DAM) or Real-Time Market (RTM);
 - (ii) The quantity of Ancillary Service offered by Operating Hour or SCED interval for each Resource for all Ancillary Service submitted for the DAM or RTM; and
 - (iii) A Resource’s Energy Offer Curve prices and quantities by Operating Hour or SCED interval. The Protected Information status of this

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information shall expire within seven days after the applicable Operating Day if required to be posted as part of paragraph (5) of Section 3.2.5 and within two days after the applicable Operating Day if required to be posted as part of paragraph (7) of Section 3.2.5;

- (c) Status of Resources, including Outages, limitations, or scheduled or metered Resource data. The Protected Information status of this information shall expire as follows:
 - (i) For each Forced Outage, Maintenance Outage, or Forced Derate of a Generation Resource or Energy Storage Resource (ESR) that occurs during or extends into an Operating Day, the Protected Information status of the following information shall expire three days after the applicable Operating Day:
 - (A) The name and unit code of the Resource affected;
 - (B) The Resource's fuel type;
 - (C) The type of Outage or derate;
 - (D) The start date/time and the planned and actual end date/time;
 - (E) The Resource's applicable Seasonal net maximum sustainable rating;
 - (F) The available and outaged MW during the Outage or derate; and
 - (G) The entry in the "nature of work" field in the Outage Scheduler and any other information concerning the cause of the Outage or derate;
 - (ii) For each Resource Outage or Forced Derate that occurs during, or that extends into, any time period in which ERCOT has declared an Energy Emergency Alert (EEA), ERCOT may immediately disclose the information identified in paragraph (i) above to a state Governmental Authority, the office of the Governor of Texas, the office of the Lieutenant Governor of Texas, or any member of the Texas Legislature, if requested; and
 - (iii) For all other information, the Protected Information status shall expire 60 days after the applicable Operating Day;
- (d) Current Operating Plans (COPs). The Protected Information status of this information shall expire 60 days after the applicable Operating Day;