



## Filing Receipt

**Received - 2023-03-16 12:11:05 PM**  
**Control Number - 54445**  
**ItemNumber - 9**

# *Public Utility Commission of Texas*

---

## **Memorandum**

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

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

**DATE:** March 16, 2023

**RE:** March 23, 2023, Open Meeting – Item No. 30  
Project No. 54445 – *CY 2023 Review of Rules Adopted by the Independent Organization (Discussion and possible action)*

---

---

Before the Commission are seven new Nodal Protocol Revision Requests (NPRR), one Planning Guide Revision Request (PGRR), and one Retail Market Guide Revision Request (RMGRR) passed through the stakeholder process by the Technical Advisory Committee (TAC) and approved by the Electric Reliability Council of Texas (ERCOT) Board of Directors (Board) at their February 28, 2023, meeting. The Board Report and ERCOT Impact Analysis for the above revisions were filed in this project on March 7, 2023.<sup>1</sup> These documents are intended to provide an overview describing each revision. Commission Staff recommends approval of each of these items. All of these revision requests did not have opposition at TAC.

- NPRR1144, *Station Service Backup Power Metering* – This NPRR provides a limited exception to the requirement that all loads included in the netting arrangement for an ERCOT-Polled Settlement (EPS) Metering Facility only be connected to the ERCOT Transmission Grid through the EPS metering point(s) for the Facility. The exception allows no more than 500kW of auxiliary load connected to a station service transformer to be connected to a Transmission Service Provider's (TSP's) or Distribution Service Provider's (DSP's) Facilities through a separately metered point using an open transition load transfer switch listed for emergency use. This option would reduce costs by eliminating need for on-site backup generators.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved

---

<sup>1</sup> Notice of Recommended Approval of Revision Requests by ERCOT Board of Directors, AIS Item No. 8.

<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None, one abstention from IOU Segment (CNP)
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1144 and believes NPRR1144 provides a defined and limited exception to EPS metering requirements for generation site auxiliary Loads, not exceeding 500kW, to be isolated and connected to an alternate feed through a TDSP read metering point.
<b>Sponsor</b>	Plus Power
<b>IMM Opinion</b>	No opinion

- NPRR1147, *Update and Improve Notification and Evaluation Processes Associated with Reliability Must-Run (RMR)* – This NPRR adds a 20 MW capacity threshold for conducting a RMR reliability analysis, requires that an RMR study be conducted when a Resource Entity gives notice that a Generation Resource is ceasing operation permanently due to a Forced Outage, and updates Section 22, Attachment E to require a Resource Entity to provide information about the deactivation of Transmission Facilities as part of the suspension of operations of the unit.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1147 and believes the market impact for NPRR1147 improves the efficiency of, and provides clarifications to, RMR analysis.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- NPRR1149, *Implementation of Systematic Ancillary Service Failed Quantity Charges* – This NPRR charges a Qualified Scheduling Entity (QSE) for a Failure to Provide Ancillary Service if the Ancillary Service Supply Responsibility held by the QSE is not met by Resources in its portfolio in Real-Time, based on an evaluation of its telemetry. The charges will be assigned systematically without ERCOT Operators having to take additional action.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1149 and believes the market impact for NPRR1149 is an improvement in the process for invoking “failure to provide” Settlement. This better ensures that Market Participants are not compensated for services that they were unable to provide in Real-Time and provides transparency as to how this Settlement will be applied.
<b>Sponsor</b>	ERCOT

<b>IMM Opinion</b>	The IMM supports the approval of NPRR1149 for reasons laid out in the 9/20/22 IMM comments.
--------------------	---

- NPRR1151, *Protocol Revision Subcommittee Meeting Requirement* – This NPRR eliminates the requirement for the Protocol Revision Subcommittee (PRS) to hold at least one meeting per month.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1151 and believes the market impact for NPRR1151 improves efficiency by providing the same meeting flexibility to PRS as other subcommittees and TAC.
<b>Sponsor</b>	ONCOR
<b>IMM Opinion</b>	No opinion

- NPRR1153, *ERCOT Fee Schedule Changes* – This NPRR changes the ERCOT Fee Schedule by:
  - Adding two currently existing fees to the ERCOT Fee Schedule (public information request labor fees and ERCOT training fees);
  - Creating a registration fee of \$500 for Resource Entities, Transmission or Distribution Service Providers (TDSPs), and Subordinate QSEs (Sub-QSEs);
  - Removing the current value of the ERCOT System Administration Fee;
  - Deleting the map sales fee; and
  - Restructuring three existing fees on the Fee Schedule (Generator Interconnection or Modification (GIM) fees, Full Interconnection Study (FIS) Application fees, and Wide Area Network (WAN) fees).

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1153 and believes the market impact for NPRR1153 clarifies the ERCOT Fee Schedule by adding/restructuring the list of ERCOT-assessed fees and removing fees from the ERCOT Fee Schedule which are governed by PUCT Substantive Rule.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- NPRR1158, *Remove Sunset Date for Weatherization Inspection Fees* – This NPRR eliminates the Weatherization Inspection Fee’s sunset date on the ERCOT Fee Schedule and changes the invoicing period of such fees from a quarterly to a semiannual basis.

<b>Staff Recommendation</b>	Approve
-----------------------------	---------

<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	P-51840 Rulemaking to Establish Weatherization Standards
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1158 and believes it has a positive market impact by improving regulatory requirements through the elimination of the Weatherization Inspection fee's sunset date on the ERCOT Fee Schedule and adjusting the invoicing period of related fees from a quarterly to a semiannual basis
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- NPRR1159, *Related to RMGRR171, Changes to Transition Process that Require Opt-in Municipally Owned Utilities (MOUs) or Electric Cooperatives (ECs) that are Designating Provider of Last Resort (POLR) to provide Mass Transition Methodology to ERCOT* – This NPRR provides needed references to the Retail Market Guide to account for Texas Standard Electronic Transaction (TX SET) processing options for MOU or EC service areas that have opted into competition and aligns with RMGRR171.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed NPRR1159 and believes it has a positive market impact by addressing current operational issues through the application of references to the Retail Market Guide into the Protocols in order to account for TX SET processing options for MOU and EC services area, in alignment with RMGRR171
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

- RMGRR171, *Changes to Transition Process that Require Opt-in MOU or EC that are Designating POLR to provide Mass Transition Methodology to ERCOT* – This RMGRR provides a process for opt-in MOUs and ECs to delegate a POLR upon the MOU or EC's decision to enter into retail competition.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed RMGRR171 and believes it has a positive market impact by addressing current operational issues through the establishment of a process for opt-in MOUs and ECs without an affiliated POLR to follow in order to provide their initial POLR allocation methodologies, methodology updates, and confirmations.
<b>Sponsor</b>	ERCOT

<b>IMM Opinion</b>	No opinion
--------------------	------------

- PGRR102, *Dynamic Operation Model Improvement* – This PGRR adds a requirement for Resource Entities and Interconnecting Entities to provide operations dynamic model quality test results that demonstrate appropriate performance for submitted operations dynamic models and makes non-substantive clarifying changes.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Unanimously approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	None
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed PGRR102 and believes the market impact for PGRR102 improves the dynamic modeling processes that will result in high quality and accurate models in operations dynamic assessment, and consistency of simulations across planning and operations software platforms.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	No opinion

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

**PROJECT NO. 54445**

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

**§  
§  
§**

**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**PROPOSED ORDER APPROVING ERCOT REVISION REQUESTS**

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

At its meeting on February 28, 2023, the ERCOT Board of Directors (Board) recommended Commission approval of the following nine proposed revisions to the ERCOT rules: seven Nodal Protocol Revision Requests (NPRRs), one Retail Market Guide Revision Request (RMGRR), and one Planning Guide Revision Request (PGRR).

*NPRR1144, Station Service Backup Power Metering;*

*NPRR1147, Update and Improve Notification and Evaluation Processes Associated with Reliability Must-Run (RMR);*

*NPRR1149, Implementation of Systematic Ancillary Service Failed Quantity Charges;*

*NPRR1151, Protocol Revision Subcommittee Meeting Requirement;*

*NPRR1153, ERCOT Fee Schedule Changes;*

*NPRR1158, Remove Sunset Date for Weatherization Inspection Fees;*

*NPRR1159, Related to RMGRR171, Changes to Transition Process that Require Opt-in MOU or EC that are Designating POLR to provide Mass Transition Methodology to ERCOT;*

*RMGRR171, Changes to Transition Process that Require Opt-in MOU and EC that are Designating POLR to provide Mass Transition Methodology to ERCOT; and*

*PGRR102, Dynamic Operation Model Improvement.*

On March 7, 2023, for each proposed revision, ERCOT filed a copy of its Board Report, which includes an ERCOT Market Impact Statement, and ERCOT Impact Analysis. These supporting ERCOT documents constitute the market impact analysis. Commission Staff filed a

memorandum on March 16, 2023, related to these revisions in which it recommends that the Commission approve the revisions to the rules.

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

1. The Commission approves NPRR1144 and accompanying market impact statement.
2. The Commission approves NPRR1147 and accompanying market impact statement.
3. The Commission approves NPRR1149 and accompanying market impact statement.
4. The Commission approves NPRR1151 and accompanying market impact statement.
5. The Commission approves NPRR1153 and accompanying market impact statement.
6. The Commission approves NPRR1158 and accompanying market impact statement.
7. The Commission approves NPRR1159 and accompanying market impact statement.
8. The Commission approves RMGRR171 and accompanying market impact statement.
9. The Commission approves PGRR102 and accompanying market impact statement.



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

**PUBLIC UTILITY COMMISSION OF TEXAS**

---

**PETER M. LAKE, CHAIRMAN**

---

**WILL MCADAMS, COMMISSIONER**

---

**LORI COBOS, COMMISSIONER**

---

**JIMMY GLOTFELTY, COMMISSIONER**

---

**KATHLEEN JACKSON, COMMISSIONER**