

TAC Recommendation Report

NPRR Number	094	NPRR Title	Correct Reference to CRR Credit Limit
Timeline	Normal	Recommended Action	Approval
Date of Decision	March 6, 2008		
Protocol Sections Requiring Revision	7.5.3, ERCOT Responsibilities 7.5.5, Auction Clearing Methodology		
Proposed Effective Date	Upon Texas Nodal Market implementation.		
Priority and Rank Assigned	Not applicable.		
Revision Description	ERCOT will be determining credit limits for Counter-Parties, not Congestion Revenue Right (CRR) Account Holders. CRR Account Holders will have the flexibility to manage their credit limits (as a subset of their Counter-Party) for each CRR auction activity.		
Overall Market Benefit	Provides Market Participants with a clearer description of the manner in which they can manage their credit exposure to CRR auction activities.		
Overall Market Impact	None.		
Consumer Impact	None.		
Credit Impacts	The Credit Work Group (Credit WG) has reviewed NPRR094 and noted that the NPRR clarifies Protocol language and does not have any credit implications.		
Procedural History	<ul style="list-style-type: none"> ➤ On 1/2/08, NPRR094 was posted. ➤ On 1/11/08, the Credit WG comments were posted. ➤ On 1/17/08, PRS considered this NPRR. ➤ On 2/14/08, the Impact Analysis (IA) was posted. ➤ On 2/21/08, PRS considered the Recommendation Report and the IA. ➤ On 3/6/08, TAC considered this NPRR. 		
PRS Decision	<p>On 1/17/08, PRS unanimously voted to recommend approval of this NPRR as submitted. All Market Segments attended the vote.</p> <p>On 2/21/08, PRS unanimously voted to forward the Recommendation Report and the IA to TAC for approval. All Market Segments were present for the vote.</p>		
Summary of PRS Discussion	<p>On 1/17/08, PRS noted Credit WG comments that this NPRR does not have any credit implications.</p> <p>On 2/21/08, there was no discussion.</p>		
TAC Decision	On 3/6/08, TAC unanimously voted to recommend approval of NPRR094 as recommended by PRS. All Market Segments were present for the vote.		

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Summary of TAC Discussion	On 3/6/08, there was no discussion.
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Quantitative Impacts and Benefits		
Assumptions	1	<i>Modification does not have any system impacts to CRR or Credit Monitoring and Management (CMM).</i>
	2	<i>Change clarifies the description of market participant (Counter-Party and CRR Account Holder) activity related to managing their credit available for CRR auction activities.</i>
Market Cost		Impact Area
	1	<i>No market cost.</i>
Market Benefit		Monetary Impact
	1	<i>No change to market efficiencies.</i>
	2	
	3	
	4	
Additional Qualitative Information	1	<i>Provides Market Participants with a clearer description of the manner in which they can manage their credit exposure to CRR auction activities.</i>
	2	
	3	
	4	
Other Comments	1	
	2	
	3	
	4	

Comments Received	
Comment Author	Comment Summary
Credit WG 011108	Stated that this NPRR does not have any credit implications.

Original Sponsor	
Name	Trip Doggett on behalf of Transition Plan Task Force (TPTF)
Company	ERCOT
Market Segment	Not applicable.

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Proposed Protocol Language Revision

7 CONGESTION REVENUE RIGHTS

7.5 CRR Auctions

7.5.3 *ERCOT Responsibilities*

- (1) ERCOT shall:
 - (a) Manage the qualification and registration of eligible CRR Account Holders;
 - (b) Post calendar of CRR Auctions;
 - (c) Initiate, direct, and oversee the CRR Auction;
 - (d) Post CRR Auction results;
 - (e) Maintain a record of the CRRs;
 - (f) Provide a mechanism to record CRR bilateral transactions;
 - (g) Determine CRR Auction settlement and distribute auction revenues;
 - (h) Keep, under the ERCOT data retention policy, all information and tools necessary to reproduce CRR calculations; and
 - (i) Post CRR Network Model of the effective month of the auction on the MIS Secure Area, before each CRR Auction:
 - (i) For monthly auctions the model shall be posted no later than 10 Business Days before the auction.
 - (ii) For annual auctions the model shall be posted no later than 20 Business Days before the annual auction.
- (2) ERCOT shall use the CRR Network Model as defined in Section 3.10.3, CRR Network Model.
- (3) ERCOT shall develop and maintain a CRR guide to help Market Participants with the CRR program.

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- (4) Before each auction, ERCOT shall establish a credit limit under Section 16, Registration and Qualification of Market Participants, ~~for each CRR Account Holder (“CRR Account Holder’s Credit Limit”)~~ that is imposed in the CRR Auction.

7.5.5 Auction Clearing Methodology

7.5.5.1 Creditworthiness

The CRR Auction system prevents a CRR Account Holder from being awarded bids and offers that exceed the lesser of the CRR Account Holder’s self-imposed credit limit or the ~~CRR Account Holder’s Counter Party’s~~ credit limit as prescribed in Section 16.11.4.6.1.4, ~~Determination of Counter Party Aggregate Incremental Liability~~ Credit Requirements for CRR Auction Participation.