



Date: July 10, 2012
To: Board of Directors
From: Chad V. Seely, ERCOT Assistant General Counsel
Subject: User Fees – Congestion Revenue Right (CRR) Account Holder and Independent Market Information System Registered Entity (IMRE) Application Fees

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: July 17, 2012

Agenda Tab No.: 9.2

Issue:

Whether the Board of Directors (Board) of Electric Reliability Council of Texas Inc. (ERCOT) should approve ERCOT staff's recommendation to institute two new user fees – each of which is a \$500 application fee – for Market Participant registration of a CRR Account Holder and IMRE.

Background/History:

P.U.C. SUBST. R. 25.363(f) indicates that, “ERCOT may charge reasonable user fees for services provided by ERCOT to any market participant or other entity. User fees do not include the system administration fee and the ERCOT nodal implementation surcharge. A new or revised user fee may be approved by the ERCOT governing board, without the filing of an application under § 22.252 of this title (relating to Approval of ERCOT Fees and Rates). . .” All user fees are listed in the ERCOT Fee Schedule, which is listed with the current Protocols on the ERCOT.com website.

Protocol Section 9.16.2 indicates that, “Each Entity that applies to become a registered Market Participant must pay any applicable application fee under Section 16.” Currently, under Protocol Section 16, *Registration and Qualification of Market Participants*, ERCOT only assesses a Market Participant application fee for Entities that register as a Qualified Scheduling Entity (QSE) or a Competitive Retailer (CR) (*i.e.*, a type of Load Serving Entity (LSE)). Both application fees are \$500 per Entity.

At its January 2011 meeting, the Board approved Nodal Protocol Revision Request (NPRR) 260, *Providing Access to MIS Secure Area to MIS Registered Users*, which added IMRE as a Market Participant to the ERCOT Protocols and the Standard Form Market Participant Agreement (SFA). Further, at its June 2012 meeting, the Board approved the Impact Analysis (IA) associated with NPRR260. ERCOT expects a 6-month project timeline to implement NPRR260.

IMREs will be legally bound by the ERCOT Protocols. Once NPRR260 is implemented and the Planning and Operations Information (POI) website is decommissioned in 2013, Entities such as consultants, aggregators, consumers, universities, etc. will likely register as IMREs and have access to certain planning and operations data in the Market Information System (MIS) Secure Area via Digital Certificates. As IMREs, these Entities will be subject to compliance audit under Protocol Section 16. To create parity with QSE and CR application fees being



assessed to Market Participants and recover costs of provided registration services, ERCOT staff recommends a \$500 application fee for CRR Account Holder and IMRE applicants.

The F&A Committee will meet prior to the Board meeting on Monday, July 16, 2012, and is expected to make a recommendation to the Board regarding the two new user fees for CRR Account Holder and IMRE applicants.

Key Factors Influencing Issue:

Currently, there is an application fee assessed for the registration of any QSE or CR. To create parity with QSE and CR application fees being assessed to Market Participants and recover costs of provided registration services, ERCOT staff recommends a \$500 application fee for CRR Account Holder and IMRE applicants.

Conclusion/Recommendation:

ERCOT management respectfully requests that the F&A Committee support and recommend management's recommendation for Board approval and that the Board approve two new user fees – each of which is a \$500 application fee – for Market Participant registration of a CRR Account Holder and IMRE.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, pursuant to P.U.C. SUBST. R. 25.363(f), Electric Reliability Council of Texas, Inc. (ERCOT) may charge reasonable user fees for services provided by ERCOT to any Market Participant or other entity. Furthermore, under the same authority, the Board of Directors (Board) of ERCOT may approve a new or revised user fee without the filing of an application to the Public Utility Commission of Texas (Commission).

WHEREAS, after due consideration, the Board deems it desirable and in the best interest of ERCOT to assess two new user fees – each of which is a \$500 application fee – for Market Participant registration of a Congestion Revenue Right (CRR) Account Holder or an Independent Market Information System Registered Entity (IMRE) in order to create parity with similar application fees being assessed to Market Participants and recover costs of provided registration services.

THEREFORE, BE IT RESOLVED, that effective immediately ERCOT is hereby authorized and approved to assess two new user fees – each of which is a \$500 application fee – for Market Participant registration of a CRR Account Holder and IMRE.

CORPORATE SECRETARY'S CERTIFICATE

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its July 17, 2012 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of July, 2012.

Vickie G. Leady
Assistant Corporate Secretary