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| NPRR Number | [972](http://www.ercot.com/mktrules/issues/NPRR972) | NPRR Title | Enhancing Existing CRR Transaction Limit Process |
| Date of Decision | | November 20, 2019 | |
| Action | | Recommended Approval | |
| Timeline | | Normal | |
| Proposed Effective Date | | December 11, 2019 | |
| Priority and Rank Assigned | | Not applicable | |
| Nodal Protocol Sections Requiring Revision | | 7.5.2, CRR Auction Offers and Bids | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) provides ERCOT with authority to not open a transaction adjustment period for a CRR Auction, even if the total number of transactions submitted exceeds the transaction limit announced prior to the auction, as long as the total number of transactions submitted does not exceed the number of transactions that can be processed by ERCOT’s systems.  This revision is relevant to Congestion Revenue Right (CRR) Auctions that are part of a CRR Long-Term Auction Sequence (“LTAS”), because each Time Of Use (TOU) is run separately—meaning each LTAS is actually run as three optimizations. Each optimization can independently handle the current Technical Advisory Committee (TAC)-approved auction transaction limit, which is 300,000 for the entire LTAS CRR Auction.  The discretion provided by this revision will enable ERCOT to consider requesting that TAC approve a higher per CRR Account Holder transaction limit for LTAS CRR Auctions. No system changes would be needed to implement a higher transaction limit.  Note that in the unlikely case that a transaction adjustment period is needed for an LTAS CRR Auction, the final allocated transaction limit will still be per auction, not per TOU. This change will not apply to CRR Monthly Auctions, because they are run as a single optimization. | |
| Reason for Revision | | Addresses current operational issues.  Meets Strategic goals (tied to the [ERCOT Strategic Plan](http://www.ercot.com/content/wcm/lists/144926/ERCOT_Strategic_Plan_2019-2023.pdf) or directed by the ERCOT Board).  Market efficiencies or enhancements  Administrative  Regulatory requirements  Other: (explain)  *(please select all that apply)* | |
| Business Case | | Because the LTAS is run in three separate optimizations (by TOU), it is not necessary to impose a transaction adjustment period for an entire LTAS CRR Auction as long as none of the individual TOUs exceeds the total transaction limit of the CRR engine software. The approach proposed in this NPRR will allow ERCOT to refrain from opening a transaction adjustment period when it is not necessary in cases such as this.  Generally, more transactions are submitted into LTAS CRR Auctions than into CRR Monthly Auctions, so enhancing the transaction limit process for LTAS CRR Auctions will allow CRR Account Holders to best utilize the existing auction capabilities. | |
| Credit Work Group Review | | ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed NPRR972 and do not believe that it requires changes to credit monitoring activity or the calculation of liability. | |
| PRS Decision | | On 10/10/19, PRS unanimously voted to recommend approval of NPRR972 as submitted. All Market Segments were present for the vote.  On 11/13/19, PRS unanimously voted to endorse and forward to TAC the 10/10/19 PRS Report and Impact Analysis for NPRR972. The Independent Power Marketer (IPM) Market Segment was not present for the vote. | |
| Summary of PRS Discussion | | On 10/10/19, ERCOT Staff outlined the intent of NPRR972.  On 11/13/19, there was no discussion. | |
| TAC Decision | | On 11/20/19, TAC unanimously voted to recommend approval of NPRR972 as recommended by PRS in the 11/13/19 PRS Report with a recommended effective date of upon ERCOT Board approval. All Market Segments were present for the vote. | |
| Summary of TAC Discussion | | On 11/20/19, participants acknowledged ERCOT Staff’s recommendation that NPRR972 take effect upon ERCOT Board approval. | |
| ERCOT Opinion | | ERCOT supports approval of NPRR972. | |

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| Sponsor | |
| Name | Donald House |
| E-mail Address | [donald.house@ercot.com](mailto:donald.house@ercot.com) |
| Company | ERCOT |
| Phone Number | 512-248-4676 |
| Market Segment | Not applicable |

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| **Market Rules Staff Contact** | |
| **Name** | Cory Phillips |
| **E-Mail Address** | [cory.phillips@ercot.com](mailto:cory.phillips@ercot.com) |
| **Phone Number** | 512-248-6464 |

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| **Comments Received** | |
| Comment Author | **Comment Summary** |
| None |  |

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| Market Rules Notes |

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:

* NPRR936, CRR Account Holder Limits (incorporated 11/1/19)
  + Section 7.5.2

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| Proposed Protocol Language Revision |

7.5.2 CRR Auction Offers and Bids

(1) To submit bids or offers into a CRR Auction, an Entity must become a CRR Account Holder and satisfy financial assurance criteria required to participate, under Section 16.8, Registration and Qualification of Congestion Revenue Rights Account Holders.

(2) In order to enforce a volume limitation on the number of market transactions (bids and offers) submitted into the CRR Auction, ERCOT shall evaluate the maximum number of transactions which are available prior to the auction, and evenly divide the limit across the CRR Account Holders eligible to submit bids or offers according to paragraph (1) above. This limit shall be designated as the preliminary allocated CRR transaction limit. The preliminary allocated CRR transaction limitation for all CRR Account Holders will be communicated as part of the CRR Auction Notice prior to each auction.

(a) Prior to executing the CRR Auction but after the transaction submission window is closed, ERCOT shall determine which of the CRR Account Holders are Participating CRR Account Holders for that CRR Auction. ERCOT shall then calculate a final allocated CRR transaction limit by evenly dividing the number of available transactions across the Participating CRR Account Holders.

(b) The Technical Advisory Committee (TAC) shall establish transaction limits for the CRR Auctions for Participating CRR Account Holders. As part of TAC consideration to establish or change transaction limits, ERCOT shall provide upon TAC request to TAC or a TAC-designated subcommittee the historical number of transactions submitted by each CRR Account Holder and the number of active CRR Account Holders aggregated up to the associated Counter-Party for each requested CRR Auction without identifying the names of the CRR Account Holders or Counter-Parties. Upon TAC approval of a change in transaction limits, ERCOT shall post these values as part of the next regularly scheduled CRR Auction Notice. Only Participating CRR Account Holders are allowed to submit transactions for consideration in the relevant CRR Auction.

(c) If the total number of transactions submitted by all Participating CRR Account Holders into the CRR Auction does not exceed the maximum number of transactions available prior to the auction, then the final allocated CRR transaction limit will not apply and all transactions will be accepted.

(d) Within one hour after the close of each CRR Auction, ERCOT shall notify all CRR Account Holders of the total number of transactions submitted by all Participating CRR Account Holders and whether or not a transaction adjustment period is necessary. ERCOT may determine that a transaction adjustment period is not necessary if the total number of transactions submitted by all Participating CRR Account Holders does not exceed the number of transactions that can be processed by the CRR Auction system.

(e) If ERCOT announces a transaction adjustment period, ERCOT shall notify all CRR Account Holders of the final allocated transaction limit and reject all transactions submitted by each Participating CRR Account Holder whose sum total of transactions submitted to the affected CRR Auction exceeds the final allocated transaction limit. Each Participating CRR Account Holder may then adjust their transactions while respecting the final allocated CRR transaction limitation for the affected CRR Auction within one Business Day. ERCOT will then execute the CRR Auction using the updated set of transactions as revised by Market Participants.

(f) Each Counter-Party is limited to a total of three CRR Account Holders.

(g) ERCOT shall determine a charge for each PTP Option bid awarded in each CRR Auction as described in Section 7.7, Point-to-Point (PTP) Option Award Charge.

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| ***[NPRR936: Replace paragraph (2) above with the following upon system implementation:]***  (2) In order to enforce a volume limitation on the number of market transactions (bids and offers) submitted into the CRR Auction, ERCOT shall evaluate the maximum number of transactions which are available prior to the auction, and evenly divide the limit across the Counter-Parties that are associated with CRR Account Holders eligible to submit bids or offers according to paragraph (1) above. This limit shall be designated as the preliminary allocated CRR transaction limit. The preliminary allocated CRR transaction limitation for all Counter-Parties will be communicated as part of the CRR Auction Notice prior to each auction.  (a) Prior to executing the CRR Auction but after the transaction submission window is closed, ERCOT shall determine which of the Counter-Parties are associated with Participating CRR Account Holders for that CRR Auction. ERCOT shall then calculate a final allocated CRR transaction limit by evenly dividing the number of available transactions across the Counter-Parties associated with Participating CRR Account Holders.  (b) The Technical Advisory Committee (TAC) shall establish transaction limits for the CRR Auctions for Counter-Parties associated with Participating CRR Account Holders. As part of TAC consideration to establish or change transaction limits, ERCOT shall provide upon TAC request to TAC or a TAC-designated subcommittee the historical number of transactions submitted by each CRR Account Holder and the number of active CRR Account Holders aggregated up to the associated Counter-Party for each requested CRR Auction without identifying the names of the CRR Account Holders or Counter-Parties. Upon TAC approval of a change in transaction limits, ERCOT shall post these values as part of the next regularly scheduled CRR Auction Notice. Only Participating CRR Account Holders are allowed to submit transactions for consideration in the relevant CRR Auction.  (c) If the total number of transactions submitted by all Participating CRR Account Holders into the CRR Auction does not exceed the maximum number of transactions available prior to the auction, then the final allocated CRR transaction limit will not apply and all transactions will be accepted.  (d) Within one hour after the close of each CRR Auction, ERCOT shall notify all CRR Account Holders of the total number of transactions submitted by all Participating CRR Account Holders and whether or not a transaction adjustment period is necessary.  (e) If ERCOT announces a transaction adjustment period, ERCOT shall notify all CRR Account Holders of the final allocated transaction limit and reject all transactions submitted by each Participating CRR Account Holder associated with a Counter-Party whose sum total of transactions submitted to the affected CRR Auction exceeds the final allocated transaction limit. Each Participating CRR Account Holder may then adjust their transactions while respecting the final allocated CRR transaction limitation for the affected CRR Auction within one Business Day. ERCOT will then execute the CRR Auction using the updated set of transactions as revised by Market Participants.  (f) ERCOT shall determine a charge for each PTP Option bid awarded in each CRR Auction as described in Section 7.7, Point-to-Point (PTP) Option Award Charge. |