**[Slide 1** – no changes]

Welcome to the Mass Transition on-line module. By the end of this module, you will have learned:

What a Mass Transition is and why it occurs,

How a Mass Transition is executed and completed, and

The roles and requirements of Market Participants involved in a Mass Transition.

Add Pop-Up to state: Included in training will be some reference links to provide more detailed information. These links may be found in the Script Tab to the left. (maybe add screenshot)

**[Slide 2 – MT Process]**

*What is a Mass Transition?*

During the course of business in the Texas retail electric market, circumstances may necessitate **the expeditious transfer of large numbers of customers from one Market Participant to another.**

The **goal of the transition process** is to transfer responsibility for all affected ESI IDs while also honoring the Customer’s choice to switch to their chosen CR.

This **module** will follow a typical Mass Transition process focusing on the transition of ESI IDs from a Losing/Defaulting CR to a designated Gaining Provider of Last Resort or POLR REP.

Note, CRs or Competitive Retailers and REPs, Retail Electric Providers will be used interchangeably for this module.

**[New Slide 3 – MPs involved]**

So who is involved during a Mass Transition event? The PUCT, ERCOT, the TDSPs, the Defaulting CR, which is the REP exiting the market, the POLR CRs, and finally the impacted Customers. They each play a role in the transfer of ESIIDs during a Mass Transition event.

**[New slide 4 – Definitions]**

Let’s define the Gaining POLR REPs (“provider”?):

There are two types of POLR providers: ***VREPs and LSPs***.

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which stands for

When a Mass Transition event occurs, ERCOT will allocate VREPs their population of ESIIDs first, and any remaining ESIIDs are divided amongst the LSPs on a load ratio share basis For additional information on the allocation process, please refer to <http://www.puc.texas.gov/consumer/electricity/Polr.aspx>

It is also important to note that both types of POLR providers must meet their own set of eligibility requirements as set forth in PUCT Subst. Rule 25.43.

Lastly, a VREP or LSP may be designated to serve any or all of the four customer classes in a POLR area or TDSP territory. The four customer classes are Residential, Small Non-Residential, Medium Non-Residential, and Large Non-Residential.

Small, medium and large non-residential are defined by their peak demands. Small non-residential customers have demands below 50 kilowatts while large non-residential are over 1 megawatt. Medium are defined as those in between 50 kW and 1 megawatt.

**[Slide 5 – PUCT Staff Responsibilities]**

Now, we will explore the roles and responsibilities of each of the Market participants involved during a Mass Transition event.

Let’s start with the PUCT Staff…

They serve as the oversight body, and coordinates with ERCOT staff on the initiation of the mass transition event.

They oversee the entire event and participate in the daily project coordination calls to ensure all parties involved are performing their assigned tasks.

Administratively, PUCT Staff also manages the decertification process of the Defaulting CR exiting the market.

**[Slide 6 -- ERCOT responsibilities]**

Let’s now look at the many responsibilities of ERCOT …

Their primary responsibility is to manage the entire Mass Transition event from initiation to conclusion.

They coordinate communications with PUCT Staff *before*, *during,* and *after* a Mass Transition Event, and serve as the initiator of the Drop to POLR transaction with the TDSPs.

ERCOT is responsible for providing the market notifications informing the market of the POLR event. If ERCOT has reason to expect that it may be necessary to initiate a Mass Transition on a given Business Day, it may notify PUCT Staff and potentially affected TDSPs and POLR REPs that a Mass Transition might commence that day. If ERCOT determines that *no* Mass Transition is necessary, and preliminary notice had already been provided to potentially affected parties, ERCOT shall then notify PUCT Staff and the potentially affected TDSPs and POLR REPs that the Mass Transition *will not* occur on that Business Day. Upon confirmation that a Mass Transition *will* occur due to the default of CR, ERCOT shall provide an initial Mass Transition Market Notice to affected TDSPs, POLR REPs, the Losing/Defaulting CR, and appropriate PUCT Staff. If a Mass Transition is initiated on a Business Day prior to a weekend or ERCOT holiday, the initial Mass Transition project coordination call will be scheduled for that Business Day.

ERCOT shall provide the following information in the initial Mass Transition Market notification:

(a) Confirmation of a Mass Transition event;

(b) The name and DUNS # of the Losing/Defaulting CR;

(c) The total number of ESI IDs of the Losing/Defaulting CR to be transitioned;

(d) The estimated Load of the Losing/Defaulting CR;

(e) The Mass Transition Date, which will be defined later in this module; and

(f) Logistical details for the initial Mass Transition project coordination call, which will be scheduled for the same or the next Business Day, as noted earlier. If the Mass Transition is initiated on a Business Day prior to a weekend or ERCOT holiday the initial project coordination call must be scheduled for the same Business Day.

In addition, ERCOT is responsible for outreach and communications to the impacted customers, informing them of the event through an official Commission seal postcard, and either an automated phone call and/or an email based on the contact information available to ERCOT as provided by the Defaulting CR.

ERCOT also calculates the ESI ID allocation between the VREPs and LSPs. This process is described in detail in PUCT Substantive Rule 25.43. Allocations are made for each customer class in each POLR area or TDSP territory as noted earlier.

ERCOT is responsible for managing the daily activities and transactions of market participants throughout the event.

First, ERCOT initiates the transition process by sending the Drop to POLR transaction 814\_03 coded with a ‘ TS’ to the TDSPs.

ERCOT will also cancel all scheduled Move In or Switch transactions associated with the Defaulting CR.

ERCOT will also distribute the Defaulting CR’s most current CBCI file, Customer billing Contact Information file to the appropriate POLR CR via NAESB Therefore, the assigned POLR CR will receive customer information on their allocated ESI IDs only. For more information on the format and attributes of the CBCI file see Section 9 of the Retail Market Guide.

ERCOT provides a list of respective ESIs to each impacted market participant’s authorized contacts via an email. It is important each market participant has to up to date information for the Transition/Acquisition contacts on file with ERCOT. Any updates are to be made with ERCOT Client Services via an NCI form (Notice of Change of Information).

Note: exact language from NCI form.

* **Transition/Acquisition (“TA”)** – Requirement for Competitive Retailers (CRs) and Transmission and/or Distribution Service Providers (TDSPs). Responsible for coordinating Mass TA events between ERCOT, TDSPs and CRs. The CR may be a Provider of Last Resort (POLR), Designated CR, Gaining CR or Losing CR. Includes TA Business (“TAB”), TA Regulatory (“TAR”) and TA Technical (“TAT”). List one contact per TA. *(LSEs, TSPs, DSPs)*

Also very important to the mass transition process, if a customer choses a new REP prior to the Mass Transition effective date , ERCOT will monitor the scheduling of a non-POLR (or “competitive”) switch or Move In, and will initiate an 814\_08 cancel transaction to the impacted Market participants which will cancel the associated, scheduled Drop to POLR transaction.

Finally, ERCOT coordinates all daily project coordination calls until conclusion of the event, and will make the final determination of the completion of the Mass Transition Event -- ensuring all impacted ESI IDs have been transitioned and communicates that to the market.

Also to note, ERCOT will conduct an annual Mass Transition Drill with TDSPs and designated LSPs in test environments, typically performed in the Spring, to test the functionality and market processes ensuring an efficient transition of a large number of ESIs. The abbreviated drill monitors the flow and receipt of the transactions of the TDSPs and designated LSPs.

**[Slide 7 – TDSPs]**

The TDSPs also have an important role in the process. They are responsible for:

Executing the transactions during a MT event.

1. Initially, they will prepare their systems to be able to receive the 814\_03TS Drop to POLR transaction from ERCOT.
2. The TDSP schedules the Drop to POLR transaction for the MT event according to timelines which will be discussed later in this module.
3. The TDSP will also execute and complete any non-POLR “competitive” switch or MVI scheduled up to 7 PM (CPT) of the MT effective date.
4. For all remaining, scheduled Drop to POLR transactions, the TDSPs will perform meter reads on the Mass Transition Effective date.
5. Lastly, to complete the Business Process Instance (BPI) for the Mass Transition event, the TDSPs will send to ERCOT the Final meter read as an 867\_03F to the Losing/Defaulting CR or the Initial read as an 867\_04 to the new/Gaining CR.

Along with the other Market Participants, TDSPs will also participate on the daily Project Coordination Calls to ensure all transition activities are executed as planned.

**Slide 8 -- Defaulting CR**

The Defaulting CR also has a role to play during the mass transition event.

1. They must provide ERCOT an updated CBCI file for ERCOT & POLR provider customer outreach
2. They must also be able to receive the 814\_11 Drop Response from ERCOT ending their liability for the ESIID
3. The Defaulting CR must also send their Customers a Notification of Default as required by the PUC ; And
4. Lastly, participate on the Daily Project Coordination Calls.

**Slide 9 -- POLR CR**

VREPs and LSPs have the following responsibilities during a mass transition event:

1. They must prepare their systems to receive the 814\_14, Drop Enrollment Request transaction from ERCOT.
2. POLR REPs will integrate the Customer contact information received on the CBCI file from ERCOT
3. POLR REPs are also responsible for providing communications and outreach to impacted customers as required in PUCT Substantive Rule 25.43
4. POLR REPs must also participate in the Daily Project Coordination Calls, and
5. POLR REPs are ultimately responsible for establishing a relationship with the Customer acquired through the MT event.

(This may be good as a pop-up) As a reminder, the POLR CRs are to ensure all contact information for Authorized Representatives is current with ERCOT as communications regarding the event will be distributed to this listserve.

**Slide 10 -- Customers**

Customer also play a role during the Mass Transition event. When informed of the event by ERCOT, customers have the opportunity to switch to their REP of choice prior to the MT Effective Date.

If the Customer chooses another CR of choice, they may do so without penalty from the Defaulting/Losing CR or POLR/Gaining CR.

If no action is taken by the Customer, they will be transitioned to the POLR REP, and subject to POLR rates.

**Slide 11 -- Timeline**

Now that we have defined the market participants and their roles, let’s look at the timeline for executing a mass transition event.

For the purpose of the timeline, we shall define the following dates:

First is the Notification date. The is the date on which ERCOT sends the initial Mass Transition Market Notice to affected parties informing them that a Mass Transition will occur as a result of a Market participant default, also known as the pre-launch stage in the process.

Next, is Calendar Day 0 – this is the date that ERCOT sends the 814\_03TS, Enrollment Notifications Request to the TDSPs. This can occur on the Notification date.

The Mass Transition Date is the Scheduled Meter Read or SMRD that will be equal to Calendar Day 0 plus two days. This will be the date requested in the 814\_03 TS transaction from ERCOT to the TDSPs. POLR CRs will be responsible for impacted ESI IDs no earlier than the Mass Transition effective date during a POLR event.

**Slide 12 – Timeline of a Mass Transition**

Here is the diagram found in the Retail Market Guide Section 9 Appendix F2: Timeline for Initiation of a Mass Transition. We will now describe the activities that occur on each day of the mass transition process.

On Calendar Day -1, also known as the Notification Date, here, ERCOT provides notice of the MT event to impacted CRs, TDSPs, and the PUCT. If the notification occurs prior to 3 PM CPT, the initial Project Coordination Call will be facilitated by ERCOT by 5 PM CT that same day. If the notification occurs after 3 PM CT, the initial Project Coordination Call will be held the next morning. Keep in mind, a default can only occur on a business and banking day. Once a default is confirmed and communicated to PUCT Staff, ERCOT will provide impacted TDSPs with the Defaulting CR’s DUNS Number in order to prepare their systems for the MT event.

On Calendar Day 0, which may also be the Notification date, ERCOT sends the 814\_03 TS Drop to POLR transaction to TDSPs with an effective date two calendar days. This is known as the Mass Transition Date. TDSPs will schedule the DROP to POLR transactions accordingly. And the Defaulting CR must provide their CBCI (customer billing and contact information) file to ERCOT for processing.

On Calendar Day 1, A Daily Project Coordination call will be held to discuss the status of transactions and address any questions market participants may have. ERCOT will provide the CBCI file to POLR REPs via NAESB to assist the REP with customer outreach. ERCOT will also send the 814\_ 14 transactions to transition the impacted ESI IDs to the Gaining POLR REP. non-POLRswitchmove inschedulingnon-POLR Once a non-POLR transaction is completed for a given ESIID, all impacted parties to cancel  
  
Additionally, a series of other transactions are sent on Day 1:

* the 867\_02 Historical Usage transaction from the TDSP to ERCOT and then onto the POLR REP.
* the 814\_04 Enrollment Response transactions from the TDSP to ERCOT which schedules the mass transition for the Mass Transition effective date.
* The 814\_11 which is sent from ERCOT to the Defaulting CR, ending liability of the exiting CR.
* The 814\_14s from ERCOT to the Gaining POLR CR confirming the schedule of the MT event.

In addition to managing the transactions between Market Participants, on Calendar Day 1, ERCOT also begins outreach to impacted customers to inform them of the Mass Transition event via email, phone, or text and sends out the required Commission sealed postcard.

Day 2, known as the Mass Transition Date, ERCOT will continue forwarding any “competitive’ non-POLR switch or move in transactions to the TDSPs for processing. The TDSP will execute any ‘competitive’ non-POLR switch or move in transaction on an impacted ESI ID if received by 7 PM CPT. Beginning, 7:01 PM CPT, TDSPs will begin to process the Drop to POLR transactions that have not been cancelled by a “competitive” non-POLR transaction. TDSPs will perform meter reads on Day 2 for the Mass Transition Date which is included within the 867\_03F and 867\_04 Initial. ERCOT will continue to monitor to ensure all impacted ESI IIDs have transitioned to either a REP of choice or the designated POLR REP.

Days 3 and 4 will continue with Daily Project Coordination calls with market participants hosted by ERCOT. By Day 5, TDSPs will send to ERCOT the final 867\_03F which is sent to the Defaulting CR as the final invoice. TDSPs will also send the initial meter reads on the 867\_04s to ERCOT who will forward to the POLR CR confirming the new relationship with the customer. Once all impacted ESI IDs have been transitioned, ERCOT will conclude the Mass Transition process.

NOTE: if Day 2(mass transition effective date) falls on a Sunday or holiday which is a non-AMS Operational Day, then….. Per PUCT Subst. R 25.43, non-AMS Operational Day rules and non-Business day rules shall apply. Meaning, no competitive 814\_01 Switch or 814\_16 Move-In will be scheduled for the same Effective Date, thereby only the Drop to POLR will effectuate.

**Slide 14 – Transaction Flow of a Mass Transition**

Earlier in the module, we discussed most of the transactions involved in a mass transition event. Now we will review the sequencing of the transactions. First let’s establish the market participants involved… ERCOT, the TDSP, the POLR CR, and the Defaulting CR.

The first transaction to initiate the mass transition process is the 814\_03 TS Enrollment Notification Request transaction sent from ERCOT to the appropriate TDSP. This appears as a standard 814\_03 Enrollment Request transaction; however,only ERCOT can initiate the “TS” transaction resulting in the initiation of the Mass transition event.

Once the TDSP receives the 814\_03 “TS”, they will generate an 814\_04 Enrollment Notification Response scheduling transaction confirming the mass transition date. And send the 867\_02 Historical Usage transaction to ERCOT to be forwarded to the new POLR REP.

ERCOT then sends corresponding scheduling transactions to the POLR CR, as an 814\_14 Drop Enrollment Request confirming the mass transition date; and to the Defaulting CR as an 814\_11 Drop Response ending the relationship on the mass transition effective date.

ERCOT also forwards the 867\_02 Historical Usage provided by the TDSPs

Once the meter read is obtained by the TDSP on the Mass Transition Date, the TDSP will send the 867\_03 Final transaction to ERCOT who forwards to the defaulting CR as the final invoice ending the relationship with the customer. The same reading is sent from the TDSP to ERCOT via the 867\_04 transaction as the Initial meter read, which is forwarded by ERCOT to the gaining POLR REP to establish a relationship with the customer.

The final transaction in the process is the point to point 810\_02 TDSP invoice from the TDSP to the Defaulting CR.

In summary, there are 11 transactions between market participants to effectuate a mass transition event for a single ESIID.

**Conclusion**

Now that we have reached the end of the module, let’s review your level of understanding of the mass transition process with a few checkpoint questions…

True or False: Only Large Service Providers are considered Provider of Last Resort ( POLR) REPs. False, Both Volunteer REPs and LSPs are considered to be POLR REPs. And a VREP is also considered to be an LSP in the process.

True or False Pre-launch date or the Notification date can be the same as Calendar Day 0 in the mass transition process. TRUE, Calendar Day -1 and Calendar Day 0 can be the same day and activities for the Notification Date can occur the same day as Calendar Day 0.

If an ESI is scheduled to drop to the POLR CR on June 30th and the customer chooses a new REP scheduling a SWITCH 814\_01 for July 2nd, who will be the customer’s REP of Record on July 1st?

1. Defaulting CR
2. POLR CR (right answer)
3. REP of Choice

If an ESI is scheduled to drop to the POLR CR on June 30th and the customer chooses a new REP scheduling a SWITCH 814\_01 for June 29th, who will be the customer’s REP of Record on June 30th?

1. Defaulting CR
2. POLR CR
3. REP of Choice (right answer)