|  |  |  |  |
| --- | --- | --- | --- |
| **NPRR Number** | [**1073**](http://www.ercot.com/mktrules/issues/nprr1073) | **NPRR Title** | **Market Entry/Participation by Principals of Counter-Parties with Financial Obligations** |
| **Date of Decision** | | August 19, 2021 | |
| **Action** | | Approved | |
| **Timeline** | | Urgent – Urgent status is necessary to put the language into effect as soon as possible after the default allocation related to Winter Storm Uri | |
| **Effective Date** | | Upon staffing completion | |
| **Priority and Rank Assigned** | | Not applicable | |
| **Nodal Protocol Sections Requiring Revision** | | 16.1.2, Principal of a Market Participant (new)  16.2.1, Criteria for Qualification as a Qualified Scheduling Entity  16.2.1.1, QSE Background Check Process (new)  16.2.1.1, Data Agent-Only Qualified Scheduling Entities  16.2.2, QSE Application Process  16.2.2.2, Incomplete Applications  16.2.2.3, ERCOT Approval or Rejection of Qualified Scheduling Entity Application  16.2.3.2, Maintaining and Updating QSE Information  16.8.1, Criteria for Qualification as a CRR Account Holder  16.8.1.1, CRR Account Holder Background Check Process (new)  16.8.2, CRR Account Holder Application Process  16.8.2.2, Incomplete Applications  16.8.2.3, ERCOT Approval or Rejection of CRR Account Holder Application  16.8.3.1, Maintaining and Updating CRR Account Holder Information  Section 23 Form A: Congestion Revenue Right (CRR) Account Holder Application for Registration  Section 23 Form G: QSE Application and Service for Registration Form  ERCOT Fee Schedule | |
| **Related Documents Requiring Revision/Related Revision Requests** | | None | |
| **Revision Description** | | This Nodal Protocol Revision Request (NPRR) modifies ERCOT’s market entry qualification and continued participation requirements for ERCOT Counter-Parties i.e., Qualified Scheduling Entities (QSEs) and Congestion Revenue Right (CRR) Account Holders, and modifies application forms for QSEs and CRR Account Holders.  This NPRR makes the following modifications to Section 16, Registration and Qualification of Market Participants:  (1) Defines Principals of a Market Participant; and  (2) Provides that a QSE/CRR Account Holder applicant or existing QSE/CRR Account Holder must be able to demonstrate to ERCOT’s reasonable satisfaction that its Principals were/are not Principals of a terminated Market Participant with money remaining owed to ERCOT.  This NPRR also modifies the QSE/CRR Account Holder applicant form to require disclosure of the Principals of the QSE/CRR Account Holder applicant. | |
| **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** | | Currently, ERCOT has limited authority to prevent a person that had decision-making authority over a terminated Market Participant with an unpaid financial obligation to ERCOT from re-entering the ERCOT market by forming a new Entity. A concern has been expressed that Market Participants who are responsible for a Default Uplift Ratio Share due to the impacts of Winter Storm Uri could attempt to avoid responsibility for that financial obligation by leaving the ERCOT market, only to have the persons with decision-making authority over such Market Participants later rejoin the ERCOT market as a new legal Entity.  To address this concern, this NPRR strengthens ERCOT’s market entry and continued participation requirements for ERCOT Counter-Parties by clarifying that the Principal(s) of ERCOT Counter-Parties will not be permitted to circumvent payment obligations to ERCOT, including any accrued obligations to pay Default Uplift Ratio Shares, by terminating an existing Market Participant with a payment obligation and then later joining the ERCOT market under a new legal Entity. | |
| **Credit Work Group Review** | | See 4/21/21 and 7/21/21 Credit WG comments | |
| **PRS Decision** | | On 4/15/21, PRS voted unanimously via roll call to grant NPRR1073 Urgent status; to recommend approval of NPRR1073 as amended by the 4/14/21 DC Energy comments; and to forward to TAC NPRR1073. All Market Segments participated in the vote. | |
| **Summary of PRS Discussion** | | On 4/15/21, the sponsor provided an overview of NPRR1073, the nature of the request for Urgent status, and reviewed recent comments. ERCOT Staff noted intent to submit additional comments to account for possible outcomes related to Market Participants with a terminated Standard Form Market Participant Agreement that are not currently contemplated in the NPRR. | |
| **TAC Decision** | | On 4/28/21, TAC voted unanimously via roll call to table NPRR1073. All Market Segments participated in the vote.  On 5/26/21, TAC voted unanimously via roll call to table NPRR1073 until the July 28, 2021 TAC meeting, and to refer the issue to WMS. All Market Segments participated in the vote.  On 7/28/21, TAC voted via roll call to recommend approval of NPRR1073 as recommended by PRS in the 4/15/21 PRS Report as amended by the 7/6/21 Luminant comments; and the Revised Impact Analysis. There was one abstention from the Independent Power Marketer (IPM) (Shell) Market Segment. All Market Segments participated in the vote. | |
| **Summary of TAC Discussion** | | On 4/28/21, participants reviewed the staffing impacts associated with NPRR1073, noted the potential for further refinement of language, and requested tabling of NPRR1073.  On 5/26/21, participants reviewed recent comments to NPRR1073. ERCOT Staff provided additional details regarding the proposed implementation plan and addressed questions posed by Market Participants about how the provisions outlined would apply in various scenarios. Participants also discussed the 120-day “look-back” concept outlined in the 5/25/21 ERCOT comments in addition to the questions proposed by the 5/25/21 Shell comments, and considered potential implications if NPRR1073 were to remain tabled for additional discussion.  On 7/28/21, participants reviewed the 7/6/21 Luminant comments, and discussed the budgetary impact associated with additional staffing. Participants noted the desire for further discussion of a specific appeals process for Entities deemed to be Principals; and that it be considered via a separate NPRR. | |
| **ERCOT Opinion** | | ERCOT supports approval of NPRR1073. | |
| **ERCOT Market Impact Statement** | | ERCOT Staff has reviewed NPRR1073 and believes the market impact for NPRR1073 provides one or more of the following benefits: transparency, efficiency, and/or reliability; and/or aligns with current market rules. | |
| **Board Decision** | | On 8/10/21, the ERCOT Board recommended approval of NPRR1073 as recommended by TAC in the 7/28/21 TAC Report. | |
| **PUCT Decision** | | On 8/19/21, the PUCT approved NPRR1073 and accompanying ERCOT Market Impact Statement as presented in Project No. 52307. | |

|  |  |
| --- | --- |
| **Sponsor** | |
| **Name** | Clayton Greer |
| **E-mail Address** | [Clayton.greer@morganstanley.com](mailto:Clayton.greer@morganstanley.com) |
| **Company** | Morgan Stanley Capital Group, Inc. |
| **Phone Number** | 512-497-2986 |
| **Cell Number** |  |
| **Market Segment** | IPM |

|  |  |
| --- | --- |
| **Market Rules Staff Contact** | |
| **Name** | Phillip Bracy |
| **E-Mail Address** | [Phillip.Bracy@ercot.com](mailto:Phillip.Bracy@ercot.com) |
| **Phone Number** | 512-865-0064 |

|  |  |
| --- | --- |
| **Comments Received** | |
| **Comment Author** | **Comment Summary** |
| DC Energy 041221 | Expressed support for NPRR1073; and proposed giving ERCOT discretion to determine that an individual or Entity is a Principal, adding a minimum two Business Days to satisfy a determination of Unreasonable Credit Risk, and limiting default disclosure in the CRR Account Holder and QSE applications to only material, uncured financial defaults in ERCOT or other energy markets |
| Luminant 041221 | Proposed addressing the subject of QSE and CRR Account Holder background checks at a later date |
| DC Energy 041421 | Supported the 4/12/21 Luminant comments, re-inserted two Business Day minimum and default disclosure concepts from the 4/12/21 DC Energy comments |
| ERCOT 042021 | Clarified that if any Principal of a QSE/CRR Account Holder is or was a Principal of a terminated ERCOT Market Participant with an existing obligation for Default Uplift Ratio Share, the terminated Market Participant must remain current on its payment obligations for Default Uplift Invoices in order for the QSE/CRR Account Holder to become or remain a QSE/ CRR Account Holder |
| Credit WG 042121 | Noted NPRR1073 will provide positive credit impacts and is consistent with the ERCOT filing at the Public Utility Commission of Texas (PUCT) regarding implementation of default allocation rules |
| Luminant 042621 | Requested TAC table NPRR1073 |
| Luminant 051721 | Revised item (1)(f) of Section 16.1.2 to limit the definition of a Principal to officers or individuals granted the ability to make decisions that would bind the Entities |
| ERCOT 052521 | Updated the NPRR title, revision description, and business case to reflect the current intent of the NPRR; proposed language to add a “look-back” period and remove disclosure language in the QSE/CRR Account Holder application specific to NPRR1067, Market Entry Qualifications, Continued Participation Requirements, and Credit Risk Assessment; and provided ERCOT’s understanding of the impacts of the implementation of NPRR1073 as compared to NPRR1067 |
| Shell 052521 | Revised the definition of Principal to revert item (1)(e) of Section 16.1.2 to the original language submitted by ERCOT in NPRR1067; proposed to limit past linkages of a Principal to an Entity to six months before the termination or default in order to capture the decision makers who led the Entities into the outstanding payment obligation; added clarity to QSE and CRR Account Holder applications by specifically stating that the disqualification or defaults reference are related to ISO markets and clearing houses; proposed removal of part III (B) of the CRR Account Holder application (Section 23, Form A) & part IV (B) of the QSE application (Section 23, Form G) with intent for further discussion at a later time |
| Shell 052521 | Responded to 5/25/21 ERCOT comments, proposed to revert item (1)(e) of Section 16.1.2 to the original language submitted by ERCOT in NPRR1067; and provided additional questions for discussion |
| WMS 060421 | Requested TAC continue to table NPRR1073 for further review by the Market Credit Working Group (MCWG) and an ERCOT workshop on securitization |
| Luminant 070621 | Further modified definition of “Principal” in Section 16.1.2 |
| WMS 071321 | Endorsed NPRR1073 as amended by the 7/6/21 Luminant comments |
| Credit WG 072121 | Acknowledged positive credit impacts, supported the 7/6/21 Luminant comments, noted the need for a subsequent NPRR to address the appeal process for Entities deemed to be Principals under NPRR1073 |

|  |
| --- |
| **Market Rules Notes** |

Please note the following NPRR(s) also propose revisions to the following Sections:

* NPRR1067, Market Entry Qualifications, Continued Participation Requirements, and Credit Risk Assessment
* 16.1.2, Principal of a Market Participant (new)
* 16.2.1, Criteria for Qualification as a Qualified Scheduling Entity
* 16.2.1.1, QSE Background Check Process (new)
* 16.2.1.1, Data Agent-Only Qualified Scheduling Entities
* 16.2.2, QSE Application Process
* 16.2.2.2, Incomplete Applications
* 16.2.2.3, ERCOT Approval or Rejection of Qualified Scheduling Entity Application
* 16.2.3.2, Maintaining and Updating QSE Information
* 16.8.1, Criteria for Qualification as a CRR Account Holder
* 16.8.1.1, CRR Account Holder Background Check Process (new)
* 16.8.2, CRR Account Holder Application Process
* 16.8.2.2, Incomplete Applications
* 16.8.2.3, ERCOT Approval or Rejection of CRR Account Holder Application
* 16.8.3.1, Maintaining and Updating CRR Account Holder Information
* Section 23 Form A: Congestion Revenue Right (CRR) Account Holder Application for Registration
* Section 23 Form G: QSE Application and Service for Registration Form
* ERCOT Fee Schedule

|  |
| --- |
| **Proposed Protocol Language Revision** |

***16.1.2    Principal of a Market Participant***

(1) For purposes of Section 16, Registration and Qualification of Market Participants, a Principal is any of the following, as related to a registered Market Participant or Market Participant applicant:

(a) A sole proprietor of a sole proprietorship;

(b) A general partner of a general partnership;

(c) An executive of a company (e.g., president, chief executive officer, chief operating officer, chief financial officer, general counsel, or equivalent position);

(d) A manager, managing member, or a member vested with the management authority of a limited liability company or limited liability partnership;

(e) A shareholder with more than 10% equity of the Entity; or

(f) A person that has authority to make decisions under these Protocols on behalf of the registered Market Participant or applicant, and is not otherwise controlled by any of the other Principal types listed above, or as otherwise identified by ERCOT.

16.2.1 Criteria for Qualification as a Qualified Scheduling Entity

(1) To become and remain a Qualified Scheduling Entity (QSE), an Entity must meet the following requirements:

(a) Submit a properly completed QSE application for qualification, including any applicable fee, necessary disclosures, and designation of Authorized Representatives, each of whom is responsible for administrative communications with the QSE and each of whom has enough authority to commit and bind the QSE and the Entities it represents;

(b) Sign a Standard Form Market Participant Agreement;

(c) Sign any required Agreements relating to use of the ERCOT network, software, and systems;

(d) Demonstrate to ERCOT’s reasonable satisfaction that the Entity is capable of performing the functions of a QSE;

(e) Demonstrate to ERCOT’s reasonable satisfaction that the Entity is capable of complying with the requirements of all ERCOT Protocols and Operating Guides;

(f) Satisfy ERCOT’s creditworthiness and capitalization requirements as set forth in this Section, unless exempted from these requirements by Section 16.17, Exemption for Qualified Scheduling Entities Participating Only in Emergency Response Service;

(g) Be generally able to pay its debts as they come due. ERCOT may request evidence of compliance with this qualification only if ERCOT reasonably believes that a QSE is failing to comply with it;

(h) Provide all necessary bank account information and arrange for Fedwire system transfers for two-way confirmation;

(i) Be financially responsible for payment of Settlement charges for those Entities it represents under these Protocols;

(j) Comply with the backup plan requirements in the Operating Guides;

(k) Maintain a 24-hour, seven-day-per-week scheduling center with qualified personnel for the purposes of communicating with ERCOT relating to Day-Ahead and Operating Day exchange of market and operational obligations in representing Load, Resources, and market positions. Those personnel must be responsible for operational communications and must have sufficient authority to commit and bind the QSE and the Entities that it represents;

(l) Demonstrate and maintain a working functional interface with all required ERCOT computer systems; and

(m) Allow ERCOT, upon reasonable notice, to conduct a site visit to verify information provided by the QSE.

(2) If a QSE chooses to use Electronic Data Interchange (EDI) transactions to receive Settlement Statements and Invoices, it must participate in and successfully complete testing as described in Section 19.8, Retail Market Testing, before starting operations with ERCOT as a QSE.

(3) A QSE or QSE applicant must be able to demonstrate to ERCOT’s reasonable satisfaction that none of its Principals were or are Principals of any Entity with an outstanding payment obligation that remains owing to ERCOT under any Agreement or these Protocols. For purposes of this section, ERCOT will only consider disqualifying those Principals of the QSE or QSE applicant who were Principals of the other Entity at a time during which the unpaid financial obligation remained owing to ERCOT or during the 120-day period prior to the date on which the unpaid financial obligation first became due and owing to ERCOT.

(4) If any of a QSE’s or QSE applicant’s Principals were or are Principals of a terminated Market Participant with an obligation for Default Uplift Ratio Share allocated under Protocol Section 9.19.1, the terminated Market Participant must be current on all payment obligations for Default Uplift Invoices in order for the QSE to remain, or QSE applicant to become, a registered QSE. For purposes of this section, ERCOT will only consider as disqualifying those Principals of the QSE or QSE applicant who were Principals of the other Entity at a time during which the other Entity was not current on its payment obligation for Default Uplift Invoices or 120 days prior to the date the other Entity first failed to pay a Default Uplift Invoice.

(5) A QSE shall promptly notify ERCOT of any change that a reasonable examiner may deem material to the QSE’s ability to continue to meet the requirements set forth in this Section, and any material change in the information provided by the QSE to ERCOT that may adversely affect the reliability or safety of the ERCOT System or the financial security of ERCOT. This includes any changes in the Principals of the QSE. If the QSE fails to so notify ERCOT of such change within two Business Days after becoming aware of the change, then ERCOT may, after providing notice to each Entity represented by the QSE, refuse to allow the QSE to perform as a QSE and take any other action ERCOT deems appropriate, in its sole discretion, to prevent ERCOT or Market Participants from bearing potential or actual risks, financial or otherwise, arising from those changes, and in accordance with these Protocols.

(6) Subject to the following provisions of this paragraph, a QSE may partition itself into any number of subordinate QSEs (“Subordinate QSEs”). If a single Entity requests to partition itself into more than four Subordinate QSEs, ERCOT may implement the request subject to ERCOT’s reasonable determination that the additional requested Subordinate QSEs will not be likely to overburden ERCOT’s staffing or systems. ERCOT shall adopt an implementation plan allowing phased-in registration for these additional Subordinate QSEs in order to mitigate system or staffing impacts. However, ERCOT may not unreasonably delay that registration.

(7) Each Subordinate QSE must be treated as an individual QSE for all purposes including communications and control functions except for liability, financial security, and financial liability requirements under this Section. That liability, financial security, and financial liability is cumulative for all Subordinate QSEs for the single Entity signing the QSE Agreement.

(8) Continued qualification as a QSE is contingent upon compliance with all applicable requirements in these Protocols. ERCOT may suspend a QSE’s rights as a Market Participant when ERCOT reasonably determines that it is an appropriate remedy for the Entity’s failure to satisfy any applicable requirement.

**16.2.1.1 Data Agent-Only Qualified Scheduling Entities**

(1) An Entity may request registration as a Data Agent-Only QSE by submitting a completed Data Agent-Only QSE application. ERCOT will consider the application and register the Entity as a Data Agent-Only QSE in accordance with the same processes in Section 16.2, Registration and Qualification of Qualified Scheduling Entities, generally applicable to the QSE application process.

(2) An Entity is eligible to register as a Data Agent-Only QSE and maintain that registration if it:

(a) Meets all the eligibility criteria to qualify as a QSE under paragraph (1) of Section 16.2.1, Criteria for Qualification as a Qualified Scheduling Entity, except for items (f), (h), (j), and (k);

(b) Is not also registered as a Congestion Revenue Right (CRR) Account Holder;

(c) Does not participate in the Day-Ahead Market (DAM) or Real-Time Market (RTM);

(d) Does not participate in the Emergency Response Service (ERS) market;

(e) Does not have decision making authority over the Resources for which the Entity provides agency services; and

(f) Maintains 24-hour, seven-day-per-week support contact with qualified personnel to support and resolve any data or communication issues with ERCOT.

(3) A registered Data Agent-Only QSE may only be appointed to act as the authorized agent of a QSE that meets all requirements of Section 16.2.1 for the limited purpose of exchanging or communicating certain types of data with ERCOT provided that a QSE Agency Agreement making such appointment has been properly executed by the parties and accepted by ERCOT. If a Data Agent-Only QSE is appointed as such an agent, it shall perform its agency services in accordance with the terms of the QSE Agency Agreement and the requirements for Wide Area Network (WAN) Participants under the Nodal Operating Guide Section 7, Telemetry and Communication. Once a Data Agent-Only QSE has been designated as an agent as provided herein, it will be authorized to act on behalf of the designating QSE and the Market Participant represented by the designating QSE.

(4) A Data Agent-Only QSE shall comply with the obligations applicable to QSEs under this Section 16, Registration and Qualification of Market Participants, but is exempt from the following requirements:

(a) Paragraph (1)(f) of Section 16.2.1;

(b) Paragraph (1)(h) of Section 16.2.1;

(c) Paragraph (1)(j) of Section 16.2.1;

(d) Paragraph (1)(k) of Section 16.2.1;

(e) Section 16.11, Financial Security for Counter-Parties; and

(f) Section 16.16, Additional Counter-Party Qualification Requirements.

(5) ERCOT will ensure that its systems prevent participation by a Data Agent-Only QSE in the DAM and RTM.

(6) A Data Agent-Only QSE may request to change its registration to a QSE that meets all the requirements of Section 16.2.1 and is registered with ERCOT as such by submitting a written request to ERCOT. ERCOT will change the Data Agent-Only QSE’s registration upon satisfaction of all requirements in Section 16.2.1.

(7) Nothing in this section affects a Data Agent-Only QSE’s obligation under paragraph (3) of Section 16.2.1 to provide ERCOT notice of any material change that could adversely affect the reliability or safety of the ERCOT System.

16.2.2 QSE Application Process

(1) To register as a QSE, an applicant must submit to ERCOT a completed Section 23 Form G: QSE Application and Service Filing for Registration Form and any applicable fee. ERCOT shall post on the ERCOT website the form in which QSE applications must be submitted, all materials that must be provided with the QSE application and the fee schedule, if any, applicable to QSE applications. The QSE application shall be attested to by a duly authorized officer or agent of the applicant. The QSE applicant shall promptly notify ERCOT of any material changes affecting a pending application using the appropriate form posted on the ERCOT website. The application must be submitted at least 60 days before the proposed date of commencement of service.

**16.2.2.2 Incomplete QSE Applications**

(1) Within ten Business Days after receiving a QSE application, ERCOT shall notify the applicant in writing if the application is incomplete. An application will not be deemed complete until ERCOT has received all information necessary to conduct an evaluation of whether the applicant satisfies the requirements to be registered as a QSE.

(2) If a QSE application is incomplete, ERCOT’s notice of incompletion to the applicant must explain the deficiencies and describe the additional information necessary to make the QSE application complete. The QSE applicant has five Business Days after it receives the notice, or a longer period if ERCOT allows, to provide the additional required information.

(3) If the applicant does not respond to the incompletion notice within the time allotted, ERCOT shall reject the application and shall notify the applicant using the procedures below.

(4) ERCOT will notify the applicant of the date on which the application is deemed complete.

**16.2.2.3 ERCOT Approval or Rejection of Qualified Scheduling Entity Application**

(1) ERCOT will approve or reject a QSE application within 60 days after the application has been deemed complete as provided for in Section 16.2.2.2, Incomplete QSE Applications, unless ERCOT determines that additional time is needed to complete its review of the application. ERCOT will notify the applicant when additional time is needed to complete its review and will provide a date by which ERCOT expects to complete its review. If ERCOT’s initial evaluation indicates that there may be a basis to reject the application, ERCOT may contact the applicant prior to rendering a final decision on the application to determine if further information can be provided by the applicant to resolve the identified concern.

(2) If ERCOT rejects a QSE application, ERCOT shall send the applicant a rejection letter explaining the grounds upon which ERCOT rejected the QSE application. Appropriate grounds for rejecting a QSE application include the following:

(a) Required information is not provided to ERCOT in the allotted time;

(b) Noncompliance with technical requirements; and

(c) Noncompliance with other specific eligibility requirements in this Section or in any other Protocols.

(3) Not later than ten Business Days after receiving a rejection letter, the QSE applicant may challenge the rejection of its QSE application using the dispute resolution procedures set forth in Section 20, Alternative Dispute Resolution Procedure.The applicant may submit a new QSE application and fee at any time, and ERCOT shall process the new QSE application under this Section.

(4) If ERCOT approves the QSE application, ERCOT shall send the applicant a Standard Form Market Participant Agreement and any other required Agreements relating to use of the ERCOT network, software, and systems for the applicant’s signature.

(5) If ERCOT fails to approve or deny the QSE application within 60 days after the application is deemed complete, and also fails to notify the applicant that additional time is needed to complete its review, the QSE applicant may seek relief using the dispute resolution procedures set forth in Section 20.

#### 16.2.3.2 Maintaining and Updating QSE Information

(1) Each QSE must timely update information the QSE provided to ERCOT in the application process, and a QSE must promptly respond to any reasonable request by ERCOT for updated information regarding the QSE or the information provided to ERCOT by the QSE, including:

(a) The QSE’s addresses;

(b) A list of Principals, as defined in Section 16.1.2, Principal of a Market Participant;

(c) A list of Affiliates; and

(d) Designation of the QSE’s officers, directors, Authorized Representatives, Credit Contacts, and User Security Administrator (USA) (all per the QSE application) including the addresses (if different), telephone and facsimile numbers, and e-mail addresses for those persons.

16.8.1 Criteria for Qualification as a CRR Account Holder

(1) To become and remain a Congestion Revenue Right (CRR) Account Holder, an Entity must meet the following requirements:

(a) Submit a properly completed CRR Account Holder application (Section 23, Form A, Congestion Revenue Right (CRR) Account Holder Application for Registration) for qualification, including any applicable fee, any necessary disclosures, and designation of “Authorized Representatives,” each of whom is responsible for administrative communications with the CRR Account Holder and each of whom has enough authority to commit and bind the CRR Account Holder;

(b) Sign a CRR Account Holder Agreement;

(c) Sign any required Agreements relating to use of the ERCOT network, software, and systems;

(d) Demonstrate to ERCOT’s reasonable satisfaction that the Entity is capable of performing the functions of a CRR Account Holder;

(e) Demonstrate to ERCOT’s reasonable satisfaction that the Entity is capable of complying with the requirements of all ERCOT Protocols and Operating Guides;

(f) Satisfy ERCOT’s creditworthiness requirements as set forth in this Section;

(g) Be generally able to pay its debts as they come due; ERCOT may request evidence of compliance with this qualification only if ERCOT reasonably believes that a CRR Account Holder is failing to comply with it;

(h) Provide all necessary bank account information and arrange for Fedwire system transfers for two-way confirmation;

(i) Be financially responsible for payment of its Settlement charges under these Protocols; and

(j) Not be an unbundled Transmission Service Provider (TSP), Distribution Service Provider (DSP), or an ERCOT employee.

(2) A CRR Account Holder or CRR Account Holder applicant must be able to demonstrate to ERCOT’s reasonable satisfaction that none of its Principals were or are Principals of any Entity with an outstanding payment obligation that remains owing to ERCOT under any Agreement or these Protocols. For purposes of this section, ERCOT will only consider disqualifying those Principals of the CRR Account Holder or CRR Account Holder applicant who were Principals of the other Entity at a time during which the unpaid financial obligation remained owing to ERCOT or during the 120-day period prior to the date on which the unpaid financial obligation first became due and owing to ERCOT.

(3) If any of a CRR Account Holder’s or CRR Account Holder applicant’s Principals were or are Principals of a terminated Market Participant with an obligation for Default Uplift Ratio Share allocated under Protocol Section 9.19.1, the terminated Market Participant must be current on all payment obligations for Default Uplift Invoices in order for the CRR Account Holder to remain, or CRR Account Holder applicant to become, a registered CRR Account Holder. For purposes of this section, ERCOT will only consider as disqualifying those Principals of the CRR Account Holder or CRR Account Holder applicant who were Principals of the other Entity at a time during which the other Entity was not current on its payment obligation for Default Uplift Invoices or 120 days prior to the date the other Entity first failed to pay a Default Uplift Invoice.

(4) A CRR Account Holder shall promptly notify ERCOT of any material change that a reasonable examiner could deem material to the CRR Account Holder’s ability to continue to meet the requirements set forth in paragraphs (1) to (3) above, and any material change in the information provided by the CRR Account Holder to ERCOT that may adversely affect the financial security of ERCOT. This includes any changes in the Principals of the CRR Account Holder. If the CRR Account Holder fails to so notify ERCOT of the following within two Business Days after becoming aware of the change, then ERCOT may refuse to allow the CRR Account Holder to continue to perform as a CRR Account Holder and take any other action ERCOT deems appropriate, in its sole discretion, to prevent ERCOT or Market Participants from bearing potential or actual risks, financial or otherwise, arising from those changes, and in accordance with these Protocols.

(5) Continued qualification as a CRR Account Holder is contingent upon compliance with all applicable requirements in these Protocols. ERCOT may suspend a CRR Account Holder’s rights as a Market Participant when ERCOT reasonably determines that it is an appropriate remedy for the Entity’s failure to satisfy any applicable requirement.

16.8.2 CRR Account Holder Application Process

(1) To register as a CRR Account Holder, an applicant must submit to ERCOT a completed Section 23 Form A: Congestion Revenue Right (CRR) Account Holder Application for Registration and any applicable fee. ERCOT shall post on the ERCOT website the form in which CRR Account Holder applications must be submitted, all materials that must be provided with the CRR Account Holder application and the fee schedule, if any, applicable to CRR Account Holder applications. The CRR Account Holder application shall be attested to by a duly authorized officer or agent of the applicant. The CRR Account Holder applicant shall promptly notify ERCOT of any material changes affecting a pending application using the appropriate form posted on the ERCOT website. The application must be submitted at least 60 days before the first day of participation in the CRR Auction process or purchase of CRRs.

**16.8.2.2 Incomplete CRR Account Holder Applications**

(1) Within ten Business Days after receiving a CRR Account Holder application, ERCOT shall notify the applicant in writing if the application is incomplete. An application will not be deemed complete until ERCOT has received all information necessary to conduct an evaluation of whether the applicant satisfies the requirements to be registered as a CRR Account Holder.(2) If a CRR Account Holder application is incomplete, ERCOT’s notice of incompletion to the applicant must explain the deficiencies and describe the additional information necessary to make the CRR Account Holder application complete. The CRR Account Holder applicant has five Business Days after it receives the notice, or a longer period if ERCOT allows, to provide the additional required information. (3) If the applicant does not respond to the incompletion notice within the time allotted, ERCOT shall reject the application and shall notify the applicant using the procedures below.

(4) ERCOT will notify the applicant of the date on which the application is deemed complete.

**16.8.2.3 ERCOT Approval or Rejection of CRR Account Holder Application**

(1) ERCOT will approve or reject a CRR Account Holder application within 60 days after the application has been deemed complete as provided for in Section 16.8.2.2, Incomplete CRR Account Holder Applications, unless ERCOT determines that additional time is needed to complete its review of the application. ERCOT will notify the applicant when additional time is needed to complete its review and will provide a date by which ERCOT expects to complete its review. If ERCOT’s initial evaluation indicates that there may be a basis to reject the application, ERCOT may contact the applicant prior to rendering a final decision on the application to determine if further information can be provided by the applicant to resolve the identified concern.

(2) If ERCOT rejects a CRR Account Holder application, ERCOT shall send the applicant a rejection letter explaining the grounds upon which ERCOT rejected the CRR Account Holder application. Appropriate grounds for rejecting a CRR Account Holder application include the following:

(a) Required information is not provided to ERCOT in the allotted time;

(b) Noncompliance with technical requirements; and

(c) Noncompliance with other specific eligibility requirements in this Section or in any other Protocols.

(3) Not later than ten Business Days after receiving a rejection letter, the CRR Account Holder applicant may challenge the rejection of its CRR Account Holder application using the dispute resolution procedures set forth in Section 20, Alternative Dispute Resolution Procedure. The applicant may submit a new CRR Account Holder application and fee at any time, and ERCOT shall process the new CRR Account Holder application under this Section.

(4) If ERCOT approves the CRR Account Holder application, ERCOT shall send the applicant a CRR Account Holder Agreement and any other required Agreements relating to use of the ERCOT network, software, and systems for the applicant’s signature.

(5) If ERCOT fails to approve or deny the CRR Account Holder application within 60 days after the application is deemed complete, and fails to notify the applicant that additional time is needed to complete its review, the CRR Account Holder may seek relief using the dispute resolution procedures set forth in Section 20.

#### 16.8.3.1 Maintaining and Updating CRR Account Holder Information

(1) Each CRR Account Holder must timely update information the CRR Account Holder provided to ERCOT in the application process, and a CRR Account Holder must promptly respond to any reasonable request by ERCOT for updated information regarding the CRR Account Holder or the information provided to ERCOT by the CRR Account Holder, including:

(a) The CRR Account Holder’s addresses;

(b) A list of Principals;

(c) A list of Affiliates; and

(d) Designation of the CRR Account Holder’s officers, directors, Authorized Representatives, Credit Contacts, and User Security Administrator (all per the CRR Account Holder application) including the addresses (if different), telephone and facsimile numbers, and e-mail addresses for those persons.

**ERCOT Nodal Protocols**

**Section 23**

**Form A: Congestion Revenue Right (CRR) Account Holder Application for Registration**

**TBD**

Date Received: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**CONGESTION REVENUE RIGHT (CRR) ACCOUNT HOLDER**

**APPLICATION FOR REGISTRATION**

This application is for approval as a CRR Account Holder by the Electric Reliability Council of Texas Inc. (ERCOT) in accordance with the ERCOT Protocols. Information may be inserted electronically to expand the reply spaces as necessary. ERCOT will accept the completed, executed application via email to [MPRegistration@ercot.com](mailto:MPRegistration@ercot.com) (.pdf version), via facsimile to (512) 225-7079, or via mail to Market Participant Registration, 7620 Metro Center Drive, Austin, Texas 78744. In addition to the application, ERCOT must receive an application fee in the amount of $500 via check or wire transfer. If you need assistance filling out this form, or if you have any questions, please call (512) 248-3900.

This application must be signed by the Authorized Representative, Backup Authorized Representative or an Officer of the company listed herein, as appropriate. ERCOT may request additional information as reasonably necessary to support operations under the ERCOT Protocols.

**PART I – ENTITY Information**

|  |  |
| --- | --- |
| **Legal Name of the Applicant:** |  |
| **Legal Address of the Applicant:** | Street Address: |
|  | City, State, Zip: |
| **DUNS¹ Number:** |  |

¹ Defined in Section 2.1, Definitions.

**Check if entity is a Non-Opt In Entity (NOIE).**

**1. Authorized Representative (“AR”)**.Defined inSection 2.1, Definitions.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**2. Backup AR**.*(Optional)* This person may sign any form for which an AR’s signature is required and will perform the functions of the AR in the event the AR is unavailable.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**3. Type of Legal Structure**. (Please indicate only one.)

Individual  Partnership  Municipally Owned Utility

Electric Cooperative  Limited Liability Company  Corporation

Other:

If Applicant is not an individual, provide the state in which the Applicant is organized,      , and the date of organization:

**4. User Security Administrator (USA)**.As defined in Section 16.12, User Security Administrator and Digital Certificates, the USA is responsible for managing the Market Participant’s access to ERCOT’s computer systems through Digital Certificates.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**5. Backup USA**. *(Optional)* This person may perform the functions of the USA as defined in the ERCOT Protocols in the event the USA is unavailable.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**6. Cybersecurity**. This contact is responsible for communicating Cybersecurity Incidents.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**7. Allocation Eligibility**.Indicate if the Applicant is eligible for the allocation described below:

**Pre-Assigned Congestion Revenue Right (PCRR) Allocations.** ERCOT shall allocate PCRRs to eligible Municipally Owned Utilities (MOUs) and Electric Cooperatives (ECs) pursuant to Section 7.4, Allocation of Pre-Assigned Congestion Revenue Rights.

**8. Proposed commencement date for service:**

**PART II – BANKING INFORMATION FOR FUNDS TRANSFERS**

**1. Banking Information.** Applicant must be able to conduct Electronic Funds Transfers (EFTs) for the settlement of financial transactions with ERCOT.

|  |  |
| --- | --- |
| **Bank Name:** |  |
| **Account Name:** |  |
| **Account No.:** |  |
| **ABA Number:** |  |

**2. Accounts Payable Contact (Settlement & Billing).**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | |
| **City:** |  | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** |  | | | | **Fax:** |  | | | |
| **Email Address:** | | |  | | | | | | |

**3. Backup Accounts Payable Contact (Settlement & Billing).** *(Optional)*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | |
| **City:** |  | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** |  | | | | **Fax:** |  | | | |
| **Email Address:** | | |  | | | | | | |

**PART III – ADDiTIONAL REQUIRED Information**

**1. Officers and Principals.** Provide the name of all officers and the name and position of all Principals, as defined by ERCOT Protocol Section 16.1.2, Principal of a Market Participant.. In addition, ERCOT will obtain the names of all individuals and/or entities listed with the Texas Secretary of State as having binding authority for the Applicant. ERCOT will use this list of individuals to determine who can execute such documents as the Standard Form Market Participant Agreement (Section 22, Attachment A), Amendment to the Standard Form Market Participant Agreement (Section 22, Attachment C), Digital Certificate Audit Attestation, etc. Alternatively, additional documentation (Articles of Incorporation, Board Resolutions, Delegation of Authority, Secretary’s Certificate, etc.) can be provided to prove binding authority for the Applicant.

**2. Affiliates and Other Registrations.** Provide the name, legal structure, and relationship of each of the Applicant’s affiliates, if applicable. See Section 2.1, Definitions, for the definition of “Affiliate.” Please also provide the name and type of any other ERCOT Market Participant registrations held by the Applicant. *(Attach additional pages if necessary.)*

|  |  |  |
| --- | --- | --- |
| **Affiliate Name**  (or name used for other ERCOT registration) | **Type of Legal Structure**  (partnership, limited liability company, corporation, etc.) | **Relationship**  (parent, subsidiary, partner, affiliate, etc.) |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**3. Disclosures.** Provide the name of any Principal of the Applicant that is now, or was at any point in time, a Principal of any other Entity that is now, or was at any point in time, a registered ERCOT Market Participant, along with the name of the relevant ERCOT Market Participant and the dates during which the Principal of the Applicant was a Principal of the other Entity.

**4. Counter-Party Credit Application.** Complete the Counter-Party Credit Application, located at http://www.ercot.com/services/rq/credit, and submit as instructed in conjunction with this application, in accordance with Section 16.8, Registration and Qualification of Congestion Revenue Rights Account Holders.

**5. Annual Certification Form to Meet ERCOT Additional Minimum Participation.** Complete Section 22 Attachment J, Annual Certification Form to Meet ERCOT Additional Minimum Participation Requirements, and submit in conjunction with this application, pursuant to Section 16.16.3, Verification of Risk Management Framework.

**6. Qualified Scheduling Entity (QSE) Acknowledgment.** Provide all information requested in Attachment A below and have the document executed by both parties, ***ONLY*** if the Applicant is a Non-Opt-In Entity (NOIE) and eligible for Pre-assigned CRRs.

**PART IV – SIGNATURE**

I affirm that I have personal knowledge of the facts stated in this application and that I have the authority to submit this application form on behalf of the Applicant. I further affirm that all statements made and information provided in this application form are true, correct and complete, and that the Applicant will provide to ERCOT any changes in such information in a timely manner.

|  |  |
| --- | --- |
| Signature of AR, Backup AR or Officer: |  |
| Printed Name of AR, Backup AR or Officer: |  |
| Date: |  |

**Attachment A – QSE Acknowledgment**

**Acknowledgment by Designated QSE for**

**Scheduling and Settlement Responsibilities with ERCOT**

**Applicable only if CRRAH is a NOIE and eligible for Pre-Assigned CRRs**

The Applicant below has named the QSE listed below as its designated QSE to represent the Applicant for scheduling and Settlement transactions with ERCOT.

The Applicant’s designated QSE, listed below, hereby acknowledges that it does represent the Applicant and that it shall be responsible for the Applicant’s scheduling and Settlement transactions with ERCOT pursuant to the ERCOT Protocols.

The requested effective date for such representation is:      [[1]](#footnote-1)\*\*

or

Establish partnership at the earliest possible date

Acknowledgment by **QSE**:

|  |  |
| --- | --- |
| Signature of AR for QSE: |  |
| Printed Name of AR: |  |
| Email Address of AR: |  |
| Date: |  |
| Name of Designated QSE: |  |
| DUNS of Designated QSE: |  |

Acknowledgment by **Applicant**:

|  |  |
| --- | --- |
| Signature of AR for MP: |  |
| Printed Name of AR: |  |
| Email Address of AR: |  |
| Date: |  |
| Name of MP: |  |
| DUNS No. of MP: |  |

**ERCOT Nodal Protocols**

**Section 23**

**Form G: QSE Application and Service Filing for Registration Form**

**TBD**

**QUALIFIED SCHEDULING ENTITY (QSE)**

**APPLICATION AND SERVICE FILING FOR REGISTRATION**

This application is for approval as a Qualified Scheduling Entity (QSE) by Electric Reliability Council of Texas Inc. (ERCOT) in accordance with the ERCOT Protocols. Information may be inserted electronically to expand the reply spaces as necessary. ERCOT will accept the completed, executed application via email to [MPRegistration@ercot.com](mailto:MPRegistration@ercot.com) (.pdf version), via facsimile to (512) 225-7079, or via mail to Market Participant Registration, 7620 Metro Center Drive, Austin, Texas 78744. In addition to the application, ERCOT must receive an application fee in the amount of $500 via check. If you need assistance filling out this form, or if you have any questions, please call (512) 248-3900.

This application must be signed by the Authorized Representative, Backup Authorized Representative or an Officer of the company listed herein, as appropriate. ERCOT may request additional information as reasonably necessary to support operations under the ERCOT Protocols.

**PART I – ENTITY Information**

|  |  |
| --- | --- |
| **Legal Name of the Applicant:** |  |
| **Legal Address of the Applicant:** | Street Address: |
|  | City, State, Zip: |
| **DUNS¹ Number:** |  |

¹Defined in Section 2.1, Definitions.

**Check if Applying as an Emergency Response Service (ERS) Only QSE.**

**1. Authorized Representative (“AR”).** Defined in Section 2.1, Definitions.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**2. Backup AR.** *(Optional)* This person may sign any form for which an AR’s signature is required and will perform the functions of the AR as defined in the ERCOT Protocols in the event the AR is unavailable.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**3. Type of Legal Structure.** (Please indicate only one.)

Individual  Partnership  Municipally Owned Utility

Electric Cooperative  Limited Liability Company  Corporation

Other:

If Applicant is not an individual, provide the state in which the Applicant is organized,      , and the date of organization:      .

**4. User Security Administrator (USA).** As defined in Section 16.12, User Security Administrator and Digital Certificates, the USA is responsible for managing the Market Participant’s access to ERCOT’s computer systems through Digital Certificates.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**5. Backup USA.** *(Optional)* This person may perform the functions of the USA as defined in the ERCOT Protocols in the event the USA is unavailable.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**6. Cybersecurity**. This contact is responsible for communicating Cybersecurity Incidents.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**7. 24x7 Control or Operations Center.** As defined in item (1)(k) of Section 16.2.1, Criteria for Qualification as a Qualified Scheduling Entity, the 24x7control or operations center is responsible for operational communications and shall have sufficient authority to commit and bind the QSE.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Desk Name:** | | |  | | | | | | |
| **Address:** | |  | | | | | | | |
| **City:** |  | | | | **State:** |  | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | |
| **Email Address:** | | | |  | | | | | |

**8. Compliance Contact.** This person is responsible for compliance related issues.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**9. Proposed commencement date for service:**

**PART II – BANKING INFORMATION FOR FUNDS TRANSFERS**

**1. Banking Information.** Applicant must be able to conduct Electronic Funds Transfers (EFTs) for the settlement of financial transactions with ERCOT.

|  |  |
| --- | --- |
| **Bank Name:** |  |
| **Account Name:** |  |
| **Account No.:** |  |
| **ABA Number:** |  |

**2. Accounts Payable Contact (Settlement & Billing).**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**Backup Accounts Payable Contact (Settlement & Billing).** *(Optional.)*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**PART III – DECLARATION OF SUBORDINATE QSEs**

If the QSE intends to partition itself into subordinate QSEs (Sub-QSEs), please enter information for each Sub-QSE below. If a Sub-QSE will have a different 24x7 Contact than the QSE, please provide that information in the spaces provided below. The Sub-QSE name must have a reference to the Legal Entity Name. For example: Legal Name of Market Participant (SQ1), Legal Name of Market Participant (SQ2), etc.

**Sub-QSE One (SQ1)**

**Name:**       **Proposed commencement date for service:**

**24x7 Contact information same?  Yes  No (If no, complete the section below)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**Sub-QSE Two (SQ2)**

**Name:**       **Proposed commencement date for service:**

**24x7 Contact information same?  Yes  No (If no, complete the section below)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**Sub-QSE Three (SQ3)**

**Name:**       **Proposed commencement date for service:**

**24x7 Contact information same?  Yes  No (If no, complete the section below)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**Sub-QSE Four (SQ4)**

**Name:**       **Proposed commencement date for service:**

**24x7 Contact information same?  Yes  No (If no, complete the section below)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name:** | | |  | | | | **Title:** |  | | |
| **Address:** | |  | | | | | | | | |
| **City:** |  | | | | **State:** |  | | | **Zip:** |  |
| **Telephone:** | |  | | | | **Fax:** |  | | | |
| **Email Address:** | | | |  | | | | | | |

**PART IV – ADDiTIONAL REQUIRED Information**

**1. Officers and Principals.** Provide the name of all officers and the name and position of each Principal, as defined by ERCOT Protocol Section 16.1.2, Principal of a Market Participant. In addition, ERCOT will obtain the names of all individuals and/or entities listed with the Texas Secretary of State as having binding authority for the Applicant. ERCOT will use this list of individuals to determine who can execute such documents as the Standard Form Market Participant Agreement (Section 22, Attachment A), Amendment to Standard Form Market Participant Agreement (Section 22, Attachment C), Digital Certificate Audit Attestation, etc. Alternatively, additional documentation (Articles of Incorporation, Board Resolutions, Delegation of Authority, Secretary’s Certificate, etc.) can be provided to prove binding authority for the Applicant.

**2. Affiliates and Other Registrations.** Provide the name, legal structure, and relationship of each of the Applicant’s affiliates, if applicable. See Section 2.1, Definitions, for the definition of “Affiliate.” Please also provide the name and type of any other ERCOT Market Participant registrations held by the Applicant. *(Attach additional pages if necessary.)*

**3. Disclosures.** Provide the name of any Principal of the Applicant that is now, or was at any point in time, a Principal of any other Entity that is now, or was at any point in time, a registered ERCOT Market Participant, along with the name of the relevant ERCOT Market Participant and the dates during which the Principal of the Applicant was a Principal of the other Entity.

**4.** **Counter-Party Credit Application.** Complete the Counter-Party Credit Application, located at http://www.ercot.com/services/rq/credit, and submit as instructed in conjunction with this application, in accordance with Section 16.2, Registration and Qualification of Qualified Scheduling Entities.

|  |  |  |
| --- | --- | --- |
| **Affiliate Name**  (or name used for other ERCOT registration) | **Type of Legal Structure**  (partnership, limited liability company, corporation, etc.) | **Relationship**  (parent, subsidiary, partner, affiliate, etc.) |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**5. Annual Certification Form to Meet ERCOT Additional Minimum Participation.** Complete Section 22, Attachment J, Annual Certification Form to Meet ERCOT Additional Minimum Participation Requirements, and submit in conjunction with this application, pursuant to Section 16.16.3, Verification of Risk Management Framework.

**PART V – SIGNATURE**

I affirm that I have personal knowledge of the facts stated in this application and that I have the authority to submit this application form on behalf of the Applicant. I further affirm that all statements made and information provided in this application form are true, correct and complete, and that the Applicant will provide to ERCOT any changes in such information in a timely manner.

|  |  |
| --- | --- |
| Signature of AR, Backup AR or Officer: |  |
| Printed Name of AR, Backup AR or Officer: |  |
| Date: |  |

**ERCOT Fee Schedule**

***TBD***

The following is a schedule of ERCOT fees currently in effect.

|  |  |  |
| --- | --- | --- |
| **Description** | **Nodal Protocol Reference** | **Calculation/Rate/Comment** |
| ERCOT System Administration fee | 9.16.1 | $0.555 per MWh to fund ERCOT activities subject to Public Utility Commission of Texas (PUCT) oversight. This fee is charged to all Qualified Scheduling Entities (QSEs) based on Load represented. |
| Private Wide Area Network fees | 9.16.2 | Actual cost of using third party communications network - Initial equipment installation cost not to exceed $25,000, and monthly network management fee not to exceed $1,500. |
| ERCOT Generation Interconnection fee (Not Refundable) | NA | Application to interconnect generation meeting the requirements of Planning Guide Section 5.1.1, Applicability, to the ERCOT Transmission Grid.  $5,000 (less than or equal to 150MW)  $7,000 (greater than 150MW) |
| Full Interconnection Study Application fee (Not Refundable) | NA | $15 per MW – to support ERCOT system studies and coordination. Applicable MW amount per Planning Guide Section 5, Generation Resource Interconnection or Change Request. |
| Map Sale fees | NA | $20 - $40 per map request (by size) |
| Qualified Scheduling Entity Application fee | 9.16.2 | $500 per Entity |
| Competitive Retailer Application fee | 9.16.2 | $500 per Entity |
| Congestion Revenue Right (CRR) Account Holder Application fee | 9.16.2 | $500 per Entity |
| Independent Market Information System Registered Entity fee (IMRE) | 9.16.2 | $500 per Entity |
| Voluminous Copy fee | NA | $0.15 per page in excess of 50 pages |

1. \*\**Actual effective date will depend on time needed to implement the relationship in ERCOT systems once ERCOT has received all necessary information (a minimum of three Business Days), and may be later than the requested effective date. ERCOT will notify the parties of the actual effective date*. [↑](#footnote-ref-1)