|  |  |  |  |
| --- | --- | --- | --- |
| SCR Number | [814](http://www.ercot.com/mktrules/issues/SCR814) | SCR Title | Point-to-Point (PTP) Obligation Bid Interval Limit |
| Date of Decision | | October 22, 2021 | |
| Action | | Recommended Approval | |
| Timeline | | Normal | |
| Proposed Effective Date | | Upon system implementation | |
| Priority and Rank Assigned | | Priority – 2021; Rank – 3350 | |
| Supporting Protocol or Guide Sections/Related Documents | | Protocol Section 4.4.6, PTP Obligation Bids | |
| System Change Description | | This System Change Request (SCR) introduces a limit on the total number of Point-to-Point (PTP) Obligation bid intervals that can be submitted into the Day-Ahead Market (DAM) per Counter-Party. | |
| Reason for Revision | | Addresses current operational issues.  Meets Strategic goals (tied to the [ERCOT Strategic Plan](http://www.ercot.com/content/news/presentations/2013/ERCOT%20Strat%20Plan%20FINAL%20112213.pdf) or directed by the ERCOT Board).  Market efficiencies or enhancements  Administrative  Regulatory requirements  Other: (explain)  *(please select all that apply)* | |
| Business Case | | This SCR will implement software changes to place a maximum limit per Counter-Party per Operating Day for PTP Obligation bid intervals. This proposal was identified as a solution based on the analysis ERCOT shared with stakeholders. This system change should reduce PTP bid intervals and the risk of DAM aborts due to a disproportionate increase in submissions by certain Qualified Scheduling Entities (QSEs). SCR798, PTP Obligation Bid ID Limit, was previously created to help mitigate the amount of PTP Obligations, but PTP volumes continue to be the most significant variable affecting DAM runtime. ERCOT will continue to monitor PTP Obligation bids and will tune the PTP interval limit to ensure DAM performance is optimized. If the PTP interval limit needs to be reduced, ERCOT will send a Market Notice informing Market Participants of the reduction. In addition, ERCOT will monitor QSE submission behavior (Energy-only Offers and Energy Bids) and determine if further action is needed. | |
| PRS Decision | | On 7/15/21, PRS voted via roll call to recommend approval of SCR814 as submitted. There was one abstention from the Independent Generator (Luminant) Market Segment. All Market Segments participated in the vote.  On 8/12/21, PRS voted via roll call to endorse and forward to TAC the 7/15/21 PRS Report and Revised Impact Analysis for SCR814 with a recommended priority of 2021 and rank of 3350. There were six abstentions from the Independent Generator (Luminant, Exelon, Broad Reach Power, Enel Green Power, Calpine, EDP Renewables) Market Segment. All Market Segments participated in the vote. | |
| Summary of PRS Discussion | | On 7/15/21, ERCOT staff provided an overview of SCR814. Participants discussed the process for future changes to the limit, and whether bid fees could be considered for either this or a future SCR. Some participants expressed concern that SCR814 might limit hedging by generation owners.  On 8/12/21, participants reviewed the Revised Impact Analysis. Some Market Participants expressed concern that SCR814 would create an inability to hedge a Resource. | |
| TAC Decision | | On 8/27/21, TAC voted via roll call to recommend approval of SCR814 as recommended by PRS in the 8/12/21 PRS Report. There were two abstentions from the Independent Generator (Luminant, Calpine) Market Segment. All Market Segments participated in the vote. | |
| Summary of TAC Discussion | | On 8/27/21, TAC reviewed the ERCOT Opinion and ERCOT Market Impact Statement for SCR814. | |
| ERCOT Opinion | | ERCOT supports approval of SCR814. | |
| ERCOT Market Impact Statement | | ERCOT Staff has reviewed SCR814 and believes that SCR814 will reduce PTP bid interval limits by placing a maximum limit per Counter-Party per Operating Day, thereby reducing the risk of DAM aborts due to disproportionate PTP submission increases by QSEs. | |
| Board Decision | | On 10/22/21, the ERCOT Board recommended approval of SCR814, as recommended by TAC in the 8/27/21 TAC Report, and the Revised Impact Analysis. | |

|  |  |
| --- | --- |
| Sponsor | |
| Name | Alfredo Moreno |
| E-mail Address | [Alfredo.Moreno@ercot.com](mailto:Alfredo.Moreno@ercot.com) |
| Company | ERCOT |
| Phone Number | 512-248-6977 |
| Market Segment | Not Applicable |

|  |  |
| --- | --- |
| **Market Rules Staff Contact** | |
| **Name** | Brittney Albracht |
| **E-Mail Address** | [Brittney.Albracht@ercot.com](mailto:Brittney.Albracht@ercot.com) |
| **Phone Number** | 512-225-7027 |

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

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

None

|  |
| --- |
| Proposed System Change |

**Issue:**

ERCOT has observed an amplified number of PTP Obligation bids, which has caused longer runtimes and an increased number of DAM delays. PTP Obligation bid intervals have doubled in the last five years and increased the risk of DAM aborts. Large volumes of PTP bid intervals can require manual actions, emergency patches, or create long runtimes that could introduce the potential for operator error and/or DAM delays.

**Resolution:**

Create a PTP bid intervals limit per Counter-Party per Operating Day for PTP Obligation bids. When a Counter-Party has multiple QSEs, the QSEs will share the allowed capacity (e.g., QQSE, QQSE1, and QQSE2 all have the same Counter-Party; each QSE submits one PTP obligation bid with 24 hours, this will count as 72 intervals towards the Counter-Party interval limit). Once the interval limit is exceeded, further bid submissions by the QSE will be rejected with a descriptive error message. The current per- Counter-Party interval limit will be posted in the Market Submission Validation Rules document on the Market Information System (MIS) Secure Area.