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| NPRR Number | [1103](https://www.ercot.com/mktrules/issues?id=e14656cd-27b7-3a42-9938-159873a77c0c) | NPRR Title | Securitization – PURA Subchapter M Default Charges |
| Impact Analysis Date | | December 1, 2021 | |
| Estimated Cost/Budgetary Impact | | Between $1.5M and $2M  This NPRR relates to implementation activities associated with Texas House Bill 4492 (Public Utility Regulatory Act (PURA) Subchapter M) and the related Public Utility Commission of Texas (PUCT) Debt Obligation Order for a debt financing mechanism to securitize costs from Winter Storm Uri. As such, the Estimated Cost/Budgetary Impact for this NPRR will not be funded from the ERCOT budget (i.e., ERCOT System Administration Fee) (see Comments section for details).  See ERCOT Staffing Impacts | |
| Estimated Time Requirements | | Phase 1: Manual  No project required. This Nodal Protocol Revision Request (NPRR) can be implemented using manual business processes and can take effect upon PUCT approval.  Phase 2: Automation  The timeline for automating this NPRR is dependent upon Public Utility Commission of Texas (PUCT) prioritization and approval.  Estimated project duration: 18 to 26 months | |
| ERCOT Staffing Impacts (across all areas) | | Implementation Labor: 100% ERCOT; 0% Vendor  There will be ongoing operational impacts to the following ERCOT departments to support this NPRR:  \* Settlement Services  \* Commercial Application Services  As previously stated in the Estimated Cost/Budgetary Impact section, since this NPRR relates to implementation activities of Texas House Bill 4492 and the related PUCT Debt Obligation Order, any long-term ERCOT staffing impacts will not be funded from the ERCOT budget (see Comments section for details). | |
| ERCOT Computer System Impacts | | The following ERCOT systems would be impacted:   * Credit Management Systems (CMM) 74% * Credit, Settlements & Billing Systems 20% * Data Management & Analytic Systems 2% * Integration Systems 1% * Financial Management Systems 1% * ERCOT Website and MIS Systems 1% * CRM & Registration Systems 1% | |
| ERCOT Business Function Impacts | | ERCOT will update its business processes to implement this NPRR. | |
| Grid Operations & Practices Impacts | | No impacts to ERCOT grid operations and practices. | |

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| Evaluation of Interim Solutions or Alternatives for a More Efficient Implementation |
| None offered. |

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| Comments |
| In accordance with Texas House Bill 4492, project and costs related to the securitization activities will be funded as part of the services costs in support of the financing.  Subchapter M Sec. 39.602 (1)(C) reasonable costs incurred by a state agency or the independent organization to implement a debt obligation order under Sections 39.603 and 39.604  Further in the PUCT Debt Obligation Order, Ordering Paragraph 18 states the following:  18. Ongoing Costs. The Commission authorizes ERCOT to recover its actual ongoing costs through its default charges in accordance with the terms of this Order. |