|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1114](https://www.ercot.com/mktrules/issues/NPRR1114) | NPRR Title | Securitization – PURA Subchapter N Uplift Charges |
| Impact Analysis Date | December 29, 2021 |
| Estimated Cost/Budgetary Impact | Between $1.8M and $2.4MCurrent Securitization - Subchapter N Automated project spend: $949k (8/2021-11/2021)This NPRR relates to implementation activities associated with Texas House Bill 4492 (Public Utility Regulatory Act (PURA) Subchapter N) 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 | The timeline for implementing this Nodal Protocol Revision Request (NPRR) is dependent upon Public Utility Commission of Texas (PUCT) prioritization and approval. Estimated project duration: 18 to 24 monthsPhase 1: 9 to 12 months for initial Implementation project (project started in August 2021) and will automate Invoicing processes. Phase 2: 9 to 12 months for additional automation and stabilization portion of project for Credit and other integration improvements. |
| ERCOT Staffing Impacts (across all areas) | Implementation Labor: 100% ERCOT; 0% VendorThere will be ongoing operational impacts to the following ERCOT departments to support this NPRR:• Commercial Application Services • Settlements • Credit• Treasury• Data Loading and AggregationAs 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) 62%
* Credit, Settlements & Billing Systems 21%
* Data Management & Analytic System s 8%
* Financial Management Systems 6%
* Integration Systems 1%
* CRM & Registration Systems 1%
* ERCOT Website and MIS 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. |

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

|  |
| --- |
| Comments |
| The Debt Obligation Order (DOO) issued by the Public Utility Commission of Texas (PUCT) in Docket No. 52322, *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order to Finance Uplift Balances under PURA Chapter 39*, Subchapter N, authorizes ERCOT to assess uplift charges on non-opted-out Load Serving Entities (LSEs) to repay: (1) the amount financed under Subchapter N; and (2) reasonable costs incurred by a state agency or the independent organization to implement the DOO. The DOO provides that “ERCOT must recover its actual ongoing costs” associated with implementation of the DOO “through uplift charges.” *See* DOO at Ordering Paragraph 36. Accordingly, the costs associated with this NPRR, which is part of ERCOT’s implementation of the DOO, will be recovered via funds collected through uplift charges.  |