

**ERCOT QSE Qualification Guide**

**Overview**

This guide is intended to provide a high-level overview of the qualification testing required to become a Qualified Scheduling Entity (QSE) in the ERCOT market. References to several documents are provided for additional details on testing requirements and installation of required communication networks.

A Qualified Scheduling Entity (QSE) is a Market Participant that is qualified by ERCOT in accordance with Section 16, Registration and Qualification of Market Participants, for communication with ERCOT for Resource Entities and LSEs and for settling payments and charges with ERCOT.

Once an entity registers and executes a Standard Form Market Participant Agreement to become a QSE, it must complete a series of activities and tests designed to demonstrate to ERCOT’s reasonable satisfaction that the entity is capable of performing the functions of a QSE.

The requirements for qualification are described in Section 16.2 of the [ERCOT Protocols](https://www.ercot.com/mktrules/nprotocols/current), Registration and Qualification of Market Participants.

*If any conflicts are identified between this guide and the ERCOT Protocols, the protocols shall prevail.*

**Levels of QSE Qualification**

To ensure that qualification tests are commensurate with the level of participation in ERCOT markets, ERCOT has categorized QSE qualification tests into four (4) levels. An additional level, the Data Agent-Only QSE, is available for entities that act as agents for QSEs for communications and exchange of data over the ERCOT Wide Area Network (WAN).

**QSE without Resources:**

**Level 1:** Does not represent Load Serving Entities or Resource Entities. May participate in the Day-Ahead Market (DAM) by submitting Energy-Only Offers, Energy Bids, Energy Trades, Capacity Trades, DC Tie Schedules, DAM Point-to-Point Obligation bids.

**Level 2:** In addition to **Level 1,** mayrepresent Load serving Entities. Does not represent Resource Entities.

**QSE with Resources**

**Level 3:** In addition to Level 2, may represent Resource Entities. Does not participate in Ancillary Service or Emergency Response Service markets.

**Level 4:** In addition to Level 3, may participate in Ancillary Service markets.

**DATA Agent-Only QSE**

The Data Agent-Only QSE’s sole purpose is acting as an agent for other QSEs (Level-3 or Level-4) that are required to exchange ICCP, Resource-Specific XML, or voice data over the ERCOT Wide Area Network (WAN).

**Emergency Response Service (ERS)-Only QSE**

The ERS-Only QSE’s sole purpose is to participate in ERS, and is required to receive voice data and XML dispatch instructions over the ERCOT Wide-Area Network (WAN).

**QSE Qualification Requirements**

To meet minimum requirements for qualification by ERCOT a QSE refer to Protocol Section 16.2.1 :

1. To become and remain a QSE, an Entity must meet the following requirements:
2. Submit a properly completed QSE application for qualification, including any applicable fee and including 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;
3. Have all Principals complete a background check conducted by TruView BSI, LLC;
4. Sign a Standard Form Market Participant Agreement;
5. Sign any required Agreements relating to use of the ERCOT network, software, and systems;
6. Demonstrate to ERCOT’s reasonable satisfaction that the Entity is capable of performing the functions of a QSE;
7. Demonstrate to ERCOT’s reasonable satisfaction that the Entity is capable of complying with the requirements of all ERCOT Protocols and Operating Guides;
8. 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;
9. 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;
10. Provide all necessary bank account information;
11. Be financially responsible for payment of Settlement charges for those Entities it represents under these Protocols;
12. Comply with the backup plan requirements in the Operating Guides;
13. Maintain a 24-hour, seven-day-per-week scheduling center with qualified personnel for the purposes of communicating with ERCOT for scheduling and deploying the QSE’s Ancillary Services in Real-Time. 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;
14. Demonstrate and maintain a working functional interface with all required ERCOT computer systems; and
15. Allow ERCOT, upon reasonable notice, to conduct a site visit to verify information provided by the QSE.

**Estimated Time to Final QSE Qualification**

ERCOT’s qualification process for most QSEs takes 1-2 months. Additional time may be required depending on the level of qualification desired.

QSE without Resources (Levels 1 or 2):

Generally take less than 1 month to complete registration and testing.

QSE with Resource (Levels 3 or 4):

May take up to 4 months or longer to allow for the procurement and installation of ERCOT-required communication equipment and Ancillary Service qualification.

**What next after completion of Qualification tests?**

Upon satisfaction of all requirements for the designated level, ERCOT will notify the QSE of their qualification and the date of commencement. ERCOT will also issue a production digital certificate to the QSE’s registered User Security Administrator (USA).

**Reference Materials**

For additional information about ERCOT registration and the ERCOT Wholesale Market, please review the following documents: [ERCOT Protocols](https://www.ercot.com/mktrules/nprotocols/current), [ERCOT Market Guide](https://www.ercot.com/files/docs/2010/12/10/ercot_nodal_market_guide_v3.0.doc), [and Operating Guides](https://www.ercot.com/mktrules/guides/noperating/current).

**Questions**

If you have any questions, please contact your ERCOT Account Manager. You may also contact the ERCOT Client Services team at [ClientServices@ercot.com](mailto:ClientServices@ercot.com).