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| **Date:** | April 21, 2022 |
| **To:** | Board of Directors |
| **From:** | Clif Lange, Technical Advisory Committee (TAC) Chair |
| **Subject:** | Unopposed Revision Requests Recommended by TAC for Approval |

## Issue for the ERCOT Board of Directors

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| **ERCOT Board of Directors Meeting Date:** April 28, 2022  **Item No.:** 6.1 |

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| **Issue:**Consideration of the following Revision Requests: Nodal Protocol Revision Requests (NPRRs), Planning Guide Revision Request (PGRRs), and Settlement Metering Operating Guide Revision Request (SMOGRR) recommended for approval by TAC (with no opposing votes recorded):  * NPRR1116, Remove Obsolete Reference to Market Information System (MIS); * NPRR1117, Related to SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering; * NPRR1122, Clarifications for PURA Subchapter M Securitization Default Charges – URGENT; * NPRR1123, Clarifications for PURA Subchapter N Securitization Uplift Charges – URGENT; * NPRR1125, Use of Financial Security for Securitization Default Charge and Securitization Uplift Charge Invoices and Escrow Deposit Requests – URGENT; * PGRR096, Achieve Consistent Representation of Distributed Generation in Steady-State Models; and * PGRR098, Consideration of Load Shed in Transmission Planning Criteria; and * SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering. |
| **Background/History:** **Unless otherwise noted: (i) all Market Segments participated in each vote; (ii) For NPRRs, ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed the NPRR and do not believe it requires changes to credit monitoring activity or the calculation of liability; and (iii) ERCOT supports the revision request.**   * ***NPRR1116, Remove Obsolete Reference to Market Information System (MIS) [ERCOT]***   **Proposed Effective Date:** June 1, 2022  **ERCOT Impact Analysis:** No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; no impacts to ERCOT business processes; no impacts to ERCOT grid operations and practices.  **Revision Description:** This NPRR removes obsolete paragraph (h) of Section 12.3, MIS Administrative and Design Requirements, which references Other Binding Documents on the Market Information System (MIS). With the implementation of NPRR1039, Replace the Term MIS Public Area with ERCOT Website, the reference to public Other Binding Document postings in paragraph (5) of Section 12.2, ERCOT Responsibilities, was updated to reflect that public Other Binding Documents are posted to the ERCOT website.  **TAC Decision:** On 3/30/22, TAC unanimously voted via roll call to recommend approval of NPRR1116 as recommended by PRS in the 3/9/22 PRS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1116 and believes the market impact for NPRR1116 improves access to public Other Binding Documents.   * ***NPRR1117, Related to SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering [ERCOT]***   **Proposed Effective Date:** Upon implementation of Settlement Metering Operating Guide Revision Request (SMOGRR) 025  **ERCOT Impact Analysis:** No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.  **Revision Description:** This NPRR aligns the Protocols with SMOGRR025 revisions allowing for losses in short runs of connecting lines to be disregarded in instances where the ERCOT-Polled Settlement (EPS) Meter is not physically placed at the Point of Interconnection (POI).  **TAC Decision:** On 4/13/22, TAC voted via roll call to recommend approval of NPRR1117 as recommended by PRS in the 3/9/22 PRS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1117 and believes the market impact for NPRR1117, in conjunction with SMOGRR025, will facilitate calculations to determine whether to require the EPS Meter to be programmed to account for line losses.   * ***NPRR1122, Clarifications for PURA Subchapter M Securitization Default Charges – URGENT [ERCOT]***   **Proposed Effective Date:** June 1, 2022  **ERCOT Impact Analysis:** No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; no impacts to ERCOT business processes; no impacts to ERCOT grid operations and practices.  **Revision Description:** This NPRR clarifies that ERCOT shall retain all Securitization Default Charge escrow deposits to cover, if necessary, potential future obligations for Securitization Default Charges, without the limitation that this is only after termination of a Market Participant’s Standard Form Market Participant Agreement. In addition, the NPRR clarifies that funds provided for Securitization Default Charge escrow deposits must be sent to the correct account to be properly credited. Finally, this NPRR corrects a subscript definition error in the Securitization Default Charge Maximum MWh Activity Ratio Share.  **TAC Decision:** On 3/30/22, TAC unanimously voted via roll call to recommend approval of NPRR1122 as recommended by PRS in the 3/9/22 PRS Report; and the 3/21/22 Revised Impact Analysis.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1122 and believes the market impact for NPRR1122 clarifies processes for assessment and collection of Default Charges and Default Escrow Deposits to Qualified Scheduling Entities (QSEs) and Congestion Revenue Right (CRR) Account Holders as reflected in the Debt Obligation Order (DOO) issued in Public Utility Commission of Texas (PUCT) Docket No. 52321, Application of Electric Reliability Council of Texas, Inc. for a Debt Obligation Order Pursuant to Chapter 39, Subchapter M, of the Public Utility Regulatory Act (PURA).  **Credit WG Review:** See 3/15/22 Credit WG comments   * ***NPRR1123, Clarifications for PURA Subchapter N Securitization Uplift Charges – URGENT [ERCOT]***   **Proposed Effective Date:** Upon implementation of NPRR1114, Securitization – PURA Subchapter N Uplift Charges  **ERCOT Impact Analysis:** No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; no impacts to ERCOT business processes; no impacts to ERCOT grid operations and practices. (There are no additional impacts to this NPRR beyond what was captured in the Impact Analysis for NPRR1114.)  **Revision Description:** This NPRR provides for initial assessment of Securitization Uplift Charge escrow deposits based on Counter-Party initial estimated Adjusted Meter Load. In addition, the NPRR clarifies that funds provided for Securitization Uplift Charge escrow deposits must be sent to the correct account to be properly credited, and also provides a process for return of securitization proceeds if required by statute or the DOO in PUCT Docket No. 52322, Application of Electric Reliability Council of Texas, Inc. for a Debt Obligation Order to Finance Uplift Balances Under PURA Chapter 39, Subchapter N, and for a Good Cause Exception.  **TAC Decision:** On 3/30/22, TAC unanimously voted via roll call to recommend approval of NPRR1122 as recommended by PRS in the 3/9/22 PRS Report; and the 3/21/22 Revised Impact Analysis.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1123 and believes the market impact for NPRR1123 clarifies processes to assess and collect Uplift Charges to QSEs representing Load Serving Entities (LSEs) as reflected in the DOO issued in PUCT Docket No. 52322, Subchapter N, of PURA.  **Credit WG Review:** See 3/15/22 Credit WG comments   * ***NPRR1125, Use of Financial Security for Securitization Default Charge and Securitization Uplift Charge Invoices and Escrow Deposit Requests – URGENT [ERCOT]***   **Proposed Effective Date:** June 1, 2022  **ERCOT Impact Analysis:** No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; no impacts to ERCOT business processes; no impacts to ERCOT grid operations and practices. (There are no additional impacts beyond what was captured in the Impact Analyses for NPRR1103, Securitization – PURA Subchapter M Default Charges, and NPRR1114, Securitization – PURA Subchapter N Uplift Charges)  **Revision Description:** This NPRR clarifies that in the event of a Payment Default with respect to either PURA Subchapter M Securitization Default Charges, or PURA Subchapter N Securitization Uplift Charges, ERCOT may utilize available Financial Security held with respect to other ERCOT market activities. In the event of concurrent Payment Defaults for either Invoices or escrow deposit requests, this NPRR also specifies the prioritization for the application of Financial Security to these defaults.  **TAC Decision:** On 4/13/22, TAC voted via roll call to recommend approval of NPRR1125 as recommended by PRS in the 4/6/22 PRS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1125 and believes the market impact for NPRR1125 clarifies how ERCOT, as servicer for securitization debt, may utilize Financial Security in the event of securitization Payment Defaults.  **Credit WG Review:** See 4/12/22 Credit WG comments   * ***PGRR096, Achieve Consistent Representation of Distributed Generation in Steady-State Models [ERCOT]***   **Proposed Effective Date:** June 1, 2022  **ERCOT Impact Analysis:** No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; no impacts to ERCOT business processes; no impacts to ERCOT grid operations and practices.  **Revision Description:** This PGRR establishes requirements for the consistent representation of Distribution Generation Resources (DGRs), Distribution Energy Storage Resources (DESRs), Settlement Only Distribution Generators (SODGs), and unregistered Distributed Generation (DG) in steady-state base cases.  **TAC Decision:** On 4/13/22, TAC voted to recommend approval of PGRR096 as recommended by ROS in the 3/3/22 ROS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed PGRR096 and believes the market impact for PGRR096 facilitates a consistent methodology for the representation of distributed energy resources in planning assessments for the maintenance and improvement of system reliability.   * ***PGRR098, Consideration of Load Shed in Transmission Planning Criteria [ERCOT]***   **Proposed Effective Date:** January 1, 2024 – Section 4.1.1.7; Upon system implementation – remainder of PGRR098  **ERCOT Impact Analysis:** Less than $20k O&M (Annual Recurring O&M Budget Cost: $160k – $190k); ERCOT staffing impact of 0.8 Full-Time Employee (FTE) (Transmission Planning); impacts to Grid Modeling Systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.  **Revision Description:** This PGRR adds language to the existing reliability performance criteria to allow a corrective action plan to be developed under certain outage scenarios.  **TAC Decision:** On 4/13/22, TAC voted via roll call to recommend approval of PGRR098 as recommended by ROS in the 3/3/22 ROS Report; with a recommended effective date of January 1, 2024 for Section 4.1.1.8 and upon system implementation for the remainder of PGRR098. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed PGRR098 and believes the market impact for PGRR098 permits Transmission Service Providers (TSPs) to develop corrective action plans to facilitate the scheduling of maintenance outages during off-peak system conditions without additional risk of non-consequential load loss.   * ***SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering [ERCOT]***   **Proposed Effective Date:** June 1, 2022  **ERCOT Impact Analysis:** No budgetary impact; no impacts to ERCOT staffing; no impacts to ERCOT computer systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.  **Revision Description:** This SMOGRR allows for losses in short runs of connecting lines to be disregarded in instances where the EPS Meter is not physically placed at the POI. This SMOGRR requires calculation to verify that the watts copper losses are below 0.001%.  **TAC Decision:** On 4/13/22, TAC voted via roll call to recommend approval of SMOGRR025 as recommended by WMS in the 4/6/22 WMS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed SMOGRR025 and believes the market impact for SMOGRR025, in conjunction with NPRR1117, will facilitate calculations to determine whether to require the EPS Meter to be programmed to account for line losses.  The TAC Reports and Impact Analyses for these Revision Requests are included in the [ERCOT Board meeting materials](https://www.ercot.com/calendar/event?id=1646762937073).  In addition, these Revision Requests ([NPRRs](https://www.ercot.com/mktrules/issues/nprr), [PGRR](http://www.ercot.com/mktrules/issues/pgrr)s, and [SMOGRR](https://www.ercot.com/mktrules/issues/smogrr)) and supporting materials are posted on the ERCOT website. |
| **Key Factors Influencing Issue:** The PRS met, discussed the issues, and submitted reports to TAC regarding NPRRs 1116, 1117, 1122, 1123, and 1125.  The ROS met, discussed the issues, and submitted reports to TAC regarding PGRRs 096 and 098.  The WMS met, discussed the issues, and submitted a report to TAC regarding SMOGRR025. |
| **Conclusion/Recommendation:** As more specifically described above, TAC recommends that the ERCOT Board recommend approval of NPRRs 1116, 1117, 1122, 1123, and 1125; PGRR096 and 098; and SMOGRR025. |

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

**BOARD OF DIRECTORS RESOLUTION**

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to recommend approval of the following Nodal Protocol Revision Requests (NPRRs), Planning Guide Revision Requests (PGRRs), and Settlement Metering Operating Guide Revision Request (SMOGRR) recommended for approval by TAC:

* NPRR1116, Remove Obsolete Reference to Market Information System (MIS);
* NPRR1117, Related to SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering;
* NPRR1122, Clarifications for PURA Subchapter M Securitization Default Charges – URGENT;
* NPRR1123, Clarifications for PURA Subchapter N Securitization Uplift Charges – URGENT;
* NPRR1125, Use of Financial Security for Securitization Default Charge and Securitization Uplift Charge Invoices and Escrow Deposit Requests – URGENT;
* PGRR096, Achieve Consistent Representation of Distributed Generation in Steady-State Models;
* PGRR098, Consideration of Load Shed in Transmission Planning Criteria; and
* SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering;

THEREFORE, BE IT RESOLVED, that the ERCOT Board hereby recommends approval of NPRRs 1116, 1117, 1122, 1123, and 1125; PGRR096 and 098; and SMOGRR025.

**CORPORATE SECRETARY’S CERTIFICATE**

I, Jonathan M. Levine, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its April 28, 2022 meeting, the Board passed a motion approving the above Resolution by \_\_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of April, 2022.

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Jonathan M. Levine

Assistant Corporate Secretary