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| NPRR Number | [1130](https://www.ercot.com/mktrules/issues/NPRR1130) | NPRR Title | Weatherization Inspection Fees Sunset Date Extension |
| Date of Decision | | July 14, 2022 | |
| Action | | Approved | |
| Timeline | | Urgent - to ensure that time is available for the ERCOT Board and Public Utility Commission of Texas (PUCT) to consider this sunset date extension request prior to the current sunset date of September 1, 2022. | |
| Effective Date | | August 1, 2022 | |
| Priority and Rank Assigned | | Not Applicable | |
| Nodal Protocol Sections Requiring Revision | | ERCOT Fee Schedule | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) extends the current sunset date of September 1, 2022, to July 31, 2023, for the weatherization inspection fees listed on the ERCOT Fee Schedule. | |
| Reason for Revision | | Addresses current operational issues.  Meets Strategic goals (tied to the [ERCOT Strategic Plan](http://www.ercot.com/content/wcm/lists/144926/ERCOT_Strategic_Plan_2019-2023.pdf) or directed by the ERCOT Board).  Market efficiencies or enhancements  Administrative  Regulatory requirements  Other: (explain)  *(please select all that apply)* | |
| Business Case | | The PUCT recently initiated rulemaking activity on Phase II of weatherization inspection changes to P.U.C. SUBST. R. 25.55, Weather Emergency Preparedness. ERCOT currently anticipates that rulemaking will conclude by October 1, 2022, the current target effective date established by the PUCT. Once the Phase II rulemaking concludes, ERCOT will likely need to amend the current weatherization inspection fee structure to account for changes in the scope of ERCOT’s weatherization inspection duties. Until then, ERCOT proposes keeping the current weatherization inspection fee structure in place. | |
| Credit Work Group Review | | ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed NPRR1130 and do not believe that it requires changes to credit monitoring activity or the calculation of liability. | |
| PRS Decision | | On 5/11/22, PRS voted to grant NPRR1130 Urgent status; to recommend approval of NPRR1130 as amended by the 5/6/22 ERCOT comments as revised by PRS; and to forward to TAC NPRR1130 and the 4/22/22 Impact Analysis. There were two abstentions from the Independent Generator (Luminant Generation, Enel Green Power) Market Segment. All Market Segments participated in the vote. | |
| Summary of PRS Discussion | | On 5/11/22, participants reviewed NPRR1130, the 5/4/22 TIEC comments, and the 5/6/22 ERCOT comments. Participants also discussed a desire for ERCOT to reconsider how future weatherization inspection fee costs are assessed and allocated; and applied clarifying edits to Generation Resource and Energy Storage Resource (ESR) language. | |
| TAC Decision | | On 5/25/22, TAC voted unanimously to recommend approval of NPRR1130 as recommended by PRS in the 5/11/22 PRS Report. All Market Segments participated in the vote. | |
| Summary of TAC Discussion | | On 5/25/22, TAC created an action item to further review NPRR1130’s weatherization inspection fee methodology. | |
| ERCOT Opinion | | ERCOT supports approval of NPRR1130. | |
| ERCOT Market Impact Statement | | ERCOT Staff has reviewed NPRR1130 and believes the market impact for NPRR1130 improves regulatory requirements by extending the sunset date for weatherization inspection fees until after PUCT is projected to conclude its Phase II rulemaking activity regarding P.U.C. SUBST. R. 25.55. | |
| Board Decision | | On 6/21/22, the ERCOT Board voted unanimously to recommend approval of NPRR1130 as recommended by TAC in the 5/25/22 TAC Report. | |
| PUCT Decision | | On 7/14/22, the PUCT approved NPRR1130 and accompanying ERCOT Market Impact Statement as presented in Project No. 52934, Review of Rules Adopted by the Independent Organization. | |

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| Market Segment | Not Applicable |

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| **Comments Received** | |
| **Comment Author** | **Comment Summary** |
| TIEC 050422 | Reinstated language that was inadvertently removed from NPRR1107, Addition of Weatherization Inspection Fees to the ERCOT Fee Schedule and Clarification of Generation Interconnection Request Fees, to ensure that only Resource Entities who have registered Generation Resources and ESRs with ERCOT will be charged future weatherization inspection fees, in alignment with Senate Bill 3 (SB3) and P.U.C. SUBST. R. 25.55 |
| ERCOT 050622 | Added clarifying language in support of the 5/4/22 TIEC comments |

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| **Market Rules Notes** |

Administrative changes to the language were made and authored as “ERCOT Market Rules.”

Please note that the following NPRR(s) also propose revisions to the following section(s):

* NPRR1067, Market Entry Qualifications, Continued Participation Requirements, and Credit Risk Assessment
  + ERCOT Fee Schedule

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| Proposed Protocol Language Revision |

**ERCOT Fee Schedule**

***Effective TBD***

The following is a schedule of ERCOT fees currently in effect.

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| **Description** | **Nodal Protocol Reference** | **Calculation/Rate/Comment** |
| ERCOT System Administration fee | 9.16.1 | $0.555 per MWh to fund ERCOT activities subject to Public Utility Commission of Texas (PUCT) oversight. This fee is charged to all Qualified Scheduling Entities (QSEs) based on Load represented. |
| Private Wide Area Network (WAN) fees | 9.16.2 | Actual cost of using third party communications network - Initial equipment installation cost not to exceed $25,000, and monthly network management fee not to exceed $1,500. |
| ERCOT Generation Interconnection fee (Not Refundable) | NA | Application to interconnect generation to the ERCOT System.  $5,000 (less than or equal to 150MW)  $7,000 (greater than 150MW) |
| Full Interconnection Study (FIS) Application fee (Not Refundable) | NA | $15 per MW – to support ERCOT system studies and coordination. Applicable MW amount per Planning Guide Section 5, Generator Interconnection or Modification. |
| Map Sale fees | NA | $20 - $40 per map request (by size) |
| Qualified Scheduling Entity (QSE) Application fee | 9.16.2 | $500 per Entity |
| Competitive Retailer (CR) Application fee | 9.16.2 | $500 per Entity |
| Congestion Revenue Right (CRR) Account Holder Application fee | 9.16.2 | $500 per Entity |
| Independent Market Information System Registered Entity (IMRE) fee | 9.16.2 | $500 per Entity |
| Weatherization Inspection fees | NA | Resource Entities with Generation Resources or Energy Storage Resources (ESRs) and Transmission Service Providers (TSPs) shall pay fees to ERCOT for costs related to weatherization inspections conducted pursuant to 16 Texas Administrative Code (TAC) § 25.55 as provided below.  TSPs shall pay an inspection fee of $3,000 for each of their substations or switching stations that are inspected.  Each Resource Entity with Generation Resources or ESRs shall pay an inspection fee calculated as the Quarterly Generation Resource Inspection Costs \* (Resource Entity MW Capacity/Aggregate MW Capacity). ERCOT will perform this calculation for each calendar quarter and gather the necessary MW capacity data for that quarter on one of the last 15 Business Days at the end of the quarter. Terms used in this formula are defined as follows:  Quarterly Generation Resource Inspection Costs = the sum of outside services costs, ERCOT internal costs, and overhead costs related to weatherization inspections, less inspection fees that will be invoiced to TSPs for that quarter.  Resource Entity MW Capacity = the total MW capacity associated with a Resource Entity with Generation Resources or ESRs. To calculate these amounts, ERCOT will query the Resource Integration and Ongoing Operations-Resource Services (“RIOO-RS”) for a report that lists the total MW capacity (real power rating) for all generation assets associated with each Resource Entity.  Aggregate MW Capacity = the total of all the Resource Entity MW Capacity amounts. To calculate this amount, ERCOT will query the RIOO-RS for a report that lists the total MW capacity (real power rating) for all Generation Resources and ESRs associated with all Resource Entities.  ERCOT will issue Invoices in the first month following each calendar quarter to the Resource Entities and TSPs that owe inspection fees. Payment of the fee will be due within 30 days of the Invoice date and late payments will incur 18% annual interest. Entities that fail to pay their Invoice on time will be publicly reported in a filing with the PUCT. Further payment terms and instructions will be included on the Invoice. |
| |  | | --- | | ***[NPRR1107: Delete “Weatherization Inspection fees” above on July 31, 2023.]*** | | | |
| Voluminous Copy fee | NA | $0.15 per page in excess of 50 pages |