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| NPRR Number | [1149](https://www.ercot.com/mktrules/issues/NPRR1149) | NPRR Title | Implementation of Systematic Ancillary Service Failed Quantity Charges |
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| Date | September 20, 2022 |
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| Submitter’s Information |
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| Company | Potomac Economics, Ltd., Independent Market Monitor (IMM) |
| Phone Number | 512-248-6678 |
| Market Segment | Not applicable |

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| Comments |

As the IMM for the ERCOT Region, we appreciate the opportunity to file these comments in support of Nodal Protocol Revision Request (NPRR) 1149. We urge stakeholders to approve this NPRR swiftly and to give it an appropriately urgent priority on the project list so that it can be implemented as quickly as possible.

As stated in the NPRR1149 Business Case, this NPRR would implement one of our filed recommendations in Public Utility Commission of Texas (PUCT) Project No. 51812, *Issues Related to the State of Disaster for the February 2021 Winter Weather Event*. While the circumstances under which we made our recommendation on March 1, 2021, were unusual, we continue to observe regular failure of Qualified Scheduling Entities (QSEs) to provide the Ancillary Service(s) for which they were compensated. Invoking the “failure to provide” Settlement for all Ancillary Services that are not actually provided to the grid will produce Settlements consistent with underlying market principles. In this case, the principle is that Market Participants should not be paid for services that they do not provide. Whether a manual process by ERCOT operators in Real-Time was completed or not should not affect the Settlement of Ancillary Service(s). Thus, it should be automated as laid out in NPRR1149.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None