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| **Date:** | February 21, 2023 |
| **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:** February 28, 2023  **Item No.:** 4.1 |

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| **Issue:**Consideration of the following Revision Requests: Nodal Protocol Revision Requests (NPRRs), Planning Guide Revision Request (PGRR), and Retail Market Guide Revision Request (RMGRR) recommended for approval by TAC (with no opposing votes recorded):  * NPRR1144, Station Service Backup Power Metering; * NPRR1147, Update and Improve Notification and Evaluation Processes Associated with Reliability Must-Run (RMR); * NPRR1149, Implementation of Systematic Ancillary Service Failed Quantity Charges; * NPRR1151, Protocol Revision Subcommittee Meeting Requirement; * NPRR1153, ERCOT Fee Schedule Changes; * NPRR1158, Remove Sunset Date for Weatherization Inspection Fees; * NPRR1159, Related to RMGRR171, Changes to Transition Process That Require Opt-in MOU and EC That Are Designating POLR to Provide Mass Transition Methodology to ERCOT; * PGRR102, Dynamic Operation Model Improvement; and * RMGRR171, Changes to Transition Process That Require Opt-in MOU and EC That Are Designating POLR to Provide Mass Transition Methodology to ERCOT. |
| **Background/History:** **Unless otherwise noted: (i) all Market Segments participated in each vote; (ii) For NPRRs, ERCOT Credit Staff, the Credit Work Group (Credit WG) and/or Market Credit Working Group (MCWG) have reviewed the NPRR and do not believe it requires changes to credit monitoring activity or the calculation of liability; (iii) ERCOT supports the revision request; and (iv) the Independent Market Monitor has no opinion on the revision request.**   * ***NPRR1144, Station Service Backup Power Metering***   **Submitter:** Plus Power  **Proposed Effective Date:** April 1, 2023  **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 provides a limited exception to the requirement that all loads included in the netting arrangement for an ERCOT-Polled Settlement (EPS) Metering Facility only be connected to the ERCOT Transmission Grid through the EPS metering point(s) for the Facility. The exception would allow no more than 500kW of auxiliary Load connected to a station service transformer to be connected to a Transmission Service Provider’s (TSP’s) or Distribution Service Provider’s (DSP’s) Facilities through a separately metered point using an open transition load transfer switch listed for emergency use.  **TAC Decision:** On 1/24/23, TAC voted to recommend approval of NPRR1144 as recommended by PRS in the 12/8/22 PRS Report. There was one abstention from the Investor Owned Utility (IOU) (CNP) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1144 and believes NPRR1144 provides a defined and limited exception to EPS metering requirements for generation site auxiliary Loads, not exceeding 500kW, to be isolated and connected to an alternate feed through a Transmission and/or Distribution Service Provider (TDSP) read metering point.   * ***NPRR1147, Update and Improve Notification and Evaluation Processes Associated with Reliability Must-Run (RMR)***   **Submitter:**ERCOT  **Proposed Effective Date:** April 1, 2023  **ERCOT Impact Analysis:** No budgetary impact; ongoing impacts to ERCOT System Development department of 0.3 Full-Time Employees (FTEs); no impacts to ERCOT computer systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices. (ERCOT is able to absorb the effort and will not require additional staff.)  **Revision Description:** This NPRR adds a 20 MW capacity threshold for conducting an RMR reliability analysis; requires that an RMR study be conducted when a Resource Entity gives notice that a Generation Resource is ceasing operation permanently due to a Forced Outage; and updates Section 22, Attachment E, Notification of Suspension of Operations, to require Resource Entity to provide information about deactivation of Transmission Facilities as part of the suspension of operations of the unit.  **TAC Decision:** On 1/24/23, TAC voted unanimously to recommend approval of NPRR1147 as recommended by PRS in the 12/8/22 PRS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1147 and believes the market impact for NPRR1147 improves the efficiency of, and provides clarifications to, RMR analysis.   * ***NPRR1149, Implementation of Systematic Ancillary Service Failed Quantity Charges***   **Submitter:** ERCOT  **Proposed Effective Date:** Upon system implementation – Priority 2023; Rank 3780  **ERCOT Impact Analysis:** Between $120K and $160K; no impacts to ERCOT staffing; impacts to Settlements & Billing Systems, Market Operation Systems, and Data Management & Analytic Systems; no impacts to ERCOT business processes; no impacts to ERCOT grid operations and practices.  **Revision Description:** This NPRR charges a Qualified Scheduling Entity (QSE) an Ancillary Service failed quantity if the Ancillary Service Supply Responsibility held by the QSE is not met by Resources in their portfolio in Real-Time, based on a comparison of their Real-Time telemetry. The charges will be done systematically without ERCOT Operators having to take additional action.  **TAC Decision:** On 1/24/23, TAC voted unanimously to recommend approval of NPRR1149 as recommended by PRS in the 1/17/23 PRS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1149 and believes the market impact for NPRR1149 is an improvement in the process for invoking “failure to provide” Settlement. This better ensures that Market Participants are not compensated for services that they were unable to provide in Real-Time and provides transparency as to how this Settlement will be applied.  **IMM Opinion:** The IMM supports the approval of NPRR1149 for reasons laid out in the 9/20/22 IMM comments.   * ***NPRR1151, Protocol Revision Subcommittee Meeting Requirement***   **Submitter:** Oncor  **Proposed Effective Date:** April 1, 2023  **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 eliminates the Protocol requirement to hold at least one Protocol Revision Subcommittee (PRS) meeting per month.  **TAC Decision:** On 1/24/23, TAC voted unanimously to recommend approval of NPRR1151 as recommended by PRS in the 12/8/22 PRS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1151 and believes the market impact for NPRR1151 improves efficiency by providing the same meeting flexibility to PRS as other subcommittees and TAC.   * ***NPRR1153, ERCOT Fee Schedule Changes***   **Submitter:** ERCOT  **Proposed Effective Date:** April 1, 2023 (Phase 1) and upon system implementation – Priority 2023; Rank 3790 (Phase 2)  **ERCOT Impact Analysis:** Between $20K and $30K; no impacts to ERCOT staffing; impacts to Resource Integration and Ongoing Operations (RIOO), Channel Management Systems, and ERCOT Website and MIS Systems; ERCOT business processes will be updated; no impacts to ERCOT grid operations and practices.  **Revision Description:** This NPRR changes the ERCOT Fee Schedule by adding two currently existing fees to the ERCOT Fee Schedule (public information request labor fees and ERCOT training fees); creating a registration fee of $500 for Resource Entities, TDSPs, and Subordinate Qualified Scheduling Entities (Sub-QSEs); removing the current value of the ERCOT System Administration Fee; deleting the map sales fee; and restructuring three existing fees on the Fee Schedule (Generator Interconnection or Modification (GIM) fees, Full Interconnection Study (FIS) Application fees, and Wide Area Network (WAN) fees).  **TAC Decision:** On 1/24/23, TAC voted unanimously to recommend approval of NPRR1153 as recommended by PRS in the 1/17/23 PRS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1153 and believes the market impact for NPRR1153 clarifies the ERCOT Fee Schedule by adding/restructuring the list of ERCOT-assessed fees, and removing fees from the ERCOT Fee Schedule which are governed by Public Utility Commission of Texas (PUCT) Substantive Rules.   * ***NPRR1158, Remove Sunset Date for Weatherization Inspection Fees***   **Submitter:** ERCOT  **Proposed Effective Date:** April 1, 2023  **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 eliminates the Weatherization Inspection fee’s sunset date on the ERCOT Fee Schedule and changes the invoicing period of such fees from a quarterly to a semiannual basis.  **TAC Decision:** On 2/20/23, TAC voted unanimously to recommend approval of NPRR1158 as recommended by PRS in the 2/9/23 PRS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1158 and believes it has a positive market impact by improving regulatory requirements through the elimination of the Weatherization Inspection fee’s sunset date on the ERCOT Fee Schedule and adjusting the invoicing period of related fees from a quarterly to a semiannual basis.   * ***NPRR1159, Related to RMGRR171, Changes to Transition Process That Require Opt-in MOU and EC That Are Designating POLR to Provide Mass Transition Methodology to ERCOT***   **Submitter:** ERCOT  **Proposed Effective Date:** Upon implementation of RMGRR171  **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 RMGRR171.)  **Revision Description:** This NPRR provides needed references to the Retail Market Guide to account for Texas Standard Electronic Transaction (TX SET) processing options for Municipally Owned Utility (MOU) or Electric Cooperative (EC) service areas, in alignment with RMGRR171.  **TAC Decision:** On 2/20/23, TAC voted unanimously to recommend approval of NPRR1159 as recommended by PRS in the 2/9/23 PRS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1159 and believes it has a positive market impact by addressing current operational issues through the application of references to the Retail Market Guide into the Protocols in order to account for TX SET processing options for MOU and EC services area, in alignment with RMGRR171.   * ***PGRR102, Dynamic Operation Model Improvement***   **Submitter:** ERCOT  **Proposed Effective Date:** April 1, 2023  **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 adds a requirement for Resource Entities and Interconnecting Entities (IEs) to provide operations dynamic model quality test results that demonstrate appropriate performance for submitted operations dynamic models, and makes non-substantive clarifying changes.  **TAC Decision:** On 1/24/23, TAC voted unanimously to recommend approval of PGRR102 as recommended by ROS in the 12/1/22 ROS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed PGRR102 and believes the market impact for PGRR102 improves the dynamic modeling processes that will result in high quality and accurate models in operations dynamic assessment, and consistency of simulations across planning and operations software platforms.   * ***RMGRR171, Changes to Transition Process That Require Opt-in MOU and EC That Are Designating POLR to Provide Mass Transition Methodology to ERCOT***   **Submitter:** ERCOT  **Proposed Effective Date:** April 1, 2023  **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 RMGRR supports an MOU/EC decision process upon entry into retail competition.  **TAC Decision:** On 2/20/23, TAC voted unanimously to recommend approval of RMGRR171 as recommended by RMS in the 2/7/23 RMS Report.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed RMGRR171 and believes it has a positive market impact by addressing current operational issues through the establishment of a process for opt-in MOUs and ECs without an affiliated Provider of Last Resort (POLR) to follow in order to provide their initial POLR allocation methodologies, methodology updates, and confirmations.  The TAC Reports and Impact Analyses for these Revision Requests are included in the [ERCOT Board meeting materials](https://www.ercot.com/calendar/02282023-Board-of-Directors-Meeting).  In addition, these Revision Requests ([NPRRs](https://www.ercot.com/mktrules/issues/nprr), [PGRR](https://www.ercot.com/mktrules/issues/pgrr) and [RMGRR](https://www.ercot.com/mktrules/issues/rmgrr)) 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 1144, 1147, 1149, 1151, 1153, 1158 and 1159.  The ROS met, discussed the issues, and submitted a report to TAC regarding PGRR102.  The RMS met, discussed the issues, and submitted a report to TAC regarding RMGRR171. |
| **Conclusion/Recommendation:** As more specifically described above, TAC recommends that the Board recommend approval of NPRRs 1144, 1147, 1149, 1151, 1153, 1158 and 1159; PGRR102; and RMGRR171. |

**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 Request (PGRR), and Retail market Guide Revision Request (RMGRR) recommended for approval by TAC:

* NPRR1144, Station Service Backup Power Metering;
* NPRR1147, Update and Improve Notification and Evaluation Processes Associated with Reliability Must-Run (RMR);
* NPRR1149, Implementation of Systematic Ancillary Service Failed Quantity Charges;
* NPRR1151, Protocol Revision Subcommittee Meeting Requirement;
* NPRR1153, ERCOT Fee Schedule Changes;
* NPRR1158, Remove Sunset Date for Weatherization Inspection Fees;
* NPRR1159, Related to RMGRR171, Changes to Transition Process That Require Opt-in MOU and EC That Are Designating POLR to Provide Mass Transition Methodology to ERCOT;
* PGRR102, Dynamic Operation Model Improvement; and
* RMGRR171, Changes to Transition Process That Require Opt-in MOU and EC That Are Designating POLR to Provide Mass Transition Methodology to ERCOT.

THEREFORE, BE IT RESOLVED, that the Board hereby recommends approval of NPRRs 1144, 1147, 1149, 1151, 1153, 1158 and 1159; RMGRR171; and PGRR102.

**CORPORATE SECRETARY’S CERTIFICATE**

I, Jonathan M. Levine, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its February 28, 2023 meeting, the Board passed a motion approving the above Resolution by \_\_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of February, 2023.

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Jonathan M. Levine

Assistant Corporate Secretary