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| NPRR Number | [1162](https://www.ercot.com/mktrules/issues/NPRR1162) | NPRR Title | Single Agent Designation for a QSE and its Sub-QSEs for Voice Communications over the ERCOT WAN |
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| Date | June 6, 2023 |
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| Submitter’s Information |
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| Cell Number |  |
| Market Segment | Not applicable |

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| Comments |

ERCOT files these comments to provide further information regarding the intent of Nodal Protocol Revision Request (NPRR) 1162.

NPRR1162 requires that, *for the purposes of voice communications only*, each Qualified Scheduling Entity (QSE) and all of its Subordinate QSEs shall have and share a common primary and a common alternate voice circuit for the purpose of their operational voice communications with ERCOT over the ERCOT Wide Area Network (WAN), including, without limitation, receiving and discussing Dispatch Instructions. NPRR1162 does not affect agent relationships for purposes other than voice communications.

ERCOT has filed NPRR1162 to ensure that ERCOT’s voice communications system does not exceed its maximum capacity, which is more likely to occur if Sub-QSEs are allowed to contract with a voice agent other than the one used by their parent QSE. Currently, ERCOT has not identified such an arrangement based on its records, but we seek to address this issue now before the current voice communications system reaches its maximum capacity.

Allowing Sub-QSEs to contract for voice communication service with agents other than the ones used by their parent QSEs could create a sudden need for ERCOT and QSEs/data agents to install additional phone line capacity. If multiple Sub-QSEs make this change, the capacity needed on each operator desk phone might exceed existing capacity. This would compel ERCOT to install additional capacity. While ERCOT has not yet had the opportunity to evaluate the full extent of such costs, we estimate that this change alone would cost at least $250,000 to $500,000, with little apparent benefit to the ERCOT market.

To illustrate the risks of allowing QSEs and their Sub-QSEs to designate separate agents for voice communications, ERCOT presented [two diagrams](https://www.ercot.com/files/docs/2023/04/26/2023%20April%20SubQSE%20voice%20channel%20overview.pptx) at the May 5, 2023 Wholesale Market Working Group (WMWG) meeting that show examples of (1) the existing system, where Sub-QSEs generally use the voice agent used by their parent QSE and (2) a scenario where a QSE splits its Sub-QSEs among separate voice agents. In the second example—which NPRR1162 seeks to avoid—a number of new voice communication lines would need to be quickly installed. Obtaining the necessary equipment generally has long lead times. The new, more complex agency relationships could also create confusion for ERCOT operators, who are required to maintain confidentiality with Market Participants.

Allowing Sub-QSEs to designate separate voice agents would also impose costs on Market Participants. Expenses related to installing separate voice lines would likely be incurred by both the agent gaining a Sub-QSE and the agent losing a Sub-QSE. ERCOT estimates that a Market Participant might need to spend anywhere from $5,000 to $150,000 to accommodate such a change, although further evaluation is needed to assess those costs. A Market Participant’s existing infrastructure capacity, as well as the number of Sub-QSEs changing agents, could also affect the costs that individual Market Participants would incur. In particular, agents that lose Sub-QSEs may incur higher costs due to both losing customers and being compelled to install new infrastructure (such as additional phone lines) to accommodate customer decisions to use other voice agents.

Separating out the voice communications of Sub-QSEs from their parent QSEs will not be manageable for ERCOT and Market Participants in the long term. In particular, if a large QSE decides to split numerous Sub-QSEs among multiple agents, there would be a sudden need for a large capacity allocation on both the ERCOT and Market Participant/agent side. Such a rapid capacity allocation change would be difficult, if not impossible, to accommodate in light of current purchasing and implementation timelines.

In sum, allowing a Sub-QSE to route voice communications through an agent other than the one used by its parent QSE could impose significant costs and operational challenges on ERCOT, the agent gaining the Sub-QSE, and the agent losing the Sub-QSE, with little apparent benefit to the ERCOT market as a whole.

Tenaska has proposed that ERCOT’s system could be redesigned to require fewer voice lines so that ERCOT operators call voice agents directly instead of by using QSE call buttons. This would require ERCOT to change its existing infrastructure and incur costs that need to be evaluated further. ERCOT recommends that if Tenaska wants to pursue this change, Tenaska should file a separate NPRR, which would go through the impact analysis process so that costs and other impacts associated with that change can be fully vetted. It is worth noting that, even if this proposed change is adopted, it would take some time to implement it.

A solution is needed now. ERCOT recommends that NPRR1162 should be adopted as soon as possible. Alternate solutions that would require more vetting should be considered in separate NPRRs, given that further cost analysis of those solutions is needed, and implementation timelines would be longer. NPRR1162 represents an immediate-term solution for ensuring that Market Participant agency relationships will not cause existing capacity to be exceeded on ERCOT’s voice communications system.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None