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| **Date:** | June 13, 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:** June 20, 2023  **Item No.:** 3.1 |

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| **Issue:**Consideration of the following Revision Requests: Nodal Protocol Revision Requests (NPRRs), Nodal Operating Guide Revision Requests (NOGRRs), and Retail Market Guide Revision Request (RMGRR) recommended for approval by TAC (with no opposing votes recorded):  * NPRR1161, Clarify AVR Notification Requirements for IRRs; * NPRR1166, Protected Information Status of DC Tie Schedule Information; * NPRR1167, Improvements to Firm Fuel Supply Service Based on Lessons Learned; * NPRR1168, Related to RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes; * NPRR1177, Enhance Exceptional Fuel Cost Process – URGENT; * NPRR1178, Expectations for Resources Providing ERCOT Contingency Reserve Service – URGENT; * NOGRR246, Related to NPRR1161, Clarify AVR Notification Requirements for IRRs; * NOGRR253, Related to NPRR1178, Expectations for Resources Providing ERCOT Contingency Reserve Service – URGENT; and * RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes. |
| **Background/History:** **Unless otherwise noted: (i) all Market Segments participated in each vote; (ii) For NPRRs, ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) 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 (IMM) has no opinion on the Revision Request.**   * ***NPRR1161, Clarify AVR Notification Requirements for IRRs***   **Submitter:** ERCOT  **Proposed Effective Date:** August 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 clarifies that Intermittent Renewable Resources (IRRs), who remain synchronized to the ERCOT System but are not able to provide Reactive Power when not providing real power, do not have to notify ERCOT other than the Real-Time telemetered status.  **TAC Decision:** On 5/23/23, TAC voted to recommend approval of NPRR1161 as recommended by PRS in the 4/13/23 PRS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1161 and believes the market impact for NPRR1161 will prevent unnecessary voice notifications to ERCOT Operators.   * ***NPRR1166, Protected Information Status of DC Tie Schedule Information***   **Submitter:** ERCOT  **Proposed Effective Date:** August 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 changes the expiration date for the Protected Information status of Direct Current Tie (DC Tie) Schedule information from 60 days after the applicable Operating Day to the date on which ERCOT files the report with the Public Utility Commission of Texas (PUCT) that is required by P.U.C. Subst. R. 25.192, Transmission Rates for Export from ERCOT, relating to energy imported and exported over DC Ties interconnected to the ERCOT System. This brings the ERCOT Protocols into alignment with current PUCT Rules.  **TAC Decision:** On 5/23/23, TAC voted to recommend approval of NPRR1166 as recommended by PRS in the 5/10/23 PRS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1166 and believes the market impact for NPRR1166 brings the Protocols into alignment with P.U.C. Subst. R. 25.192 which mandates that ERCOT publicly file certain DC Tie Schedule information with the PUCT before the date currently listed in the Protocols for the expiration of the Protected Information status of the information.  **IMM Opinion:** The IMM supports NPRR1166.   * ***NPRR1167, Improvements to Firm Fuel Supply Service Based on Lessons Learned***   **Submitter:** ERCOT  **Proposed Effective Date:** August 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 implements several improvements to Firm Fuel Supply Service (FFSS). Specific changes include: amending the definition of an Availability Plan to include a requirement that, in cases where a Resource is required to have a submitted Availability Plan and has a change in availability, the Availability Plan must be updated within 60 minutes of that change in availability; adding more detailed direction to incorporate the concept of having an alternate Generation Resource that may be designated to become the FFSS Resource (FFSSR) in providing FFSS; adding a requirement for ERCOT to post a disclosure report of FFSS offers after each procurement period, in alignment with the expiration of confidentiality captured in the first FFSS Request for Proposal (RFP); clarifying language regarding procedures for communication between ERCOT and Qualified Scheduling Entities (QSEs) regarding restocking of fuel post deployment of FFSS; changing the directive for ERCOT to report to the TAC or its designated subcommittee within 30 days at the end of the obligation period (March 15) if deployment(s) occurred instead of within 45 days of each deployment; incorporating requirements for FFSS that were previously only captured in the FFSS RFP; enhancing language and processes around the qualification process, including moving the obligation to test prospective FFSSRs (both primary or alternate Generation Resources) to be prior to the FFSS procurement process. Results from this test will then be used to limit the MW quantity that the QSE can offer for that Resource into the FFSS procurement process; and introducing language and processes for disqualification and decertification of a generator in being an FFSSR, including a process for remediation and recertification.  **TAC Decision:** On 5/23/23, TAC voted to recommend approval of NPRR1167 as recommended by PRS in the 5/10/23 PRS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1167 and believes the market impact for NPRR1167 improves several processes related to FFSS, including testing, qualification, procurement, communication during and following deployment, and reporting by ERCOT. While ERCOT sponsored and supports the NPRR, it does not support the language as reflected in the 5/10/23 PRS Report.  **ERCOT Opinion:** ERCOT supports approval of NPRR1167, as reflected in the 4/28/23 ERCOT comments.  **IMM Opinion:** IMM supports NPRR1167 as recommended for approval in the 5/10/23 PRS Report.   * ***NPRR1168, Related to RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes***   **Submitter:** Texas SET Working Group  **Proposed Effective Date:** Upon implementation of Retail Market Guide Revision Request (RMGRR) 172, Texas SET V5.0 Continuous Service Agreements Changes  **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 RMGRR172.)  **Revision Description:** This NPRR updates the name of the 814\_18 Texas Standard Electronic Transaction (Texas SET) transaction from ‘Establish/Delete CSA Request’ to ‘Establish/Change/Delete CSA Request’ and adds new sections to the Protocols relating to administering requests to change end dates for active Continuous Service Agreements (CSAs).  **TAC Decision:** On 5/23/23, TAC voted to recommend approval of NPRR1168 as recommended by PRS in the 5/10/23 PRS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1168 and believes that it has a positive market impact by, both, addressing current operational issues and providing market efficiencies or enhancement by updating the name of the 814\_18 Texas SET transaction from ‘Establish/Delete CSA Request’ to ‘Establish/Change/Delete CSA Request’ and adding new sections to the Protocols that describe how to administer requests to change end dates for active CSAs.   * ***NPRR1177, Enhance Exceptional Fuel Cost Process – URGENT***   **Submitter:** Constellation  **Proposed Effective Date:** June 30, 2023 until January 1, 2025  **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 enables Generation Resources to file Exceptional Fuel Costs that include contractual cost and pipeline-mandated costs, and enhances the process for ERCOT and the IMM to verify these costs.  **TAC Decision:** On 6/5/23, TAC voted unanimously to recommend approval of NPRR1177 as recommended by PRS in the 5/10/23 PRS Report, as amended by the 6/1/23 Constellation comments, and the 5/16/23 Impact Analysis; with a recommended effective date of the day after Public Utility Commission of Texas (PUCT) approval and a recommended sunset date of January 1, 2025.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1177 and believes the market impact for NPRR1177 will be to preserve reliability and reduce market costs by providing a temporary mechanism leveraging the Exceptional Fuel Cost processes to recognize, capture, and validate contractual costs, allowing Generation Resources to reflect costs in their Energy Offer Curves without the risk of Real-Time mitigation that will result in unrecoverable financial losses.  **IMM Opinion:** The IMM does not oppose NPRR1177 as a temporary solution, and therefore supports the TAC-recommended version that contains a sunset date.   * ***NPRR1178, Expectations for Resources Providing ERCOT Contingency Reserve Service – URGENT***   **Submitter:** ERCOT  **Proposed Effective Date:** July 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 clarifications and updates regarding expectations for Resources providing ERCOT Contingency Reserve Service (ECRS). First, this NPRR provides clarity on expectations for Resource Status for Load Resources, other than Controllable Load Resources, when the Resource is providing ECRS simultaneously with Responsive Reserve (RRS). Under the current Protocols, the choice of Resource Status by the QSE may not be apparent. Second, to align with NPRR892, Non-Spin Reserve Energy Floor Clarification, this NPRR places an offer floor on capacity for Resources providing ECRS concurrently with On-Line Non-Spinning Reserve (Non-Spin). This change ensures that On-Line capacity for providing Non-Spin is priced above the $75/MWh offer floor. NPRR892 addressed this requirement for when a Resource is providing RRS and/or Regulation Up Service (Reg-Up) in addition to On-Line Non-Spin, however the timing of that NPRR was such that ECRS was not included in the proposed language. Lastly, this NPRR updates the ECRS deployment obligation requirements for Load Resources, other than Controllable Load Resources. The proposed language makes the requirement consistent with what will be in place with the implementation of Real-Time Co-optimization (RTC) of energy and Ancillary Services and states that any response to a deployment must remain in effect until recalled by ERCOT.  **TAC Decision:** On 5/23/23, TAC voted to recommend approval of NPRR1178 as recommended by PRS in the 5/10/23 PRS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1178 and believes the market impact for NPRR1178 clarifies and aligns Protocols with the expectations for Resources providing ECRS.  **IMM Opinion:** The IMM abstains from proffering an opinion on the $75 offer floor provision and recognizes that an alternative may be needed in time if ECRS is frequently deployed before Non-Spin.   * ***NOGRR246, Related to NPRR1161, Clarify AVR Notification Requirements for IRRs***   **Submitter:** ERCOT  **Proposed Effective Date:** Upon implementation of NPRR1161  **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 NOGRR beyond what was captured in the Impact Analysis for NPRR1161.)  **Revision Description:** This NOGRR clarifies that IRRs who remain synchronized to the ERCOT System but are not able to provide Reactive Power when not providing real power do not have to notify ERCOT other than the Real-Time telemetered status.  **TAC Decision:** On 5/23/23, TAC voted to recommend approval of NOGRR246 as recommended by ROS in the 4/6/23 ROS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NOGRR246 and believes the market impact for NOGRR246 will prevent unnecessary voice notifications to ERCOT Operators.   * ***NOGRR253, Related to NPRR1178, Expectations for Resources Providing ERCOT Contingency Reserve Service – URGENT***   **Submitter:** ERCOT  **Proposed Effective Date:** Upon implementation of NPRR1178  **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 NOGRR beyond what was captured in the Impact Analysis for NPRR1178.)  **Revision Description:** This NOGRR aligns the Nodal Operating Guide language regarding ECRS and Non-Spin with the revisions proposed in NPRR1178, as well as the Protocol language approved in NPRR1096, Require Sustained Two-Hour Capability for ECRS and Four-Hour Capability for Non-Spin. This NOGRR also clarifies that ERCOT may manually deploy Load Resources other than Controllable Load Resources that are providing ECRS or RRS to maintain a minimum 500 MWs of Physical Responsive Capability (PRC) reserves on Security Constrained Economic Dispatch (SCED)-dispatchable Resources to continuously balance the Demand with supply while maintaining the stable grid frequency for smaller disturbances.  **TAC Decision:** On 5/23/23, TAC voted to recommend approval of NOGRR253 as recommended by ROS in the 5/4/23 ROS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NOGRR253 and believes the market impact for NOGRR253 clarifies and aligns the Nodal Operating Guide with the Protocols and expectations for Resources providing ECRS.   * ***RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes***   **Submitter:** Texas SET Working Group  **Proposed Effective Date:** Upon implementation of PR409-01, TX SET 5\_0 and System Change Request (SCR) 817, Related to NPRR1095, MarkeTrak Validation Revisions Aligning with Texas SET V5.0  **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 budget or system impacts beyond what was captured in PR409-01.)  **Revision Description:** This RMGRR updates the name of the 814\_18 Texas SET transaction from ‘Establish/Delete CSA Request’ to ‘Establish/Change/Delete CSA Request’ and adds new sections to the Retail Market Guide that describe how to cancel a pending CSA through MarkeTrak.  **TAC Decision:** On 5/23/23, TAC voted to recommend approval of RMGRR172 as recommended by RMS in the 4/4/23 RMS Report. There was one abstention from the Independent Generator (Luminant) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed RMGRR172 and believes that it has a positive market impact by both addressing current operational issues and providing market efficiencies or enhancement by updating the name of the 814\_18 Texas SET transaction from ‘Establish/Delete CSA Request’ to ‘Establish/Change/Delete CSA Request’ and adding new sections to the Retail Market Guide that describe how to cancel a pending CSA through MarkeTrak.  The TAC Reports and Impact Analyses for these Revision Requests are included in the [ERCOT Board meeting materials](https://www.ercot.com/calendar/06202023-Board-of-Directors-Meeting).  In addition, these Revision Requests ([NPRRs](https://www.ercot.com/mktrules/issues/nprr), [NOGRR](https://www.ercot.com/mktrules/issues/nogrr)s, 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 1161, 1166, 1167, 1168, 1177, and 1178.  The ROS met, discussed the issues, and submitted reports to TAC regarding NOGRRs 246 and 253.  The RMS met, discussed the issues, and submitted a report to TAC regarding RMGRR172. |
| **Conclusion/Recommendation:** As more specifically described above, TAC recommends that the Board recommend approval of NPRRs 1161, 1166, 1167, 1168, 1177, and 1178; NOGRRs 246 and 253; and RMGRR172. |

**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), Nodal Operating Guide Revision Requests (NOGRRs), and Retail Market Guide Revision Request (RMGRR) recommended for approval by TAC:

* NPRR1161, Clarify AVR Notification Requirements for IRRs;
* NPRR1166, Protected Information Status of DC Tie Schedule Information;
* NPRR1167, Improvements to Firm Fuel Supply Service Based on Lessons Learned;
* NPRR1168, Related to RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes;
* NPRR1177, Enhance Exceptional Fuel Cost Process – URGENT;
* NPRR1178, Expectations for Resources Providing ERCOT Contingency Reserve Service – URGENT;
* NOGRR246, Related to NPRR1161, Clarify AVR Notification Requirements for IRRs;
* NOGRR253, Related to NPRR1178, Expectations for Resources Providing ERCOT Contingency Reserve Service – URGENT; and
* RMGRR172, Texas SET V5.0 Continuous Service Agreements Changes;

THEREFORE, BE IT RESOLVED, that the Board hereby recommends approval of NPRRs 1161, 1166, 1167, 1168, 1177, and 1178; NOGRRs 246 and 253; and RMGRR172.

**CORPORATE SECRETARY’S CERTIFICATE**

I, Jonathan M. Levine, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its June 20, 2023 meeting, the Board passed a motion approving the above Resolution by \_\_\_\_\_\_.

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

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Jonathan M. Levine

Assistant Corporate Secretary