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| **Date:** | October 3, 2024 |
| **To:** | Board of Directors |
| **From:** | Caitlin Smith, Technical Advisory Committee (TAC) Chair |
| **Subject:** | Non-Unanimous Revision Request Recommended by TAC for Approval |

## Issue for the ERCOT Board of Directors

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| **ERCOT Board of Directors Meeting Date:** October 10, 2024  **Item No.:** 9.3.2 |

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| **Issue:**Consideration of the following Nodal Protocol Revision Request (NPRR) recommended for approval by TAC (with opposing votes recorded):  * NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs. |
| **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.**   * ***NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs***   **Sponsor:** Austin Energy, CPS Energy, Denton Municipal Electric, Garland Power and Light, Greenville Electric Utility System (“Joint Sponsors”)  **Proposed Effective Date:** The first of the month following Public Utility Commission of Texas (PUCT) approval  **Estimated Impacts:** No impact  **Revision Description:** This NPRR adds a provision for recovery of a demonstrable financial loss arising from a manual High Dispatch Limit (HDL) override to reduce real power output, in the case when that output is intended to meet Qualified Scheduling Entity (QSE) Load obligations.  **TAC Decision:** On 6/24/24, TAC voted to recommend approval of NPRR1190 as recommended by PRS in the 6/13/24 PRS Report. There were six opposing votes from the Consumer (6) (Residential, OPUC, City of Eastland, City of Dallas, CMC Steel, Lyondell Chemical) Market Segment and one abstention from the Independent Retail Electric Provider (IREP) (Rhythm Ops) Market Segment.  **ERCOT Market Impact Statement:** ERCOT Staff has reviewed NPRR1190 and believes the market impact for this NPRR provides QSEs an additional opportunity to recover demonstrable financial losses stemming from an HDL override under certain conditions that previously were not allowed.  The TAC Report and Impact Analysis for the Revision Request are included in the [ERCOT Board meeting materials](https://www.ercot.com/calendar/10102024-Board-of-Directors-Meeting).  In addition, the Revision Request and supporting materials are posted on the ERCOT website. |
| **Key Factors Influencing Issue:** The PRS met, discussed the issues, and submitted a report to TAC regarding NPRR 1190. |
| **Conclusion/Recommendation:** As more specifically described above, TAC recommends that the Board recommend approval of NPRR 1190. |

**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 Request (NPRR) recommended for approval by the Technical Advisory Committee (TAC):

* NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs.

THEREFORE, BE IT RESOLVED, that the Board hereby recommends approval of NPRR 1190.

**CORPORATE SECRETARY’S CERTIFICATE**

I, Chad V. Seely, Corporate Secretary of ERCOT, do hereby certify that, at its October 10, 2024 meeting, the Board passed a motion approving the above Resolution by \_\_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of October, 2024.

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Chad V. Seely

Corporate Secretary