|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1275](https://www.ercot.com/mktrules/issues/NPRR1275) | NPRR Title | Expansion of Qualifying Pipeline Definition for Firm Fuel Supply Service in Phase 3 |
| Date of Decision | March 12, 2025 |
| Action | Recommended Approval |
| Timeline  | Normal |
| Proposed Effective Date | To be determined |
| Priority and Rank Assigned | To be determined |
| Nodal Protocol Sections Requiring Revision  | 2.1, Definitions |
| Related Documents Requiring Revision/Related Revision Requests | None |
| Revision Description | This Nodal Protocol Revision Request (NPRR) replaces the definition for Firm Fuel Supply Service (FFSS) Qualifying Pipeline with the definition recommended by the Technical Advisory Committee (TAC) in NPRR1169, Expansion of Generation Resources Qualified to Provide Firm Fuel Supply Service in Phase 2 of the Service. |
| Reason for Revision |  [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 1 – Be an industry leader for grid reliability and resilience [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 2 - Enhance the ERCOT region’s economic competitiveness with respect to trends in wholesale power rates and retail electricity prices to consumers [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 3 - Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission General system and/or process improvement(s) Regulatory requirements ERCOT Board/PUCT Directive*(please select ONLY ONE – if more than one apply, please select the ONE that is most relevant)* |
| Justification of Reason for Revision and Market Impacts | In December 2024, ERCOT surveyed Generation Entities with natural gas units to examine the potential for improvements to FFSS under a potential Phase 3 of the service. Responses to that survey indicated that additional Generation Resources that are capable of running on natural gas stored offsite would be eligible to provide FFSS if the expanded definition of FFSS Qualifying Pipeline recommended by TAC in NPRR1169 were adopted. Based on recent discussions at the Public Utility Commission of Texas (PUCT) regarding the prioritization of additional market liquidity, this NPRR amends the definition of FFSS Qualifying Pipeline to utilize the definition recommended by TAC in NPRR1169.ERCOT requests stakeholders review and processing of this NPRR with a goal of approval by the PUCT prior to the upcoming FFSS Request for Proposal (RFP) issuance in August 2025. |
| PRS Decision | On 3/12/25, PRS voted to recommend approval of NPRR1275 as submitted. There was one opposing vote from the Independent Generator (Vistra) Market Segment. All Market Segments participated in the vote. |
| Summary of PRS Discussion | On 3/12/25, ERCOT Staff provided an overview of NPRR1275. Supporters noted the revisions match language already recommended by TAC in NPRR1169. The opponent presented the concerns detailed in the 3/10/25 Vistra comments and requested additional discussion ahead of recommending approval of NPRR1275. |

|  |
| --- |
| **Opinions** |
| **Credit Review** | To be determined |
| **Independent Market Monitor Opinion** | To be determined |
| **ERCOT Opinion** | To be determined |
| **ERCOT Market Impact Statement** | To be determined |

|  |
| --- |
| Sponsor |
| Name | Mark Patterson |
| E-mail Address | Mark.patterson@ercot.com |
| Company | ERCOT |
| Phone Number | 512-569-5539 |
| Cell Number |  |
| Market Segment | Not applicable |

|  |
| --- |
| **Market Rules Staff Contact** |
| **Name** | Cory Phillips |
| **E-Mail Address** | cory.phillips@ercot.com |
| **Phone Number** | 512-248-6464 |

|  |
| --- |
| **Comments Received** |
| **Comment Author** | **Comment Summary** |
| Vistra 031025 | Expressed concerns with NPRR1275 as submitted, requested “curtailment” be more narrowly defined, and suggested bifurcating the procurement and pricing of FFSS for onsite and offsite storage |

|  |
| --- |
| Market Rules Notes |

None

|  |
| --- |
| Proposed Protocol Language Revision |

## 2.1 DEFINITIONS

**Firm Fuel Supply Service (FFSS) Qualifying Pipeline**

A pipeline that is a critical natural gas facility, as defined in subsection (c)(2) of 16 Tex. Admin. Code § 25.52, and:

(a) A natural gas pipeline subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) under the Natural Gas Act (15 U.S.C. § 717 *et seq*.);

(b) An intrastate natural gas pipeline that is not operated by a “gas utility” under Title 3, Gas Regulation, of the Texas Utilities Code; or

(c) An intrastate pipeline that is owned or operated by a “gas utility” under Title 3 of the Texas Utilities Code that:

(i) Provides only transmission service, in accordance with its gas utility tariff;

(ii) Certifies to the Generation Entity that if it reduces firm deliveries to customers pursuant to 16 Tex. Admin. Code § 7.455(a)(3) it will have sufficient operational capacity, including sufficient pipeline pressure, to provide Firm Service for the volume of gas required by the Generation Resource’s Firm Transportation Agreement on the transportation path between the storage facility and a Generation Resource to provide continuous service in the event of a curtailment; and

(iii) Certifies to the Generation Entity that it has not curtailed deliveries of gas, pursuant to 16 Tex. Admin. Code § 7.455 or any applicable predecessor rule or order, to a Generation Resource that was subject to a firm transportation agreement during a curtailment event that occurred at any time since January 1, 2021.

A pipeline operated by an Entity that participates in ERCOT’s Load Resource program, Emergency Response Service (ERS) program, or any Demand response programs with respect to any equipment that supports that pipeline will not be eligible to be an FFSS Qualifying Pipeline.