



Date: March 31, 2025
To: Board of Directors
From: Caitlin Smith, Technical Advisory Committee (TAC) Chair
Subject: Non-Unanimous Revision Requests Recommended by TAC for Approval

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: April 7-8, 2025

Item No.: 12.1

Issue:

Consideration of the following Nodal Protocol Revision Requests (NPRRs) recommended for approval by TAC (with opposing votes recorded):

- NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs; and
- NPRR1269, RTC+B Three Parameters Policy Issues – URGENT.

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.

Board Review is required of all TAC Reports and Impact Analyses (Protocol Section 21.3.10)

- **[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)

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.

Impact Analysis: No impact

Proposed Effective Date: The first of the month following Public Utility Council of Texas (PUCT) approval

TAC Report/Decision: On 2/27/25, TAC voted to recommend approval of NPRR1190 as recommended by TAC in the 6/24/24 TAC Report as amended by the 2/26/25 ERCOT comments. There were four opposing votes from the Consumer (Residential Consumer, OPUC, CMC Steel, Lyondell Chemical) Market Segment.

Explanation of Opposing TAC Votes:

- Consumer/Residential Consumer – Residential Consumers reiterated their opposition to NPRR1190 in principle, as detailed further in the 10/2/24 Joint Consumers comments and 2/26/25 Residential Consumer comments.
- Consumer/OPUC – OPUC reiterated their opposition to NPRR1190 in principle, as detailed further in the 10/2/24 Joint Consumers comments.
- Consumer/CMC Steel – CMC Steel reiterated their opposition to NPRR1190 in principle, as detailed further in the 10/2/24 Joint Consumers comments.
- Consumer/Lyondell Chemical – Lyondell Chemical reiterated their opposition to NPRR1190 in principle, as detailed further in the 10/2/24 Joint Consumers comments.

ERCOT Opinion: ERCOT has no opinion on NPRR1190. NPRR1190 is primarily focused on a cost allocation issue; and determines the entities responsible for bearing the costs due to losses stemming from HDL overrides, an out of market action. NPRR1190 does not impact reliability or market design outcomes as ERCOT already has the authority to direct HDL overrides.

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.

IMM Opinion: IMM supports NPRR1190.

[Key Documents](#) (including comments, ballots, reports and impact analyses)

- **[NPRR1269, RTC+B Three Parameters Policy Issues – URGENT](#)**

Sponsor: ERCOT

Revision Description: This NPRR determines and codifies a group of policy changes that were deferred from the original RTC-related Protocols developed in 2020. The three policy concepts below have been developed in coordination with the Real-Time Co-optimization plus Batteries Task Force (RTCBTF): Parameters for Ancillary Service proxy offers floors; Scaling factor values for ramping; and Ancillary Service Demand Curves (ASDCs) for use in Reliability Unit Commitment (RUC) studies.

[Impact Analysis](#): No impact (There are no additional impacts to this NPRR beyond what was captured in PR447, Real-Time Co-optimization (RTC).)

Proposed Effective Date: Upon system implementation of PR447, Real-Time Co-Optimization (RTC)

[TAC Report/Decision](#): On 3/26/25, TAC voted to recommend approval of NPRR1269 as recommended by PRS in the 3/12/25 PRS Report. There were seven opposing votes from the Consumer (6) (Residential Consumer, OPUC, CMC Steel, Lyondell Chemical, City of Eastland, City of Dallas) and Independent Retail Electric Provider (IREP) (APG&E) Market Segments and one abstention from the IREP (Demand Control 2) Market Segment.

Explanation of Opposing TAC Votes:

- Consumer/Residential Consumer – Residential Consumers opposed NPRR1269 for reasons detailed in the 3/25/25 Joint Consumers comments.

- Consumer/OPUC – OPUC opposed NPRR1269 for reasons detailed in the 3/25/25 Joint Consumers comments.
- Consumer/City of Eastland – Explanation requested but not provided.
- Consumer/City of Dallas – City of Dallas voted against NPRR1269 for fundamental market design issues. NPRR1269 sets a floor for the proxy offer curve. The justification for the offer floor is the belief that this may reduce potential RUC in the future. Although RUC is an out-of-market solution and should be avoided if possible substituting an arbitrary offer floor is in itself an out-of-market solution. We are simply substituting administrative pricing for RUC commitment. Neither option is acceptable. The ERCOT “competitive” market has more administrative pricing and price adders than any competitive market we are aware of. RTC was intended to add efficiency, transparency and lower cost to the ERCOT market. At this point in time we do not know how Market Participants will offer into the new market, and to set offer floors before the market even opens is defeatist and anticompetitive.
- Consumer/CMC Steel – CMC Steel opposed NPRR1269 for reasons detailed in the 3/25/25 Joint Consumers comments.
- Consumer/Lyondell Chemical – Lyondell Chemical opposed NPRR1269 for reasons detailed in the 3/25/25 Joint Consumers comments.
- IREP/APG&E – APG&E opposed NPRR1269 for reasons detailed in the 3/25/25 Joint Consumers comments.

ERCOT Opinion: ERCOT supports approval of NPRR1269.

ERCOT Market Impact Statement: ERCOT Staff has reviewed NPRR1269 and believes the market impact for NPRR1269, after extensive review with stakeholders at the RTCBTF, codifies a group of policy changes that were deferred from the original RTC-related Protocols developed in 2020 ahead to provide clarity ahead of the upcoming RTC market trials.

IMM Opinion: IMM opposes NPRR1269. (2/6/25 IMM comments, 3/11/25 IMM comments)

[Key Documents](#) (including comments, ballots, reports and impact analyses)

The TAC Reports and Impact Analyses for NPRR1190 and 1269 are included in the [ERCOT Board meeting materials](#).

In addition, NPRRs 1190 and 1269 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 NPRR1269.

The PRS met, discussed the issues, and submitted a report to TAC regarding NPRR1190. The TAC met, discussed the issues, and submitted a report to the Board regarding NPRR1190. The Board remanded NPRR1190 to TAC.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the Board recommend approval of NPRRs 1190 and 1269.



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), recommended for approval by TAC:

- NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs; and
- NPRR1269, RTC+B Three Parameters Policy Issues – URGENT.

THEREFORE, BE IT RESOLVED, that the Board hereby recommends approval of NPRRs 1190 and 1269.

CORPORATE SECRETARY’S CERTIFICATE

I, Brandon Gleason Assistant Corporate Secretary of ERCOT, do hereby certify that, at its April 7-8, 2025 meeting, the Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of April 2025.

Brandon Gleason
Assistant Corporate Secretary