



Date: June 16, 2025
To: Board of Directors
From: Caitlin Smith, Technical Advisory Committee (TAC) Chair
Subject: Non-Unanimous and Other Selected Revision Requests
Recommended by TAC for Approval

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: June 23-24, 2025

Item No.: 11.1

Issue:

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

- NPRR1229, Real-Time Constraint Management Plan Cost Recovery Payment;
- NPRR1282, Ancillary Service Duration under Real-Time Co-Optimization – URGENT; and
- NOGRR277, Related to NPRR1282, Ancillary Service Duration under Real-Time Co-Optimization – 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)

- **[NPRR1229, Real-Time Constraint Management Plan Cost Recovery Payment](#)**
Sponsor: STEC

Revision Description: This NPRR creates a process that compensates a Qualified Scheduling Entity (QSE) when a Constraint Management Plan (CMP) or ERCOT-directed switching instruction implemented by ERCOT causes the trip of a Generation Resource when it would not have occurred absent those conditions.

Impact Analysis: Between \$100K and \$200K (8 – 10 months)

Proposed Effective Date: Upon system implementation for Section 9.5.3 (Priority 2028; Rank 5100); the first of the month following Public Utility Commission of Texas (PUCT) approval for the remaining sections

TAC Report/Decision: On 4/23/25, TAC voted to recommend approval of NPRR1229 as recommended by PRS in the 4/9/25 PRS Report. There were eight opposing votes from the Consumer (6) (Residential Consumer, OPUC, Lyondell Chemical, CMC Steel, City of Eastland, City of Dallas) and Independent Retail Electric Provider (IREP) (2) (Rhythm Ops, Demand Control 2) Market Segments

and one abstention from the IREP (APG&E) Market Segment

Explanation of Opposing TAC Votes:

- Consumer/Lyondell Chemical – Lyondell Chemical opposed NPRR1229 for the same reasons it opposed NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs. The explicit reasons for Lyondell Chemical's opposition are stated below, as adapted from Joint Consumer Comments Opposing NPRR1190, dated October 2, 2024, to which Lyondell Chemical was a party. A major reason the ERCOT market adopted nodal dispatch and pricing in PUCT Substantive Rule 25.501, "Wholesale Market Design for the Electric Reliability Council of Texas" was to avoid paying generation owners for power that was scheduled but not deliverable. Prior to the implementation of the rule, the ERCOT zonal market design operated under an approach that "all schedules must flow" and that Market Participants could be compensated with "OOME Down" payments for any portion of the scheduled power that was not deliverable. Ultimately, the PUCT deemed the OOME payment approach untenable in the long run and ordered ERCOT to institute nodal pricing instead, putting the risk of power delivery on Market Participants. This is known as the direct assignment of congestion costs, which is reflected in the Real-Time nodal pricing at a particular generator node or set of nodes. Through this rule, the PUCT instituted a policy that no Market Participant has an absolute right to flow power across the grid under all circumstances. The payments proposed under NPRR1229 will force consumers to subsidize Market Participants when grid conditions require curtailment. Over the past two decades, Market Participants have had ready access to alternative sources of power through purchases in the liquid commercial bilateral power market and have the capability to make arrangements in advance to handle a wide range of contingencies that might hinder the delivery of power from an owned or contracted Resource. These alternative arrangements assist both Resource adequacy in the long run and reliability in Real-Time. Just as other consumers would not pay for a generator if Security-Constrained Economic Dispatch (SCED) did not deploy a Resource at its full output, other power consumers should not have to subsidize Resources that are dispatched down by ERCOT by other means than SCED to maintain grid reliability.
- Consumer/Residential Consumer – Residential Consumer agrees with the comments of Lyondell Chemical above.
- Consumer/OPUC – OPUC agrees with the comments of Lyondell Chemical above.
- Consumer/CMC Steel – CMC Steel agrees with the comments of Lyondell Chemical above.
- Consumer/City of Eastland – City of Eastland agrees with the comments of Lyondell Chemical above.
- Consumer/City of Dallas – City of Dallas agrees with the comments of Lyondell Chemical above.
- IREP/Rhythm Ops – Rhythm Ops agrees with the comments of Lyondell

Chemical above.

- IREP/Demand Control 2 – Demand Control 2 agrees with the comments of Lyondell Chemical above.

ERCOT Opinion: ERCOT has no opinion on NPRR1229. NPRR1229 is primarily focused on a cost allocation issue; and determines the entities responsible for bearing the costs due to Generation Resources tripping Off-Line if the trip is attributable to a CMP. NPRR1229 does not impact reliability or market design outcomes.

ERCOT Market Impact Statement: ERCOT Staff has reviewed NPRR1229 and believes the market impact for NPRR1229 enables a QSE to submit a Settlement dispute seeking to recover costs attributable to a CMP under certain conditions that were previously not allowed.

IMM Opinion: IMM has no opinion on NPRR1229.

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

- **[NPRR1282, Ancillary Service Duration under Real-Time Co-Optimization - URGENT](#)**

Sponsor: ERCOT

Revision Description: This NPRR makes changes to the duration requirements for the following Ancillary Services in preparation for Real-Time Co-optimization plus Batteries (RTC+B): updates duration requirements for Regulation Service and Responsive Reserve (RRS) to thirty minutes; and updates duration requirement for ERCOT Contingency Reserve Service (ECRS) to one hour. This NPRR also updates the requirement for Reliability Unit Commitment (RUC) studies to use a one-hour duration for all Ancillary Service types, excluding Fast Frequency Response (FFR).

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 5/28/25, TAC voted to recommend approval of NPRR1282 as recommended by PRS in the 5/14/25 PRS Report. There were two opposing votes from the Independent Generator (Engie, Jupiter Power) Market Segment and one abstention from the Independent Power Marketer (IPM) (Tenaska) Market Segment.

Explanation of Opposing TAC Votes:

- Independent Generator/Jupiter Power – Jupiter voted “no” as both Joint Commenter’s proposal in Joint Commenters’ May 12, 2025 comments to decouple duration qualification requirements from Real-Time State of Charge (SOC) requirements and the Independent Market Monitor’s (IMM’s) proposal for lower duration and Real-Time SOC requirements for Non-Spinning Reserve (Non-Spin) are superior to the TAC passed version for both reliability and market outcomes. NPRR1282 as passed by TAC will decrease the amount of MWs from Energy Storage Resources (ESRs) available to provide reserves during the times like the solar ramp, which will

degrade reliability and increase price of reserves. A four-hour SOC requirement for Non-Spin for a 5-min Security-Constrained Economic Dispatch (SCED) award would mean that an ESR would need to hold SOC for 48 times what SCED needs, which may have serious consequences, like stranded MW or no “foot room” when needed to absorb power when for large load trips

- Independent Generator/Engie – Engie agrees with the comments of Jupiter Power above.

ERCOT Opinion: ERCOT supports approval of NPRR1282.

ERCOT Market Impact Statement: ERCOT Staff has reviewed NPRR1282 and believes the market impact for NPRR1282 provides reasonable, study-based duration requirements for these Ancillary Services in preparation for RTC+B go-live, and ERCOT agrees that these duration parameters can be revisited after go-live when there is history with the RTC+B systems implemented and observations regarding market and reliability outcomes.

IMM Opinion: IMM opposes NPRR1282. The IMM supports the 5/13/25 IMM comments.

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

- **[NOGRR277, Related to NPRR1282, Ancillary Service Duration under Real-Time Co-Optimization - URGENT](#)**

Sponsor: ERCOT

Revision Description: This NOGRR updates duration requirements for ERCOT Contingency Reserve Service (ECRS) to one hour.

Impact Analysis: No impact (There are no additional impacts to this NOGRR beyond what was captured in the Impact Analysis for NPRR1282.)

Proposed Effective Date: Upon system implementation of NPRR1282, Ancillary Service Duration under Real-Time Co-Optimization

TAC Report/Decision: On 5/28/25, TAC voted to recommend approval NOGRR277 as recommended by ROS in the 5/20/25 ROS Report. There were two abstentions from the Independent Generator (Engie, Jupiter Power) Market Segment.

ERCOT Opinion: ERCOT supports approval of NOGRR277.

ERCOT Market Impact Statement: ERCOT Staff has reviewed NOGRR277 and believes the market impact for NOGRR277, along with NPRR1282, provides reasonable, study-based duration requirements for ECRS in preparation for RTC+B go-live, and ERCOT agrees that this duration parameter can be revisited after go-live when there is history with the RTC+B systems implemented and observations regarding market and reliability outcomes.

IMM Opinion: IMM has no opinion on NOGRR277.

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

The TAC Reports and Impact Analyses for NPRRs 1229 and 1282; and NOGRR277 are included in the **[ERCOT Board meeting materials](#)**.



In addition, these Revision Requests 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 1229 and 1282.

The ROS met, discussed the issues, and submitted a report to TAC regarding NOGRR277.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the Board recommend approval of NPRRs 1229 and 1282; and NOGRR277.



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) and Nodal Operating Guide Revision Request (NOGRR) recommended for approval by TAC:

- NPRR1229, Real-Time Constraint Management Plan Cost Recovery Payment;
- NPRR1282, Ancillary Service Duration under Real-Time Co-Optimization – URGENT; and
- NOGRR277, Related to NPRR1282, Ancillary Service Duration under Real-Time Co-Optimization – URGENT.

THEREFORE, BE IT RESOLVED, that the Board hereby recommends approval of NPRRs 1229 and 1282; and NOGRR277.

CORPORATE SECRETARY'S CERTIFICATE

I, Brandon Gleason, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its June 23-24, 2025, meeting, the Board passed a motion approving the above Resolution by _____.

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

Brandon Gleason
Assistant Corporate Secretary