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| NPRR Number | [1289](https://www.ercot.com/mktrules/issues/NPRR1289) | NPRR Title | Option Price Report and Establish 1 MW Bid Minimum |
| Date of Decision | | July 16, 2025 | |
| Action | | Recommended Approval | |
| Timeline | | Normal | |
| Estimated Impacts | | Cost/Budgetary: Between $500K and $800K  Project Duration: 10 to 15 months | |
| Proposed Effective Date | | Upon system implementation | |
| Priority and Rank Assigned | | Priority – 2027; Rank – 4900 | |
| Nodal Protocol Sections Requiring Revision | | 7.5.2.1 CRR Auction Offer Criteria  7.5.2.3 CRR Auction Bid Criteria  7.5.3.1 Data Transparency | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) provides an option pricing report that will be posted on the ERCOT website following each auction. The option pricing report will contain shadow prices for all biddable source-sink paths for each month within each time-of-use for the Congestion Revenue Rights (CRR) auction period after auction results are posted.  Additionally, this NPRR establishes a minimum CRR bid quantity of 1.0 MW. Bid quantities in 0.1 MW increments are still allowed above the 1.0 MW minimum. Currently, the CRR application accepts bid quantities as small as 0.1 MW. The minimum CRR offer quantity will remain 0.1 MW. | |
| 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 | | The purpose of this NPRR is to reduce constraints and increase efficiency in the CRR auction optimization and reduce overall solution time.  Having an option price report will reduce the number of price discovery option bids that are submitted to the CRR auction optimization by providing clearing prices for all option paths. Reducing option bids in the optimization will increase efficiency in the optimization and reduce overall solution time.  Establishing a 1 MW minimum bid quantity will also reduce constraints on the CRR auction optimization caused by bids submitted with quantities <1 MW, increasing efficiency in the CRR auction optimization. | |
| PRS Decision | | On 6/11/25, PRS voted unanimously to recommend approval of NPRR1289 as submitted. All Market Segments participated in the vote.  On 7/16/25, PRS voted unanimously to endorse and forward to TAC the 6/11/25 PRS Report and 5/27/25 Impact Analysis for NPRR1289 with a recommended priority of and rank of 2027 and rank of 4900. All Market Segments participated in the vote. | |
| Summary of PRS Discussion | | On 6/11/25, the sponsor provided an overview of NPRR1289. Participants noted that NPRR1289 was thoroughly vetted by the Congestion Management Working Group (CMWG).  On 7/16/25, participants reviewed the 5/27/25 Impact Analysis. | |

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| **Opinions** | |
| **Credit Review** | ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1289 and do not believe that it requires changes to credit monitoring activity or the calculation of liability. |
| **Independent Market Monitor Opinion** | IMM has no opinion on NPRR1289. |
| **ERCOT Opinion** | To be determined |
| **ERCOT Market Impact Statement** | To be determined |

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| Sponsor | |
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| Company | ERCOT |
| Phone Number | 512-248-4633 |
| Cell Number |  |
| Market Segment | Not Applicable |

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| **Market Rules Staff Contact** | |
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| **Comments Received** | |
| **Comment Author** | **Comment Summary** |
| None |  |

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| **Market Rules Notes** |

Please note the following NPRR(s) also propose revisions to the following section(s):

* NPRR1288, Remove Multiple Month Transactions in CRR Auctions
  + Section 7.5.2.1

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| Proposed Protocol Language Revision |

7.5.2.1 CRR Auction Offer Criteria

(1) A CRR Auction Offer indicates a willingness to sell CRRs at the auction clearing price, if it equals or exceeds the Minimum Reservation Price. It must be submitted by a Participating CRR Account Holder and must include the following:

(a) The short name of the Participating CRR Account Holder;

(b) The unique identifier for each CRR being offered, which must include the single type of CRR being offered;

(c) The source Settlement Point and the sink Settlement Point for the block of CRRs being offered;

(d) The month, or strip of consecutive months, for which the block of CRRs is being offered, including time-of-use designation except that a 7x24 offer may not be designated;

(e) The quantity of CRRs in MW with a minimum of 0.1 MW, which must be the same for each hour within the block, for which the Minimum Reservation Price is effective; and

(f) A dollars per CRR (i.e. dollars per MW per hour) for the Minimum Reservation Price.

(2) The Participating CRR Account Holder may submit a self-imposed credit limit for the CRR Monthly Auction or for each time-of-use in a CRR Auction that is part of a CRR Long-Term Auction Sequence, if desired.

(3) A Participating CRR Account Holder can only offer to sell one-month or multi-month strips of CRRs for which it is the CRR Owner of record at the time of the offer. Multi-month CRR offers must consist of consecutive months that are within the period of the relevant CRR Auction and can only be submitted as part of a CRR Long-Term Auction Sequence.

(4) A CRR offer for a specified MW quantity of CRRs constitutes an offer to sell a quantity of CRRs equal to or less than the specified quantity. A CRR offer may not specify a minimum quantity of MW that the Participating CRR Account Holder wishes to sell.

7.5.2.3 CRR Auction Bid Criteria

(1) A CRR Auction Bid indicates a willingness to buy CRRs at the auction clearing price, if it is equal to or less than the Not-to-Exceed Price. It must be submitted by a Participating CRR Account Holder and must include the following:

(a) The short name of the Participating CRR Account Holder;

(b) The single type of CRR being bid;

(c) The source Settlement Point and the sink Settlement Point for the block of CRRs being bid;

(d) The month or strip of consecutive months for which the block of CRRs is being bid, including time-of-use designation, which may include a 7x24 block in a CRR Monthly Auction but not in a CRR Auction held as part of a CRR Long-Term Auction Sequence;

(e) The quantity of CRRs in MW with a minimum of 1 MW, which must be the same for each hour within the block, for which the Not-to-Exceed Price is effective; and

(f) A dollars per CRR (i.e. dollars per MW per hour) for the Not-to-Exceed Price.

(2) The Participating CRR Account Holder may submit a self-imposed credit limit for the CRR Monthly Auction or for each time-of-use in a CRR Auction that is part of a CRR Long-Term Auction Sequence, if desired.

(3) A bid to buy a PTP Option cannot specify a non-positive Not-to-Exceed Price less than the Minimum PTP Option Bid Price.

(4) A bid to buy a PTP Obligation can specify a negative Not-to-Exceed Price.

(5) A CRR bid for a specified MW quantity of CRRs constitutes a bid to buy a quantity of CRRs equal to or less than the specified quantity. A CRR bid may not specify a minimum quantity of MW that the Participating CRR Account Holder wishes to buy.

(6) A CRR bid may not contain a source Settlement Point and a sink Settlement Point that are Electrically Similar Settlement Points, nor may CRR bids be submitted by any combination of Participating CRR Account Holders within the same Counter-Party to create the net effect of a single PTP Obligation bid containing a source Settlement Point and a sink Settlement Point that are Electrically Similar Settlement Points.

7.5.3.1 Data Transparency

(1) Following each CRR Auction, ERCOT shall record and make available to each CRR Account Holder on the MIS Certified Area the following information for each CRR awarded in, sold in, or allocated before, the CRR Auction to the specific CRR Account Holder:

(a) Unique identifier of each CRR;

(b) Type of CRR (PTP Option, PTP Obligation, PTP Option with Refund, or PTP Obligation with Refund);

(c) Clearing price and, if applicable, the PCRR pricing factor of each CRR;

(d) The source and sink of each CRR;

(e) The date and time-of-use block for which the CRR is effective; and

(f) Total MW of each PTP pair of CRR, awarded, sold or allocated.

(2) Following each CRR Auction, ERCOT shall post to the ERCOT website the following information for all outstanding or sold CRRs following this auction:

(a) PTP Options and PTP Options with Refund – the source and sink, and total MWs;

(b) PTP Obligations and PTP Obligations with Refund – the source and sink and total MWs;

(c) The identities of the CRR Account Holders that sold, were awarded, or were allocated CRRs in or before the CRR Auction;

(d) The clearing prices for each strip of CRR Auction bids and CRR Auction offers awarded in the CRR Auction;

(e) The identity and post contingency flow of each binding directional element based on the CRR Network Model used in the CRR Auction;

(f) All CRR Auction bids and CRR Auction offers, without identifying the name of the CRR Account Holder that submitted the bid or offer;

(g) The clearing prices for each strip of CRRs bid or offered in the CRR Auction;

(h) The Shadow Prices for each Settlement Point in the CRR Auction; and

(i) The clearing prices for all outstanding CRRs that were previously awarded or allocated for the month(s) in the CRR Auction.

(3) Following a one-time auction of CRRs pursuant to Section 16.11.6.1.4, Repossession of CRRs by ERCOT, or Section 16.11.6.1.5, Declaration of Forfeit of CRRs, ERCOT shall post to the ERCOT website the following information for all CRRs sold in the auction:

(a) PTP Options – the source and sink, total MWs, and date and time-of-use block for which the CRR is effective;

(b) PTP Obligations – the source and sink, total MWs, and date and time-of-use block for which the CRR is effective; and

(c) The identity of the CRR Account Holder that was awarded CRRs in the one-time CRR Auction.

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| ***[NPRR1023: Delete paragraph (3) above upon system implementation.]*** |

(4) Following each CRR Auction, ERCOT shall post to the ERCOT website an option pricing report containing Shadow Prices for all biddable source, sink, and time-of-use combinations for each month of the auction period.