|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1266](https://www.ercot.com/mktrules/issues/NPRR1266) | NPRR Title | Opt-Out Status Held by a Transmission-Voltage Customer Cannot be Transferred |
| Date of Decision | | August 13, 2025 | |
| Action | | Recommended Approval | |
| Timeline | | Normal | |
| Estimated Impacts | | Cost/Budgetary: None  Project Duration: No project required | |
| Proposed Effective Date | | March 1, 2026 | |
| Priority and Rank Assigned | | Not applicable | |
| Nodal Protocol Sections Requiring Revision | | 27.3, Securitization Uplift Charge | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) adds a statement that a transmission-voltage Customer that is a Securitization Uplift Charge Opt-Out Entity may not transfer its status as a Securitization Uplift Charge Opt-Out Entity to other entities. Additionally, this NPRR adds a new requirement that a Transmission Service Provider (TSP) associated with an Electric Service Identifier (ESI ID) originally granted opt-out status must, on at least a monthly basis, compare the customer names of those transmission-voltage Customers originally granted opt-out status, determine if any of the names associated with those ESI IDs have changed, and inform ERCOT of any such changes identified. This TSP requirement excludes TSPs that are themselves Securitization Uplift Charge Opt-Out Entities.  This periodic exercise by applicable TSPs will allow ERCOT to update the list of ESI IDs that ERCOT maintains under new paragraph (5) of Section 27.3, which consists solely of ESI IDs associated with transmission-voltage Customers that are Securitization Uplift Charge Opt-Out Entities. After receipt of such notice from a TSP, ERCOT will remove the ESI ID from the list. These changes are proposed to reflect the Public Utility Commission of Texas’ Declaratory Order in Docket No. 56125, *Commission Staff’s Petition for Declaratory Order Regarding Opt-out of Securitization uplift Charges by Transmission-Voltage Customers*, which held that the opt-out status held by a transmission-voltage customer cannot be transferred to other entities. | |
| 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 | | This NPRR makes changes for ERCOT to be able to ensure that the PUCT’s Declaratory Order in Docket No. 56125 is carried out. Specifically, that Declaratory Order determined that Opt-Outs by a transmission-voltage customer under Public Utility Regulatory Act § 39.653(d) are not transferable to other entities, necessitating a process by which ERCOT can be informed that the customer in question is no longer associated with the ESI ID and it should therefore be removed from the Opt-Out LSE Real-Time Adjusted Metered Load calculation. | |
| PRS Decision | | On 1/15/25, PRS voted unanimously to table NPRR1266 and refer the issue to RMS. All Market Segments participated in the vote.  On 7/16/25, PRS voted unanimously to recommend approval of NPRR1266 as amended by the 5/5/25 ERCOT comments. All Market Segments participated in the vote.  On 8/13/25, PRS voted unanimously to endorse and forward to TAC the 7/16/25 PRS Report and 12/31/24 Impact Analysis for NPRR1266 with a recommended effective date of March 1, 2026. All Market Segments participated in the vote. | |
| Summary of PRS Discussion | | On 1/15/25, participants reviewed NPRR1266 requested further review by RMS. Some participants expressed concern for the lack of a process to verify data provided to the TSP.  On 7/16/25, participants reviewed the 5/5/25 ERCOT comments and discussed whether the effective date might be extended to allow Market Participants time for development and testing, and determined to take up that issue at consideration of the Impact Analysis.  On 8/13/25, participants reviewed the 12/31/24 Impact Analysis. Some participants expressed concern that the approval timeline for NPRR1266 would be insufficient for Market Participants to automate a process to implement the language given the number of ESI IDs. Participants determined to provide additional time with a proposed effective date of March 1, 2026. | |

|  |  |
| --- | --- |
| **Opinion** | |
| Credit Review | ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1266 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 NPRR1266. |
| ERCOT Opinion | To be determined |
| ERCOT Market Impact Statement | To be determined |

|  |  |
| --- | --- |
| Sponsor | |
| Name | Katherine Gross; Kelly Brink |
| E-mail Address | [Katherine.Gross@ercot.com](mailto:Katherine.Gross@ercot.com/); [Kelly.Brink@ercot.com](mailto:Kelly.Brink@ercot.com) |
| Company | ERCOT |
| Phone Number | 512-225-7184; 512-248-3150 |
| Cell Number |  |
| Market Segment | Not applicable |

|  |  |
| --- | --- |
| **Market Rules Staff Contact** | |
| **Name** | Brittney Albracht |
| **E-Mail Address** | [Brittney.Albracht@ercot.com](mailto:Brittney.Albracht@ercot.com) |
| **Phone Number** | 512-225-7027 |

|  |  |
| --- | --- |
| **Comments Received** | |
| **Comment Author** | **Comment Summary** |
| ERCOT 020725 | Clarified that the PUCT will make the final determination as to whether the Customer should be removed from the list of Opt-Out Customers |
| RMS 022125 | Requested PRS continue to table NPRR1266 |
| Vistra 030625 | Proposed language that ERCOT also notify the Retail Electric Provider (REP) of record when they notify PUCT Staff about any customer name changes associated with a Securitization Uplift Charge Opt-Out Entity’s ESI ID and when the Securitization Opt-Out status has changed |
| Joint Consumers 033125 | Expressed concern for the protection of Customer data, and encouraged the adoption of best practices for protecting Customer data, including limiting who may access the data, encryption, routine purging of data that is no longer up to date instead of storing it, and routine audits of access, encryption, and other security measures |
| ERCOT 050525 | Proposed additional revisions to incorporate the 3/6/25 Vistra comments; allowed for ERCOT to have discretion as to what customer name changes likely reflect a change in ownership warranting provision to the PUCT for evaluation of change in customer at that location; and provided a specific date to which the TSP must compare current customer names to the original names on the list of customers that were transmission-voltage Customers that are a Securitization Uplift Charge Opt-Out Entity |
| RMS 061725 | Endorsed NPRR1266 as amended by the 5/5/25 ERCOT comments |

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

None

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

**27.3 Securitization Uplift Charge**

(1) ERCOT shall allocate to Qualified Scheduling Entities (QSEs) representing obligated Load Serving Entities (LSEs), the Securitization Uplift Charge that is to be collected for the Operating Day. The resulting charge to each QSE for the Operating Day is calculated as follows:

**LASUCAMT *q, d* = SUCDA *d* \* DQSELSELRS *q, d***

Where:

DQSELSELRS *q, d* = DQSELSERTAML *q, d /* DERCOTQSELSERTAML *d*

DQSELSERTAML *q, d* = max(0, LSERTAML *l*, *q, i*))

DERCOTQSELSERTAML *d =*DQSELSERTAML *q, d*)

LSERTAML *l*, *q, i* = PRELIMLSERTAML *l*, *q, i* – OPTOUTLSERTAML *l*, *q, i*

The above variables are defined as follows:

|  |  |  |
| --- | --- | --- |
| **Variable** | **Unit** | **Definition** |
| LASUCAMT *q, d* | $ | *Load-Allocated Securitization Uplift Charge Amount per QSE —* The charge allocated to QSE *q*, for the QSE’s share of the total amount of Securitization Uplift Charges assessed for Operating Day *d*. |
| SUCDA *d* | $ | *Securitization Uplift Charge Daily Amount —* The total amount of Securitization Uplift Charges assessed for Operating Day *d*. |
| DQSELSELRS *q, d* | none | *Daily QSE Non-Opted-Out LSE Load Ratio Share —* The ratio of Daily QSE Non-Opted-Out LSE Real-Time Adjusted Metered Load (DQSELSERTAML) to Daily ERCOT QSE Non-Opted-Out LSE Real-Time Adjusted Metered Load (DERCOTQSELSERTAML), for a QSE *q*, for the Operating Day *d*. |
| PRELIMLSERTAML *l*, *q, i* | MWh | *Preliminary Non-Opted-Out LSE Real-Time Adjusted Metered Load* — The Real-Time Adjusted Metered Load (RTAML), including the RTAML of Securitization Uplift Charge Opt-Out Entities that are Customers of Retail Electric Providers (REPs), but excluding the RTAML of Securitization Uplift Charge Opt-Out Entities that are LSEs and excluding Direct Current Tie (DC Tie) exports, for LSE *l* represented by QSE *q*, for the 15-minute Settlement Interval *i*. |
| LSERTAML *l*, *q, i* | MWh | *Non-Opted-Out LSE Real-Time Adjusted Metered Load* — The Real-Time Adjusted Metered Load (RTAML), excluding the RTAML for Securitization Uplift Charge Opt-Out Entities, Load that is exempt from Securitization Uplift Charges pursuant to the Declaratory Order entered by the Public Utility Commission of Texas (PUCT) in PUCT Docket No. 56119, Petition of Electric Reliability Council of Texas, Inc. for Expedited Declaratory Order Regarding Public Utility Regulatory Act Chapter 39, Subchapter N, and DC Tie exports, for LSE *l* represented by QSE *q*, for the 15-minute Settlement Interval *i*. |
| OPTOUTLSERTAML *l*, *q, i* | MWh | *Opt-Out LSE Real-Time Adjusted Metered Load* — The Real-Time Adjusted Metered Load (RTAML) of Securitization Uplift Charge Opt-Out Entities that are transmission-voltage Customers and Load exempt from Securitization Uplift Charges pursuant to the Declaratory Order entered by the PUCT in PUCT Docket No. 56119 for LSE *l* represented by QSE *q*, for the 15-minute Settlement Interval *i*. |
| DQSELSERTAML *q, d* | MWh | *Daily QSE Non-Opted-Out LSE Real-Time Adjusted Metered Load* — The Real-Time Adjusted Metered Load (RTAML), excluding the RTAML for Securitization Uplift Charge Opt-Out Entities, Load exempt from Securitization Uplift Charges pursuant to the Declaratory Order entered by the PUCT in PUCT Docket No. 56119, and DC Tie exports, for a QSE *q*, for the Operating Day *d*. |
| DERCOTQSELSERTAML *d* | MWh | *Daily ERCOT QSE Non-Opted-Out LSE Real-Time Adjusted Metered Load* — The ERCOT total Real-Time Adjusted Metered Load (RTAML), excluding the RTAML for Securitization Uplift Charge Opt-Out Entities, Load exempt from Securitization Uplift Charges pursuant to the Declaratory Order entered by the PUCT in PUCT Docket No. 56119, and DC Tie exports, for the Operating Day *d*. |
| *q* | none | A QSE |
| *l* | none | An LSE |
| *d* | none | An Operating Day |
| *i* | none | A 15-minute Settlement Interval |

(2) As needed, but no less often than quarterly, ERCOT will, to ensure the Securitization Uplift Charge is repaid in substantially equal payments over its term, conduct an evaluation to:

(a) Calculate under-collections or over-collections from the preceding evaluation period;

(b) Estimate any anticipated under-collections or over-collections for the current or upcoming evaluation period; and

(c) Calculate the periodic billing requirement for the upcoming evaluation period, taking into account the total amount of prior and anticipated over-collection and under-collection amounts, and calculate the Securitization Uplift Charge Daily Amount for future periodic billing requirements.

(3) If it is determined in the re-estimation process that the Securitization Uplift Charge Daily Amount needs to be revised, ERCOT will issue a Market Notice notifying Market Participants of the change no later than 15 calendar days before the Operating Day in which the new Securitization Uplift Charge Daily Amount will become effective.

(4) An LSE that is not a Securitization Uplift Charge Opt-Out Entity is responsible for remitting payment to its QSE for the LSE’s share of the Securitization Uplift Charge, based on the LSE’s Non-Opted-Out LSE Adjusted Metered Load (AML). An LSE may not pass through the Securitization Uplift Charge to any transmission-voltage Customer that is a Securitization Uplift Charge Opt-Out Entity.

(5) ERCOT shall post to the ERCOT website a list that consists solely of every Electric Service Identifier (ESI ID) associated with a transmission-voltage Customer that is a Securitization Uplift Charge Opt-Out Entity. This list of ESI IDs will not include the identity of the Customer or its Retail Electric Provider (REP).

(6) Securitization Uplift Charge Opt-Out Entity status for a transmission-voltage Customer is only granted for an ESI ID associated with the original Customer that was granted opt-out status, and this status cannot be transferred. To identify any such possible transfers:

(a) Each Transmission Service Provider (TSP) that serves a transmission voltage customer that is a Securitization Uplift Charge Opt-Out Entity shall adopt at least a monthly process that enables each TSP to compare current Customer records to those Customer records as they existed as a November 29, 2021, and inform ERCOT within 30 days of any Customer name changes associated with a Securitization Uplift Charge Opt-Out Entity’s ESI ID, as well as the effective date of those name changes.

(b) ERCOT will subsequently notify PUCT Staff and the REP of record associated with the ESI IDs ERCOT has reason to believe reflect a changes of transmission-voltage Customer and will remove the ESI ID’s status as an Opt-Out Customer and notify the REP of record associated with the ESI ID upon a finding by the PUCT that the original Customer is no longer associated with the Securitization Uplift Charge Opt-Out Entity’s ESI ID.