|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1297](https://www.ercot.com/mktrules/issues/NPRR1297) | NPRR Title | Limit the Price-Quantity Pair in CRR Auctions for Each Path |
| Date of Decision | September 17, 2025 |
| Action | Rejected |
| Timeline  | Normal |
| Proposed Effective Date | Not applicable |
| Priority and Rank Assigned | Not applicable |
| Nodal Protocol Sections Requiring Revision  | 7.5.2.3, CRR Auction Bid Criteria |
| Related Documents Requiring Revision/Related Revision Requests | None |
| Revision Description | This Nodal Protocol Revision Request (NPRR) introduces a limit of two price-quantity pairs per firm for each unique combination of source, sink, Time Of Use (TOU), and period during Congestion Revenue Right (CRR) Auctions where a source-sink pair is uniquely defined based on Electrically Similar Settlement Points (“ESSPs”). |
| 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 will require only minimal modifications to the CRR software since ESSPs are already established, making it straightforward to apply the source, sink, TOU, and period limits prior to bid submission. No hardware changes will be necessary to support this enhancement. This change will only require changes to the CRR bid file verification script with zero changes to CRR Auction software or hardware.CRR transaction limits have been present since the Nodal market inception and continue to have a material impact on the amount of submitted transactions. Today, the total transaction limit for each CRR Auction ranges between 325,000 and 475,000. This limit was exceeded on following auctions:

|  |  |  |
| --- | --- | --- |
| Auction | Date | Submitted |
| (1) 2025.1st6.AnnualAuction.Seq1 | 10/17/2024 |  505,950  |
| (2) 2025.1st6.AnnualAuction.Seq2 | 5/16/2024 |  442,987  |
| (3) 2024.2nd6.AnnualAuction.Seq1 | 4/18/2024 |  495,093  |
| (4) 2027.1st6.AnnualAuction.Seq4 | 7/17/2025 |  456,205  |

This NPRR could help prevent this from occurring by introducing limit on number of price-quantity pair for each Market Participant for each unique source, sink, TOU, period.Analysis of Post-Auction Cleared Files (2024–2027)An analysis of the post-auction bid files across all sequences for the period 2020–2024 indicates the following:Approximately 20% of paths contain three or more price-quantity pairs and roughly 30% of paths contain more than two price-quantity pairs for each combination of source, sink, TOU, and period per firm. To ensure uniqueness of source-sink paths, the ESSP framework was applied. For example, in the Long-Term Auction for January, 2024 (Sequence 4, PeakWD), the following source-sink pairs were treated as representing the same path:Source: BOSQ\_BSQS\_12 → Sink: HB\_WESTSource: BOSQ\_BSQSU\_5 → Sink: HB\_WESTFollowing is the hypothetical submission if there was 2 or 3 PQ pair limit. 2 PQ is 70% and 3 PQ is 80% of submitted.

|  |  |  |
| --- | --- | --- |
|  |  | Hypothetical |
| Auction | Submitted | 2 PQ | 3 PQ |
| (1) 2025.1st6.AnnualAuction.Seq1 |  505,950  |  354,165  |  404,760  |
| (2) 2025.1st6.AnnualAuction.Seq2 |  442,987  |  310,091  |  354,390  |
| (3) 2024.2nd6.AnnualAuction.Seq1 |  495,093  |  346,565  |  396,074  |
| (4) 2027.1st6.AnnualAuction.Seq4 |  456,205  |  319,344  |  364,964  |

It should be emphasized that if a strict limit of two price-quantity pairs per path (as previously suggested) had been imposed, the transaction adjustment period would not have occurred for any of the four Long-Term Auction Sequences above.System enhancement - should result in overall improved ERCOT system performance. |
| PRS Decision | On 9/17/25, PRS voted to reject NPRR1297. There were five abstentions from the Consumer (2) (OPUC, Occidental) and Investor-Owned Utility (IOU) (3) (CNP, AEPSC, TNMP) Market Segments. All Market Segments participated in the vote. |
| Summary of PRS Discussion | On 9/17/25, the sponsor provided an overview of NPRR1297, and participants reviewed the 9/5/25 Vistra comments and the 9/8/25 SC Energy Partners comments. Participants raised concerns with the proposed limitation’s unintended impact on legitimate hedging strategies. |

|  |
| --- |
| **Opinions** |
| **Credit Review** | Not applicable |
| **Independent Market Monitor Opinion** | Not applicable |
| **ERCOT Opinion** | Not applicable |
| **ERCOT Market Impact Statement** | Not applicable |

|  |
| --- |
| Sponsor |
| Name | Kathleen Rowan |
| E-mail Address | k.rowan@sumo.co |
| Company | SC Energy Partners LLC |
| Phone Number | 312-244-5410 |
| Cell Number | 312-244-5410 |
| 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 090525 | Opposed NPRR1297 |
| SC Energy Partners 090825 | Responded to the 9/5/25 Vistra comments and provided additional redlines to raise the allowable price-quantity pair limit from two to five |

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

Please note the following NPRR(s) also propose revisions to Section 7.5.2.3:

* NPRR1288, Remove Multiple Month Transactions in CRR Auctions
* NPRR1289, Option Price Report and Establish 1 MW Bid Minimum

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

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, 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) Participating CRR Account Holders shall not submit more than two CRR bids for each unique combination of source, sink, Time Of Use (TOU), and period. For the purposes of this limitation, Settlement Points contained in the same Electrically Similar Settlement Point group for the auction are treated as the same Settlement Point.