|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1313](https://www.ercot.com/mktrules/issues/NPRR1313) | NPRR Title | Adjustment to the Calculation of the Initial Standby Cost for RMR Resources |
| Date Posted | | December 16, 2025 | |
|  | |  | |
| Requested Resolution | | Normal | |
| Nodal Protocol Sections Requiring Revision | | 3.14.1.12, Calculation of the Initial Standby Cost | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) changes the calculation of the Initial Standby Cost for Reliability Must Run (RMR) Resources from a constant hourly value over the term of the RMR Contract to an hourly value that could vary monthly during the term of the Agreement based on a monthly budget. | |
| 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 | | Section 3.14.1.12 states that, for RMR Resources, the Initial Standby Cost is calculated by dividing the total approved budget cost by the total hours of the RMR Agreement. This method evenly spreads the budget over the contract period until actual costs are approved.  A consistent hourly Standby Cost throughout the RMR contract period provides uniform monthly payments for RMR owners until actual costs were approved. However, given that ERCOT has seen a trend of RMR Resource Entities needing to make significant upfront repairs before making a Resource available to ERCOT, those Resource Entities can face a challenge in financing those repairs under the current framework. This NPRR adjusts the Standby Cost calculation so that each month’s initial cost reflects the anticipated budget for that month.  Finally, monthly RMR costs are allocated to Qualified Scheduling Entities (QSEs) based on Load Ratio Share (LRS). Adjusting the Standby Cost to reflect expected monthly budgets will allow for more predictability for these QSEs. | |

|  |  |
| --- | --- |
| Sponsor | |
| Name | Ino Gonzalez |
| E-mail Address | [Ino.Gonzalez@ERCOT.com](mailto:Ino.Gonzalez@ERCOT.com) |
| Company | ERCOT |
| Phone Number | 512-632-77927 |
| Cell Number |  |
| Market Segment | Not applicable |

|  |  |
| --- | --- |
| **Market Rules Staff Contact** | |
| **Name** | Elizabeth Morales |
| **E-Mail Address** | [Elizabeth.Morales@ercot.com](mailto:Elizabeth.Morales@ercot.com) |
| **Phone Number** | 210-420-1722 |

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

**3.14.1.12 Calculation of the Initial Standby Cost**

(1) The initial Standby Cost for each month during the term of the RMR Agreement shall be calculated by dividing the monthly approved budget cost by the total hours of that month.