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| **NPRR Number** | [**1264**](https://www.ercot.com/mktrules/issues/NPRR1264) | **NPRR Title** | **Creation of a New Energy Attribute Certificate Program** |
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| **Date** | | April 8, 2025 | |
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| **Submitter’s Information** | | | |
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| **Market Segment** | | Consumer, Industrial Segment | |

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| **Comments** |

Google appreciates the continued discussion on Nodal Protocol Revision Request (NPRR) 1264 and submits these comments in response to ERCOT’s questions dated March 11th.

1. “What public policy purposes are served by requiring ERCOT to develop an EAC trading program when customers already have the ability to contract for desirable generation attributes? What specific benefits would such a program create that are not currently available? Is the primary purpose of NPRR1264 to align with the requirements of the federal clean hydrogen production tax credit regulations?”

The purpose of an hourly Energy Attribute Certificate (EAC) program extends well beyond a singular public policy outcome.  
  
As Oxy notes in their comments, while these would be helpful for hydrogen production, the driver for them is not exclusive to it. For example, the “Deploying a World-Renowned Advanced Nuclear Industry in Texas” report noted that the implementation of an hourly tracking mechanism could bring additional value to future nuclear energy expansion in Texas.

ERCOT should also consider Texas’ role as a global exporter of goods and energy products. Many foreign countries have energy standards for products being imported which require attestations and data. For example, the European Union’s Carbon Border Adjustment Mechanism accounts for the carbon emissions impact of goods coming into the Eurozone. An hourly tracking mechanism could be used for compliance with these standards, enhance trade, increase value, and mitigate costs.

Although ERCOT mentions that parties can address these issues independently, using multiple verification methods negatively impacts market efficiency and transparency. An independent attribute tracking system with ERCOT oversight is a critical element to hourly energy attributes because it ensures transparency through independent verification from a single source of truth. Additionally, a central platform would be administratively easier for many different types of entities to engage in. For example, a small industrial consumer with a power contract may not have the time or resources to independently verify hourly production because it would need to extract the data from MIS. A central, easy to use platform would enable a dynamic market that would have many more active participants than just traditional energy producers.

1. “Which of ERCOT’s core regulatory functions under Section 39.151(a) of Public Utility Regulatory Act (PURA) does NPRR1264 serve? Could the parties that desire to use this trading program enlist some entity other than ERCOT to create and administer the program?”

Section 39.151(a) states the independent organization shall perform the following as part of its core functions:

(4) ensure that electricity production and delivery are accurately accounted for among the generators and wholesale buyers and sellers in the region.

Consequently, it is Google’s view that the development and deployment of an hourly energy attribute tracking and trading system is well within ERCOT’s primary regulatory function.

In terms of implementation, Google is ultimately agnostic on whether ERCOT develops and deploys a platform internally or contracts to a third-party －provided ERCOT has ultimate oversight. That said, Google supports Oxy’s long-term vision for real-time trading optionality and would suggest ERCOT and stakeholders select a path that enables that function in the long-term. To that end, Google suggests ERCOT issue a Request for Information (RFI), or engage with third-party providers, subsequently presenting the findings of its inquiry to stakeholders. Alternatively, ERCOT could invite stakeholders to present their insights during a dedicated workshop. We believe this approach represents the most effective means of informing implementation.

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| **Revised Cover Page Language** |

None

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| **Revised Proposed Protocol Language** |

None