



Date: August 13, 2024
To: Board of Directors
From: Caitlin Smith, Technical Advisory Committee (TAC) Chair
Subject: Non-Unanimous Revision Requests Recommended by TAC for Approval

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: August 20, 2024

Item No.: 7.1

Issue:

Consideration of the following Nodal Protocol Revision Requests (NPRRs) recommended for approval by TAC (with opposing votes recorded):

- NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs;
- NPRR1219, Methodology Revisions and New Definitions for the Report on Capacity, Demand and Reserves in the ERCOT Region (CDR) – URGENT; and
- NPRR1230, Methodology for Setting Transmission Shadow Price Caps for an IROL in SCED – URGENT.

Background/History:

Unless otherwise noted: (i) all Market Segments participated in each vote; (ii) For NPRRs, ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed the NPRR and do not believe it requires changes to credit monitoring activity or the calculation of liability; (iii) ERCOT supports the Revision Request; and (iv) the Independent Market Monitor (IMM) has no opinion on the Revision Request.

- ***NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs***

Sponsor: Austin Energy, CPS Energy, Denton Municipal Electric, Garland Power and Light, Greenville Electric Utility System (“Joint Sponsors”)

Proposed Effective Date: The first of the month following Public Utility Commission of Texas (PUCT) approval

Estimated Impacts: No impact

Revision Description: This NPRR adds a provision for recovery of a demonstrable financial loss arising from a manual High Dispatch Limit (HDL) override to reduce real power output, in the case when that output is intended to meet Qualified Scheduling Entity (QSE) Load obligations.

TAC Decision: On 6/24/24, TAC voted to recommend approval of NPRR1190 as recommended by PRS in the 6/13/24 PRS Report. There were six opposing votes from the Consumer (6) (Residential, OPUC, City of Eastland, City of Dallas, CMC Steel, Lyondell Chemical) Market Segment and one abstention from the Independent Retail Electric Provider (IREP) (Rhythm Ops) Market Segment.

ERCOT Market Impact Statement: ERCOT Staff has reviewed NPRR1190 and believes the market impact for this NPRR provides QSEs an additional opportunity to recover demonstrable financial losses stemming from an HDL override under certain conditions that previously were not allowed.

- ***NPRR1219, Methodology Revisions and New Definitions for the Report on Capacity, Demand and Reserves in the ERCOT Region (CDR) – URGENT***

Sponsor: ERCOT

Proposed Effective Date: No earlier than January 1, 2025 for the grey-boxed language; and the first of the month following PUCT approval for all remaining language.

Estimated Impacts: Less than \$20K (Operations & Maintenance (O&M))

Revision Description: This NPRR changes the methodologies for preparation of the Report on Capacity, Demand, and Reserves in the ERCOT Region (“CDR”) and incorporates a report release schedule. Other changes include new definitions to support the methodology changes and revisions to address outdated terms and add clarity to the methodology descriptions. Finally, Section 16.5.4, Maintaining and Updating Resource Entity Information, is updated to require Switchable Generation Resource (SWGR) owners to provide information on unavailable SWGR units for all seasons rather than just for the summer and winter. A revised SWGR data reporting form will be posted to the ERCOT website.

TAC Decision: On 7/31/24, TAC voted to recommend approval of NPRR1219 as recommended by PRS in the 7/18/24 PRS Report as amended by the 7/29/24 ERCOT comments as revised by TAC; and the 7/30/24 Revised Impact Analysis; with a recommended effective date of no earlier than January 1, 2025 for the grey-boxed language and the first of the month following PUCT approval for all remaining language. There were two opposing votes from the Consumer (CMC Steel, Lyondell Chemical) Market Segment; and four abstentions from the Consumer (2) (Residential Consumer, OPUC), Independent Generator (ENGIE), and Independent Power Marketer (IPM) (SENA) Market Segments.

ERCOT Market Impact Statement: ERCOT Staff has reviewed NPRR1219 and believes it provides a positive market impact by improving forecasts in the CDR given Resource mix trends, more closely aligning planned resource eligibility criteria with Planning Guide requirements, and incorporating Energy Storage Resource availabilities.

- ***NPRR1230, Methodology for Setting Transmission Shadow Price Caps for an IROL in SCED – URGENT***

Sponsor: ERCOT

Proposed Effective Date: The first of the month following PUCT approval

Estimated Impacts: No impact

Revision Description: This NPRR establishes a Shadow Price cap for congestion impacting an Interconnection Reliability Operating Limits (IROLs).

TAC Decision: On 7/31/24, TAC voted to recommend approval of NPRR1230 as recommended by PRS in the 5/9/24 PRS Report as amended by the 5/29/24

ERCOT comments as revised by TAC. There were two opposing votes from the Cooperative (LCRA) and Municipal (Austin Energy) Market Segments; and four abstentions from the Cooperative (3) (GSEC, PEC, STEC) and Independent Retail Electric Provider (IREP) (APG&E) Market Segments.

ERCOT Market Impact Statement: ERCOT Staff has reviewed NPRR1230 and believes the market impact for NPRR1230 properly leverages existing market tools to provide additional ERCOT operator flexibility when managing IROLs.

IMM Opinion: IMM supports approval of NPRR1230.

The TAC Reports and Impact Analyses for these Revision Requests are included in the [ERCOT Board meeting materials](#).

In addition, these Revision Requests and supporting materials are posted on the ERCOT website.

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted a report to TAC regarding NPRRs 1190, 1219, and 1230.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the Board recommend approval of NPRRs 1190, 1219, and 1230.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to recommend approval of the following Nodal Protocol Revision Requests (NPRRs) recommended for approval by TAC:

- NPRR1190, High Dispatch Limit Override Provision for Increased Load Serving Entity Costs;
- NPRR1219, Methodology Revisions and New Definitions for the Report on Capacity, Demand and Reserves in the ERCOT Region (CDR) – URGENT; and
- NPRR1230, Methodology for Setting Transmission Shadow Price Caps for an IROL in SCED – URGENT.

THEREFORE, BE IT RESOLVED, that the Board hereby recommends approval of NPRRs 1190, 1219, and 1230.

CORPORATE SECRETARY’S CERTIFICATE

I, Chad V. Seely, Corporate Secretary of ERCOT, do hereby certify that, at its August 20, 2024 meeting, the Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of August, 2024.

Chad V. Seely
Corporate Secretary