|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1237](https://www.ercot.com/mktrules/issues/NPRR1237) | NPRR Title | Retail Market Qualification Testing Requirements |
| Date of Decision | | October 10, 2024 | |
| Action | | Recommended Approval | |
| Timeline | | Normal | |
| Estimated Impacts | | Cost/Budgetary: None  Project Duration: No project required | |
| Proposed Effective Date | | The first of the month following Public Utility Commission of Texas (PUCT) approval | |
| Priority and Rank Assigned | | Not applicable | |
| Nodal Protocol Sections Requiring Revision | | 19.8, Retail Market Testing | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) provides conditions in which ERCOT requires all Competitive Retailers (CRs), new and existing, and Transmission and/or Distribution Service Providers (TDSPs) to successfully complete retail market qualification testing. | |
| 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 documents the scenarios in which Market Participants are required to successfully complete retail qualification testing regardless of whether Market Participants previously received their qualification letter from ERCOT as a result of prior retail flight testing.  As part of ERCOT’s Texas Standard Electronic Transaction (SET) V5.0 project market communications, on May 8, 2024 ERCOT issued a Market Notice stating retail market qualification testing requirements that are not specifically outlined in the Protocols. Memorializing these scenarios into Section 19.8 may prevent future disagreements between ERCOT and Market Participants, since this retail qualification testing is mandatory in order that Market Participants can maintain their eligibility **to serve Customers in the ERCOT Market. This requirement applies to all Market Participants regardless of if they are a new entrant or an existing entity.** | |
| PRS Decision | | On 7/18/24, PRS voted unanimously to table NPRR1237 and refer the issue to RMS. All Market Segments participated in the vote.  On 8/8/24, PRS voted unanimously to recommend approval of NPRR1237 as amended by the 8/6/24 RMS comments. All Market Segments participated in the vote.  On 9/12/24, PRS voted unanimously to endorse and forward to TAC the 8/8/24 PRS Report and 8/27/24 Impact Analysis for NPRR1237. All Market Segments participated in the vote. | |
| Summary of PRS Discussion | | On 7/18/24, the sponsor provided an overview of NPRR1237. Participants requested that NPRR1237 be tabled and referred to RMS.  On 8/8/24, PRS reviewed the 8/6/24 RMS comments.  On 9/12/24, PRS reviewed the 8/27/24 Impact Analysis. | |
| TAC Decision | | On 9/19/24, TAC voted unanimously to recommend approval of NPRR1237 as recommended by PRS in the 9/12/24 PRS Report. All Market Segments participated in the vote. | |
| Summary of TAC Discussion | | On 9/19/24, there was no additional discussion beyond TAC review of the items below. | |
| TAC Review/Justification of Recommendation | | Revision Request ties to Reason for Revision as explained in Justification  Impact Analysis reviewed and impacts are justified as explained in Justification  Opinions were reviewed and discussed  Comments were reviewed and discussed (if applicable)  Other: (explain) | |
| ERCOT Board Decision | | On 10/10/24, the ERCOT Board voted unanimously to recommend approval of NPRR1237 as recommended by TAC in the 9/19/24 TAC Report. | |

|  |  |
| --- | --- |
| **Opinions** | |
| **Credit Review** | ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1237 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 NPRR1237. |
| **ERCOT Opinion** | ERCOT supports approval of NPRR1237. |
| **ERCOT Market Impact Statement** | ERCOT Staff has reviewed NPRR1237 and believes that it provides a positive market impact by offering general improvements by providing conditions in which ERCOT requires all CRs, new and existing, and TDSPs to successfully complete retail market qualification testing. |

|  |  |
| --- | --- |
| Sponsor | |
| Name | Kathy Scott |
| E-mail Address | [Kathy.Scott@CenterPointEnergy.com](mailto:Kathy.Scott@CenterPointEnergy.com) |
| Company | CenterPoint Energy |
| Phone Number | 713-582-8654 |
| Cell Number | 713-582-8654 |
| Market Segment | Investor Owned Utility (IOU) |

|  |  |
| --- | --- |
| **Market Rules Staff Contact** | |
| **Name** | Jordan Troublefield |
| **E-Mail Address** | [Jordan.Troublefield@ercot.com](mailto:Jordan.Troublefield@ercot.com) |
| **Phone Number** | 512-248-6521 |

|  |  |
| --- | --- |
| **Comments Received** | |
| **Comment Author** | **Comment Summary** |
| RMS 080624 | Endorsed NPRR1237 as revised by RMS |

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

None

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

19.8 Retail Market Testing

(1) The Texas Standard Electronic Transaction (TX SET) Working Group works with the ERCOT flight administrator to develop and maintain a test plan and related testing standards for all retail transactional changes within the ERCOT market.

(2) Market Participants may be required to successfully test as a means of confirming that each Market Participant is qualified to transmit TX SET transactions as a result of approved changes prior to production implementation. Some of these changes include, but may not be limited to:

(a) North American Energy Standards Board (NAESB) Practice Standards version upgrade(s) as outlined in the TDTMS NAESB Electronic Delivery Mechanism V 1.6 Implementation Guide; and/or

(b) TX SET version release upgrade(s) as outlined in the Texas Standard Electronic Transaction Implementation Guides.

(3) ERCOT may also deem testing to be necessary by Market Participants in order that ERCOT may maintain retail systems’ performance, reliability and integrity as outlined in the Retail and ListServ Market IT Services Service Level Agreement and the Market Data Transparency Service Level Agreement.

(4) Testing of these changes shall be scheduled by ERCOT with approval by impacted Market Participants to allow ERCOT and all impacted Market Participants adequate time to modify their systems and participate in the testing process. Testing processes, procedures, schedules and success criteria are defined in the Texas Market Test Plan (TMTP) Guide and on the ERCOT website. The ERCOT flight administrator is the final authority on all levels of retail business process qualification among trading partners.

(5) ERCOT may enlist the services of an Independent Third Party Testing Administrator (ITPTA) for testing retail processes.

(6) For additional testing requirements for both new and existing Market Participants, please refer to the Texas Market Test Plan.