|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1271](https://www.ercot.com/mktrules/issues/NPRR1270) | NPRR Title | Revision to User Security Administrator and Digital Certificates Opt-out Eligibility |
| Date Posted | January 28, 2025 |
|  |  |
| Requested Resolution  | Normal  |
| Nodal Protocol Sections Requiring Revision  | 16.12, User Security Administrator and Digital Certificates |
| Related Documents Requiring Revision/Related Revision Requests | None |
| Revision Description | This Nodal Protocol Revision Request (NPRR) allows Comision Federal de Electricidad (CFE), which is registered with ERCOT as a Transmission and/or Distribution Service Provider (TDSP), Load Serving Entity (LSE), and Resource Entity, to opt out of the requirement to designate a User Security Administrator (USA) and receive Digital Certificates.  |
| 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 | CFE does not use certificates and is registered with ERCOT primarily for emergency situations when energy is needed to be exported from Mexico to the United States or when energy must be imported from the United States to Mexico. By currently not being able to opt-out of the requirement to designate a USA and receive Digital Certificates, CFE is subject to the requirement to conduct an audit each year under Section 16.12.3, Market Participant Audits of User Security Administrators and Digital Certificates, which includes listing its registered USA and Digital Certificate holders (“Certificate Holders”), and submitting an attestation each October. Given that CFE does not use its Digital Certificates, it would not be in ERCOT’s best interest to terminate CFE’s Standard Form Market Participant Agreement (“SFA”) for failing to comply with the technical requirement of submitting its annual attestation in October (which would mean that there could be a hinderance to importing or exporting energy in emergency situations). This NPRR proposes a solution whereby CFE would be able to opt-out of the requirement to designate a USA and receive Digital Certificates, therefore lessening the risk that CFE will commit a technical violation of the Protocols by not submitting its Digital Certificate Audit Attestation (DCAA), which could result in a breach of paragraph (A) of Section 5, Participant Obligation, of CFE’s SFA and subsequent termination which could hinder ERCOT from importing or exporting energy to and from Mexico during emergency situations.  |

|  |
| --- |
| Sponsor |
| Name | Katherine Gross / Debbie Lightener |
| E-mail Address | Katherine.Gross@ercot.com / Debbie.Lightener@ercot.com |
| Company | ERCOT |
| Phone Number | (512) 225-7184 / (512) 248-4293 |
| Cell Number |  |
| Market Segment | Not Applicable |

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

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

None

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

16.12 User Security Administrator and Digital Certificates

(1) Each Market Participant is allowed access to certain ERCOT computer systems through the use of Digital Certificates upon execution of the Standard Form Market Participant Agreement (as provided for in Section 22, Attachment A, Standard Form Market Participant Agreement), and completion of applicable registration and qualification requirements. Digital Certificates expire after one year.

(2) A User Security Administrator (USA) is responsible for managing the Market Participant’s access to non-public ERCOT computer systems through Digital Certificates. A USA may also be responsible for managing the Market Participant’s access to the online Resource Integration and Ongoing Operations (“RIOO”) system, which does not require a Digital Certificate. Each Market Participant that will receive Digital Certificate(s) must, as part of the application for registration with ERCOT, designate an individual employee or authorized agent as its USA, and optionally, a backup USA. If a Market Participant has designated a backup USA and the primary USA fails to perform, or is unable to perform, the functions required of a USA, then the backup USA shall perform any and all functions required of the primary USA. The Market Participant is responsible for revising its USA list as the need arises. The Market Participant’s USA is responsible for registering all Market Participant’s Digital Certificate holders (“Certificate Holders”) and administering the use of Digital Certificates on behalf of the Market Participant. ERCOT Critical Energy Infrastructure Information (ECEII) posted on the Market Information System (MIS) Secure or Certified Area may be accessed only by those individuals that are issued ECEII-eligible Digital Certificates. Each Market Participant that will receive Digital Certificates and having more than one ERCOT functional registration must designate a USA for each registration (which may be the same employee or authorized agent) and shall manage each registration separately for the purposes of this Section. Once the Market Participant completes registration requirements, ERCOT shall send the USA a copy of the Digital Certificate user guide.

(3) Only Market Participants registered with ERCOT as either a Municipally Owned Utility (MOU) or an Electric Cooperative (EC), and as a Distribution Service Provider (DSP) and/or Load Serving Entity (LSE), may be eligible to opt out of designating a USA and receiving Digital Certificates if the Market Participant demonstrates to ERCOT’s satisfaction that it does not need a Digital Certificate to perform its obligations under the ERCOT Protocols, market guides, or other applicable rules. In addition, Comision Federal de Electricidad (CFE) may be eligible to opt out of designating a USA and receiving Digital Certificates upon demonstrating to ERCOT’s satisfaction that it does not need a Digital Certificate to perform its obligations under the ERCOT Protocols, market guides, or other applicable rules.

(4) An eligible Market Participant that wishes to opt out of designating a USA and receiving Digital Certificates shall submit a request form, found on the ERCOT website, confirming its desire to opt out subject to ERCOT’s review and approval. ERCOT will notify the requesting Market Participant of its approval or disapproval of the request within 14 Business Days. ERCOT may subsequently revoke, at its sole discretion, Market Participant’s election to opt out if the Market Participant’s lack of a Digital Certificate causes administrative burdens or reliability concerns. ERCOT will send notice of revocation to the Market Participant who will have ten Business Days to fill out a Notice of Change of Information (NCI) form (Section 23, Form E, Notice of Change of Information) and submit it to ERCOT. Once the NCI is submitted, the request for a Digital Certificate will be subject to the same requirements applicable to the processing of an initial request by a new Market Participant.

(5) Market Participants that have received approval from ERCOT to opt out of designating a USA and receiving Digital Certificates are not excused from obligations under the ERCOT Protocols, other than the obligations required in this Section 16.12 regarding Digital Certificates. Market Participants who opt out shall still be required to submit the Digital Certificate Audit Attestation (DCAA) required by paragraph (2) of Section 16.12.3, Market Participant Audits of User Security Administrators and Digital Certificates, for the portion of the year, if any, during which they had a USA and Digital Certificate(s).

(6) A Market Participant that has been granted approval by ERCOT to opt out of designating a USA and receiving Digital Certificates will not have access to information that would ordinarily be retrievable with a Digital Certificate. A Market Participant that has been granted approval by ERCOT to opt out of designating a USA and receiving Digital Certificates may, at any time, cancel its opt-out status by submitting an NCI form (Section 23, Form E).