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| NPRR Number | [1190](https://www.ercot.com/mktrules/issues/NPRR1190) | NPRR Title | High Dispatch Limit Override Provision for Increased Load Serving Entity Costs |
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| Date | | September 19, 2024 | |
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| Submitter’s Information | | | |
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| Cell Number | |  | |
| Market Segment | | Not applicable | |

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| Comments |

On August 20, 2024, the ERCOT Board of Directors (Board), as recommended by the ERCOT Reliability and Markets (R&M) Committee, tabled Nodal Protocol Revision Request (NPRR) 1190. The NPRR was tabled to allow for additional time for the R&M Committee to contemplate the language as well as the Consumer Segment opposing votes from the Technical Advisory Committee (TAC). ERCOT submits these comments to provide additional information to help in the R&M Committee’s and Board’s consideration of NPRR1190. These comments are not meant to represent the TAC position nor any positions of Consumer Segment opposing votes.

ERCOT provides the following key takeaways:

* This NPRR is a Market Participant sponsored-NPRR that expands the entities and situations eligible for the recovery of financial losses originally provided for under NPRR649, Addressing Issues Surrounding High Dispatch Limit (HDL) Overrides, which became effective on March 9, 2017. The primary effect is to change a 7-year plus old market policy to enhance fairness with regard to the eligibility to recover costs associated with a specific type of financial losses. This NPRR does not materially affect reliability.
* The current market policy requires a Qualified Scheduling Entity (QSE) to have either a Day-Ahead Market (DAM) obligation or a bilateral contract to be eligible to recover financial losses resulting from a High Dispatch Limit (HDL) Override.
* This NPRR allows QSEs that suffered financial losses related to serving the QSE’s own Load to qualify for compensation without DAM obligations and without a bilateral contract. Examples of QSEs that will be eligible under the new language would be (1) Non-Opt-In Entities (e.g., municipalities and cooperatives) that are bound by obligations to serve Load within their territories, and (2) a competitive entity that represents both generation and load under the same QSE.
* Even though this is a Market Participant-sponsored NPRR, ERCOT supports the language from a market policy standpoint as it expands the treatment allowed under the current ERCOT Protocols to entities that may not have forward obligations or bilateral contracts under their normal course of business.
* This compensation mechanism is used very infrequently, and costs compared to overall market charges have been and are expected to remain relatively small. There have been 9 days with HDL overrides in the last 7-plus years, since NPRR649 was implemented. Of the 9 days with HDL overrides, payments to QSEs represent 0.2% of charge invoices. Additional data and further explanations have been provided by ERCOT in comments filed on August 8, 2024.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None