ERCOT Policy Concerning TCEQ Enforcement Discretion Relating to Transmission Emergencies in West Texas  
(Effective September 25, 2019)

As authorized by the Texas Commission on Environmental Quality (TCEQ), Electric Reliability Council of Texas, Inc. (ERCOT) establishes this policy to detail the circumstances under which the TCEQ will exercise its enforcement discretion in evaluating Luminant Generation Company LLC’s (Luminant) compliance with the emission limits prescribed by TCEQ-issued air permits for the five Permian Basin combustion turbine generators operated by Luminant in the ERCOT Region (the Permian Units) when those units are committed by ERCOT to address an ERCOT-declared transmission emergency. The enforcement discretion afforded under this procedure is limited to the Permian Units because they are the only generators that can be dispatched by ERCOT’s systems to alleviate the relevant transmission emergencies. The transmission conditions addressed by this policy are expected to be resolved by transmission additions that are scheduled for completion in 2020 and 2021.

Under this policy, TCEQ will exercise enforcement discretion in evaluating Luminant’s compliance with its TCEQ-issued air permit emission limits for the Permian Units only under the following conditions:

- The Permian Units have reached one or more of their TCEQ-issued air permit emission limits, or reached a level where continued operation may result in exceeding their TCEQ-issued air permit emission limits;
- ERCOT operators have determined that flows on the relevant Transmission Facilities in West Texas have exceeded, or are expected to exceed, one of the following:
  - 100% of the Normal Rating of one or more of those Facilities,
  - 100% of the Emergency Rating of one or more of those Facilities following any Credible Single Contingency, or
  - an ERCOT-established stability limit;
- ERCOT has exhausted all reasonable reliability measures, other than depending on the disconnection of customer load, to address the actual or expected transmission limit exceedance;
- ERCOT has issued an Emergency Notice in accordance with Section 6.5.9.3.4 of the ERCOT Protocols due to the actual or expected transmission limit exceedance;
- ERCOT has issued a Reliability Unit Commitment (RUC) instruction ordering Luminant to make one or more of the Permian Units available for dispatch by ERCOT to address the actual or expected transmission limit exceedance; and
- Luminant has not opted out of the RUC instruction for any instructed unit, as described in Section 5.5.2(12) of the ERCOT Protocols.

Enforcement discretion is limited to the time period covered by the RUC instruction. ERCOT will notify TCEQ’s Homeland Security Coordinator or Director of Critical Infrastructure when it has issued a RUC instruction under the circumstances described above and will identify the time period affected by the RUC and confirm that Luminant has not opted out of the RUC. Further, Luminant will separately provide notice to Kelly Cook, TCEQ Director of the Critical Infrastructure Division, at kelly.cook@tceq.texas.gov on any Permian Unit that is expected to exceed its TCEQ-issued air permit emission limits when committed by ERCOT to address an ERCOT-declared transmission emergency.

In order to be eligible for enforcement discretion for the Permian Units under this policy, Luminant will telemeter a Resource Status of “EMR” for each of the Permian Units unless the unit has been committed via RUC, in which case the “ONEMR” status should be used.

This policy is effective immediately and applies to operations occurring up to and including December 31, 2019. If ERCOT determines that this policy should be extended, it will request such an extension from TCEQ at the appropriate time.
Nothing in this procedure is intended to affect TCEQ’s exercise of enforcement discretion under the TCEQ’s Procedure for Requesting TCEQ Enforcement Discretion Relating to a Power Emergency in Texas for ERCOT, MISO, or SPP Regions, which applies to actions taken by generators to address any power emergency in any region of Texas.

Any questions related to this policy should be directed to Chad V. Seely, ERCOT General Counsel, at chad.seely@ercot.com or at 512.225.7035 or Woody Rickerson, ERCOT Vice President Grid Planning and Operations, at woody.rickerson@ercot.com or at 512.248.6501. Questions concerning TCEQ enforcement should be directed to the Special Assistant to the Deputy Director of the Office of Compliance and Enforcement (OCE) at TCEQ.