

# **PRR 746**

Revisions to Emergency Interruptible Load Service Provisions to Conform to Amended P.U.C. Subst. R. §25.507

WMS November 14, 2007

PRS November 15, 2007

- Substantive Rule amending the Emergency Interruptible Load Service was proposed by PUC Staff in August 2007
  - Project 34706
  - Subst. R. §25.507
- Commissioners on Nov. 1, 2007, adopted the Rule amendments on a 3-0 vote
- Order adopting the amendments is pending
- PRR 746 implementing the amended Rule needs to be in place for the next procurement cycle (Feb. thru May 2008)
- Tentative date to issue the RFP is Dec. 12, 2007
  - Consistent with previous RFP timelines
- ERCOT Board meets on Dec. 11, 2007
- Seeking WMS, PRS, TAC and BOD approval by that date



## **PUC Rule Amendments**

- Significant changes made by the amended EILS Rule:
  - Eliminates the definitions of Prime and Non-Prime (a.k.a.
     Business and Non-Business) Hours (§25.507(b)(4) and (5))
    - ERCOT to establish Time Periods within a Contract Period
  - Permits ERCOT to restructure the Contract Periods (currently 4 months) to facilitate additional load participation (§25.507(a)(2))
    - Requires 90 days notice
  - Raises the Cost Cap from \$20M to \$50M (§25.507(b)(3))
  - Gives ERCOT explicit authority to reject a bid it deems to be 'unreasonable or outside the parameters of an acceptable bid' (§25.507(a)(3))
  - Eliminates the 500 MW floor to run the Service (§25.507(a)(4))
  - Eliminates the 500 kW peak demand floor for members of an aggregated EILS Resource (§25.507(c)(1)(b))
  - Eliminates the long-term solution sunset provisions (§25.507(a)(6) and §25.507(h))



## PUC Rule Amendments (cont.)

- Other changes made by the amended EILS Rule:
  - Clarifies language relating to meters and meter data from EILS Resources in NOIE service territories or Private Use Networks (§25.507(c)(2))
  - Clarifies that deployed EILS Resources may return to service only when released by ERCOT (§25.507(c)(4)(C))
  - Establishes reporting requirements for ERCOT for each Contract Period (§25.507(f)):
    - MW procured
    - Number of Resources
    - Total projected cost



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- Allows exceptions to universal IDR metering for members of EILS aggregations if a 'statistically valid alternative...consistent with industry best practices can be developed and approved by ERCOT' (§25.507(c)(2)(B))
- ERCOT will have dialogue with MP's (DSWG, etc.) before filing a future PRR to address this provision



- Revisions in the PRR are straightforward and consistent with Rule amendments
- However, the PRR looks more complex than it really is because of revisions to equations
- All changes in equations are related to <u>Time Periods</u>



- Original Rule and current Protocols explicitly define Time Periods as follows:
  - BUSINESS HOURS: 8 a.m.–8 p.m. M-F except Holidays

- NON-BUSINESS HOURS: All other hours

- Original intent was for Business Hours block to attract resources that may not have sufficient Load online overnight and on weekends
- Based on bids received, this has not worked as intended
  - Vast majority of bids received have been from the same resources for all hours
- Current Time Periods don't accommodate temperature-sensitive loads



## Time Periods (cont.)

- Amended PUC Rule gives ERCOT the ability to adjust and add Time Periods within a Contract Period
  - 'Time Periods: Sets of hours designated by ERCOT within a Contract Period' (25.507(b)(5))

 PRR 746 will allow ERCOT to establish Time Periods specific to seasonal Contract Periods



- Time Period provision is a simple short definition in the amended PUC Rule (25.507(b)(5))
- However, translating it into Protocol language requires revisions to numerous sections:
  - 'Business' and 'Non-Business' hours are embedded as defined subscript terms in 7 different sets of equations in the Protocols

<ul> <li>Self-Provision Option 1</li> </ul>	6.5.12(3)(d)
<ul> <li>Self-Provision Option 2</li> </ul>	6.5.12(3)(d)
<ul> <li>Capacity Payments for EILS</li> </ul>	6.8.6 (1)
<ul> <li>Settlement Obligation for EILS</li> </ul>	6.9.4.4 (3)
Performance Criteria (Default Baseline Availability)	6.10.13.3(b)(3)(iii)
<ul> <li>Performance Criteria (Alt. Baseline Availability)</li> </ul>	6.10.13.3(c)(3)(iii)
<ul> <li>Performance Criteria (Availability adjustment)</li> </ul>	6.10.13.3(f)



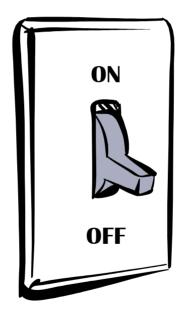
## Time Periods (cont.)

- Currently, in each of the 7 instances, there are 2 otherwise identical equations, one each for:
  - b = Business Hours
  - nb = Non-Business Hours
- PRR 746 eliminates the second equation and substitutes:
  - tp = Time Period, as defined in the ERCOT Request for Proposal for the Contract Period
- These changes look complex, but they simply modify the subscript references
- There are <u>no material changes</u> to the equations



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• Questions?





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