



# Draft ERS NPRR Discussion

**DSWG Meeting**

**January 27, 2012**

- **PUC Project 39948 to amend Subst. Rule 25.507 is open**
  - Comments due Jan. 30
  - Hearing date Jan. 31
  - Target date for adoption: no later than early April
- **ERCOT is preparing NPRR to implement**
  - To be filed early February
  - WMS and ROS review in February
  - PRS/TAC/Board approval in time for June 1 effective date
- **This presentation provides an overview of major provisions in the NPRR**
  - All still in DRAFT form
- **We are looking for input and feedback today and at Friday DSWG**

- **Minimum capacity offer at 100 kW**
- **1000 MW ceiling goes away**
  - ERCOT may establish an upper limit on MW to be procured for a Time Period/Contract Period
- **Appendix A and Appendix B will be removed from Protocols**
  - Appendix A replaced by affirmation in Offer Submission Form, already in place
  - Appendix B (Award Notification/term sheet) referenced in Protocols

- **A resource contracted to provide ERS that meets one of the following descriptions:**
  - a) A Load or aggregation of Loads, or
  - b) A generator with less than or equal to 10 MW of capacity that is not an Intermittent Renewable Resource, is not a Generation Resource, and is not registered with the PUCT as a Self-Generator.
- **Generators meeting this definition may aggregate**
- **Offers will include an affirmation that a generator will not register as Generation Resource while committed in ERS**

- **An ERS Generator is:**
  - Stand-alone generation meeting the definition
    - Performance and availability will be measured solely using 15-minute interval metering on the generator
  - On-site generator meeting the definition that is capable of exceeding the premise-level Load and injecting
    - If ERS is being provided solely by the generator, ERCOT will perform M&V on the generator meter, and validate premise-level metering to ensure Load did not ramp up during event
- **If ERS is being provided by a combination of generation and Load, QSE must offer as separate resources**
  - Generator must be separately metered or bi-directional metering must be in place
- **Generators will be required to submit self-test schedules to ERCOT prior to Contract Period**
  - Self-testing will be factored into availability calculations
- **ERCOT will conduct unannounced generator testing at least once per Contract Period**

- **QSE portfolio evaluations will determine payment to QSEs as well as compliance with the Protocols**
- **If a portfolio achieves AF and EPF of 0.95 or greater**, none of the resources in the portfolio will be subject to suspension. Those ERS Resources with an individual EPF of less than 0.95 will be subject to the annual unannounced testing requirement.
- **Payments based on actual EPF \* AF**
  - Eliminating ratchet to 1.0 for AFs  $\geq 0.95$

- **Resource level**

1. Calculate AF for each Resource for each Time Period, capped at 1
  - a) Use existing sliding scale for Resources with ERS obligation exhausted
2. Calculate a unified AF for each Resource: time & load weighted average of TP AFs
  - a) Current provision for rolling dual test failure scores into AF remain intact
3. Only used if QSE Portfolio AF is less than .95

- **QSE Portfolio Level**

4. Create a Default Portfolio and calculate AF for each Time Period, no cap
5. Create an Alt Portfolio and calculate AF for each Time Period, no cap
6. Create a Gen Portfolio and calculate AF for each Time Period, no cap
7. Calculate a unified Portfolio AF: time & capacity weighted average of TP AFs, capped at 1
  - Existing sliding scale applies for portfolios with ERS obligation exhausted
8. This determines portfolio compliance and payment to QSE
9. If portfolio AF is less than .95, QSE is subject to complaint; and, revert to Resource level calculations to determine who caused the failure

- **At resource level, current EILS Load performance evaluation methodologies will remain, regardless of whether backup generation is present**
  - Default baseline types (3) stay intact
  - Alternate baseline (Max Base Load) stays intact
- **Generators will be measured using dedicated 15-minute interval metering**
- **All of these M&V types are embedded in NAESB Standards**
- **Portfolio event performance will be measured consistent with current Nodal Protocols**



- **If a QSE's portfolio fails to meet its availability requirements ERCOT shall determine which ERS Resource(s) in the QSE's portfolio contributed to the failure, based on calculated availability factors**
- **If an ERS Resource in a failing QSE portfolio is found by ERCOT to have successfully met its availability requirements, the ERS Resource is not subject to suspension for availability purposes**
- **If an ERS Resource in a failing QSE portfolio achieved an availability factor of less than **0.85**, the ERS Resource may be suspended from participation in ERS for a Standing ERS Contract Period**

- **If a QSE's portfolio fails to meet its event performance requirements, ERCOT shall determine which ERS Resource(s) in the portfolio contributed to the failure, based on event performance factors**
- **If an ERS Resource in a failing portfolio is found to have successfully met its event performance requirements, the ERS Resource is not subject to suspension for event performance purposes**
- **If an ERS Resource in a failing portfolio achieved an event performance factor of less than 0.95, the ERS Resource may be suspended from participation in ERS based on the following graduated scale:**
  - EPF of at least **0.75 but less than 0.95**: suspended from ERS participation for one Standing ERS Contract Period.
  - EPF of at least **0.30 but less than 0.75**: suspended from ERS participation for two Standing ERS Contract Periods.
  - EPF of **less than 0.30** shall be suspended from ERS participation for three Standing ERS Contract Periods.

- **An ERS Resource that achieves a test performance factor of less than 0.95 on two consecutive tests shall be suspended from ERS participation for one Standing Contract Period**
- **Successful deployment in a subsequent ERS event supersedes any test failures**

- **ERCOT may consider mitigating factors such as equipment failures and/or Force Majeure Events in determining whether to suspend an ERS Resource. In addition, if ERCOT determines that the ERS Resource's failure was the direct result of action or inaction by its QSE, the ERS Resource may be exempted from suspension.**

- **ERCOT may provide for special ERS Renewal Contract Periods under the following provisions:**
  - During the offer submission process for a Standing ERS Contract Period, QSEs shall designate on the ERS offer form whether an ERS Resource is available for mandatory participation in a Renewal Contract Period.
  - Prior to the end of an Operating Day in which an ERS Resource's obligations are depleted due to a cumulative deployment time of eight hours or more during the Standing ERS Contract Period, ERCOT shall notify QSEs representing ERS Resources of its decision to open a Renewal Contract Period and shall specify the start time of the Renewal Contract Period. The end time of the Renewal Contract Period shall coincide with the end time of the Standing Contract Period.

## Renewal Contract Periods (continued)

- For purposes of managing ERS expenditures under the ERS Cost Cap, ERCOT may designate a Renewal Contract Period for a subset of the four ERS Time Periods.
- If ERCOT exercises its option to open a Renewal Contract Period, ERS Resources that were designated as available for the Renewal Contract Period shall be procured automatically for the Renewal Contract Period under the same offer parameters – including capacity, price, Maximum Base Load (if applicable), performance evaluation methodology, and Time Periods – as awarded for the Standing Contract Period.
- A Renewal Contract Period may start no earlier than HE 01 on the Operating Day following ERCOT's notification to QSEs of its decision to open the Renewal Contract Period.

## Renewal Contract Periods (continued)

- Subject to the ERS Cost Cap, ERCOT may establish an unlimited number of additional Renewal Contract Periods within the time frame of a Standing Contract Period if ERS Resources' obligations are further exhausted due to cumulative deployment times of eight hours or more. By the end of the first Business Day in a Renewal Contract Period, a QSE may revoke the renewal status of any committed ERS Resources for any future Renewal Contract Periods within the time frame of that Standing Contract Period. ERCOT shall develop a method for QSEs to communicate such information.
- By the end of the second Business Day in a Renewal Contract Period, ERCOT shall confirm terms of the Renewal Contract Period by notifying QSEs of their ERS Resources procured for the Renewal Contract Period. Notwithstanding this provision, QSEs and ERS Resources' participation in the Renewal Contract Period is binding from the start time of the Renewal Contract Period.
- QSEs shall be paid for ERS Resources' participation in a Renewal Contract Period, subject to adjustments as described in Section 8.1.3.1, in addition to any payments for their participation in the Standing Contract Period.

