



# Draft NPRR Discussion Emergency Response Service (ERS)

**Update to WMS**

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- **PUC Project 39948 to amend Subst. Rule §25.507 is open**
  - 17 sets of comments received by Jan. 30 deadline
  - Public hearing held at PUC on Jan. 31
  - PUC Staff is hoping to have proposal for adoption ready for action at March 23 PUC Open Meeting
- **Accompanying NPRR schedule:**
  - COPS, WMS and ROS review this week
  - Filed with number by end of February
  - PRS March 23
  - TAC and Board in April
  - June 1 effective date
- **This presentation provides an overview of major provisions in the draft NPRR**

- **Minimum capacity offer set at 100 kW**
  - Previous floor of 1 MW eliminated from Rule language
  - This is consistent with Ancillary Services minimum
- **1000 MW ceiling eliminated**
  - ERCOT may establish an upper limit on MW to be procured for a Time Period/Contract Period
- **Appendix A (contract with owning & controlling entity of resource) and Appendix B (term sheet) of Section 22G 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

- **ERS Resource:**
  - Either an ERS Load or an ERS Generator that is contracted to provide ERS.
- **ERS Load:**
  - An ERS Resource that is a Load or Aggregation of Loads.
- **ERS Generator**
  - An ERS Resource that is a generator that is not a Generation Resource and is not a source of intermittent renewable generation, or an aggregation of such generators.
  - 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**
- **Generators will be considered unavailable:**
  - Any hour they are ‘on’ that is not part of an ERS deployment event, ERCOT unannounced test, or scheduled self-test
  - Any hour they are ‘off’ that is part of an ERCOT unannounced test or scheduled self-test
    - Will be considered unavailable until metering shows they have started up and reached committed capacity level
- **ERCOT may conduct unannounced generator testing more often than Load testing if generator fails self-testing**

- **QSE portfolio evaluations will determine payment to QSEs as well as compliance with the Protocols**
- **If a portfolio achieves Availability Factor and Event Performance Factor of 0.95 or greater, portfolio will be deemed in compliance and no ERS Resources will be suspended**
  - Individual ERS Resources in portfolio that fall short of 0.95 are still subject to unannounced testing
- **Payments based on  $EPF * AF * (\$ Price * MW * Hours)$**

- **Current Load performance evaluation methodologies for EILS Loads remain unchanged**
  - Default baseline types (3) stay intact
  - Alternate baseline (Max Base Load) stays intact
- **Generators will be measured on energy injections to ERCOT System 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 achieves an Event Performance Factor of 0.95 or greater, 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.**
  - In such a case, QSE subject to protocol violation complaint

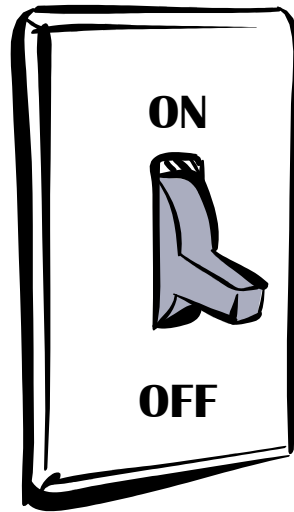
- **This provision seeks to streamline the process for securing new ERS capacity when obligations are depleted based on cumulative 8 hours or more of deployment in a Contract Period**
- **4-month Standing Contract Periods are now known as Standard Contracting Terms**
  - February thru May
  - June thru September
  - October thru January
- **Standard Contracting Term may consist of multiple non-overlapping Contract Periods if renewals are initiated**
- **ERCOT may initiate a new Contract Period as early as the next Operating Day following an ERS depletion**
  - Decision to initiate a renewal could depend on \$\$ available under Cost Cap as well as grid/weather conditions, etc.
  - If not all ERS Resources are depleted, new Contract Period will automatically begin at HE 01 of next Operating Day and non-depleted ERS Resources will continue their obligations (deployment hours carry over)

- **Provisions for renewed obligation:**
  - During the offer submission process for a Standard Contracting Term, QSEs shall designate on the ERS offer form whether an ERS Resource is available for mandatory obligation renewal
  - Prior to the start of a new Contract Period (renewal), ERCOT shall notify QSEs representing ERS Resources of its decision to open a the Contract Period and shall specify the start time
  - The end time of a renewal Contract Period shall coincide with the end time of the Standard Contracting Term

- For purposes of managing 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 renew, ERS Resources that were designated as available shall be procured automatically for the Renewal Contract Period under the same offer parameters as awarded for the Standing Contract Period:
  - Capacity
  - Price
  - Maximum Base Load (if applicable)
  - Performance evaluation methodology
  - Time Periods as applicable

- Subject to the ERS Cost Cap, ERCOT may establish an unlimited number of renewals within a Standard Contracting Term 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 4-month time frame





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