



Pilot Project: 30-Minute Emergency Response Service (ERS)

John Dumas

Director Wholesale Market Operations

Board of Directors Meeting

June 19, 2012

ERCOT Public

Pilot Project: Purpose of 30-Minute Emergency Response Service (ERS)

- **Assess the operational benefits and challenges of deploying an ERS product with a 30-minute ramp period.**
- **Study the optimal means of deploying 30-Minute ERS within an Energy Emergency Alert (EEA).**
- **Gather data to analyze the operation and benefits of a clearing price mechanism.**
- **Gather data to assist ERCOT in determining the appropriate price to pay for 30-Minute ERS.**
- **Gather data to compare costs and benefits relative to 10-Minute ERS.**
- **Determine overall market interest in 30-Minute ERS before making appropriate ERCOT rule changes.**

Pilot Project: 30-Minute ERS Features

- **Open to Loads (demand response) only**
- **30-minute ramp period following Dispatch Instruction**
- **Dispatched as early as EEA Level 1**
- **Procured via market clearing price mechanism**
- **Minimum of one and maximum of four deployments (including testing or EEA) per Contract Period**
- **Maximum of 8 cumulative hours of deployment during period of obligation, including tests**
- **No renewal Contract Periods**
- **150 MW ceiling on procurement (including any self-arranged MWs)**
- **Consequence of non-compliance will be financial only (no suspensions)**

Pilot Project: ERCOT Responses to Stakeholder Comments

- **9 Market Participants submitted comments on draft Governing Document.**
- **Comments categorized into 8 issues.**
- **After discussion with stakeholders, the three main concerns are:**
 1. Size of Pilot (150 MWs + self-arranged MWs)
 2. Estimated cost of Pilot per Contract Period
 - July 15, 2012 – September 30, 2012 \approx \$2.5 million
 - October 1, 2012 – January 31, 2013 \approx \$3.2 million
 - February 1, 2013 – May 31, 2013 (if necessary) \approx \$3.2 million
 3. Potential for price reversal following deployment