

Appeal Regarding NOGRR 149: Revision to Definition of Transmission Operator

**Presentation by the
Small Public Power Group of Texas
to the ERCOT
Technical Advisory Committee**

April 28, 2016

NOGRR149 would **codify the existing factual situation**, in which none of the 6 members of the Small Public Power Group of Texas (SPPG) are currently in the ERCOT Load Shed Table (and never have been). After they became aware of the matter, they tried to get a Designated TO, but they were not successful.

The revision will **not adversely affect ERCOT system reliability**, as ERCOT Staff confirmed. And ERCOT emergency operations would be more efficient, by having fewer entities for ERCOT to manage in emergencies and for recurring training, drills, administration, etc.

It would also resolve **technical problems implementing EEA/UFLS**, due to the SPPG members' limited number of distribution feeders and the critical loads that are on all or many of their feeders due to limited load-type diversity. Four of the SPPG entities have critical load on all of their distribution feeders, the other two have critical load on a number of theirs. And under ERCOT's rules, a distribution feeder cannot be used for both EEA and UFLS.

Even if SPPG's load was in the Load Shed Table, it is **so miniscule** that it would **not materially change anyone else's load relief share**.

ROS Mar. Report: It's unfair to treat anyone differently on Load shed obligations.

To the contrary:

1. It is unfair to **discriminate against "critical" loads** of the small MOUs (like hospitals, police and fire departments, water and wastewater plants, and non-disconnect medical customers) by shedding their load in the first instance like they were not critical loads, while critical loads elsewhere have load shed protections because of their utilities' larger amounts of non-critical load.
2. It would be **unjust and unreasonable** for those small MOUs, and ultimately their customers, to bear costs for transmission services already recovered through ERCOT's postage stamp transmission pricing.
3. **"Same-rules-should-apply-to-all" is not the appropriate principle** here. When circumstances warrant, small entities are treated differently than larger ones, like NERC's Compliance Registry exception for Distribution Providers at 75 MW or less of peak Load, and the PUC's "small fish swim free exemption" for generators controlling less than 5% of ERCOT's generation capacity. In this unique context, the technical implementation problems due to size warrant the SPPG revision.

ROS Mar. Report: Requiring these MOUs to have a Designated TO would allow for better control over transmission constraints that may exist from time to time in the areas of these MOUs.

However:

1. **ERCOT has several tools** for managing transmission constraints, under Nodal Operating Guides Section 11.
2. Those tools are **separate and apart from the EEA/UFLS tools**, and do not require that the TSP be anybody's Designated TO.
3. ERCOT's TSPs have developed those tools for parts of their systems. None which are for the transmission lines or elements connecting the SPPG members, indicating that there are **presently no transmission constraints** in the areas of these MOUs.
4. And **any future transmission constraints** in the areas of these MOUs would be dealt with **using the separate Section 11 tools**.

ROS's Apr. Position Statement: 1) Fairness related to Load shed (Adding higher percentages to existing TOs and exempting some customers from ever participating in manual Load shed events); 2) Market operations & emergency operations can be slippery slope when exempting based on size and costs; and 3) Some self-serve entities are fairly large (Questions and unknowns about inequities, rapid growth and future consequences).

But:

1. See slides 2 & 3: The SPPG load has **never** been in the Load Shed Table; adding it in would **not materially change anyone's share**; it is **unfair to treat small utility critical load differently** from that of other utilities; and **size distinctions** are useful and common.
2. The Designated TO issue has **nothing to do with market operations**, only EEA/UFLS implementation. **Transmission constraint management tools that involve load shedding are separate** from the Designated TO issue (see slide 4). The **narrower alternative** (see slide 6) is **based on the technical implementation problems due to size** (see slide 2), not "sympathy" based on size and costs.
3. Unclear what the third assertions mean. **The narrower alternative should minimize whatever those concerns might be.**

To **codify the existing factual situation** in which no SPPG member is currently in the Load Shed Table (and never was), and to resolve their **technical problems** with EEA and UFLS implementation due to the limited number of distribution feeders and the critical loads on all or most of their feeders, either the **original revision** (in red) or a **narrowing alternative** (in blue) should be approved:

Every Transmission Service Provider (TSP) ~~or Distribution Service Provider (DSP)~~ in the ERCOT Region shall either register as a TO, or designate a TO as its representative and with the authority to act on its behalf.

Every Distribution Service Provider (DSP) in the ERCOT Region with an annual peak Load exceeding 25 MW shall either register as a TO, or designate a TO as its representative and with the authority to act on its behalf.

Every DSP in the ERCOT Region with an annual peak Load of 25 MW and below which is either required by North American Electric Reliability Corporation (NERC) to be registered as a distribution provider, or any other applicable NERC registration, or had a designated TO as its representative and with the authority to act on its behalf as of March 31, 2016, shall either register as a TO, or designate a TO as its representative and with the authority to act on its behalf.