

## Reliability-Must-Run Procedures

### *Determining and addressing the need for generation units to support grid reliability*

As the entity responsible for ensuring the reliable operations of the electric grid in most of Texas, ERCOT works with its market participants to ensure generation resources are available to support voltage stability and other transmission system requirements.

When the owner of a generation resource plans to retire or otherwise stop operating a resource for more than 180 days, the owner must notify ERCOT at least 90 days before discontinuing operations. ERCOT then evaluates whether the resource is needed to support transmission reliability in the affected area and whether other solutions could address that need. ERCOT has 60 days to complete this evaluation, and market participants can comment on the need for the unit(s) in question. If a unit is needed and no other solution is readily available, ERCOT has 30 days to enter a “reliability-must-run” (RMR) agreement with the facility’s owner to continue operating that resource.

### Short-term solutions, long-term improvements

RMR agreements are not intended to address long-term system needs. Under current protocols, ERCOT must identify a long-term transmission project to address concerns that necessitate RMR agreements. These concerns are based on reliability criteria set forth by the North American Electric Reliability Corporation (NERC) and relevant guidelines in ERCOT’s protocols and operating guides.

In 2011, ERCOT identified an additional RMR process to address short-term resource adequacy concerns. As a result, some mothballed units returned to service due to anticipated generation shortages during peak demand periods. However, this is not the primary purpose for RMR reviews.

### Paying for reliable operations

Payments to resource owners with RMR agreements are based on eligible costs to continue operating the unit(s). Resource owners provide detailed cost estimates to ERCOT as part of the RMR negotiation process, and then provide actual costs each month to ensure accuracy in the settlement process.

Eligible costs for RMR agreements include fixed costs the unit would not have incurred if it had stopped operating in the time specified. Examples include labor, materials and supplies needed to operate that unit; certain maintenance costs needed to continue operations; and taxes. Fuel costs associated with RMR operations are based on specific energy produced. Because RMR determinations are based on systemwide reliability, costs to run RMR units are shared by all market participants.

### Process review and ongoing improvement

Because RMR agreements are not the preferred approach to maintaining system reliability, ERCOT uses this tool only when absolutely necessary. Prior to 2016, the most recent agreements were in 2011. ERCOT stakeholders currently are reviewing RMR procedures to determine whether additional clarification or guidelines are needed. RMR procedures are defined in [Section 3.14.1 of the Nodal Protocols](#).