

September 9, 2019

ERCOT Technical Advisory Committee

7620 Metro Center Drive

Austin, Texas 78744

Attn: Bob Helton, Chair, [Robert.Helton@engie.com](mailto:Robert.Helton@engie.com)

Clif Lange, Vice Chair, [Clif@stec.org](mailto:Clif@stec.org)

Re: *Application of Air Liquide Large Industries U.S. LP for a Permanent Exemption from Compliance with ERCOT Protocols Section 10.3.2.3*

Pursuant to Section 10.14 of the Electric Reliability Council of Texas (“ERCOT”) Protocols (“the Protocols”), Air Liquide Large Industries U.S. LP (“Air Liquide”) submits this application to the ERCOT Technical Advisory Committee (“TAC”) to seek approval for a permanent exemption from the requirements in Paragraph (6) of Protocol Section 10.3.2.3 for its Bayou-Bayport Complex.

Air Liquide requests that this application be considered at the TAC meeting on September 25, 2019 and submits the following information required by Section 10.14.3.1 of the Protocols:

**(a) A detailed description of the exemption sought, including specific reference to the relevant Section(s) of these Protocols or the SMOG authorizing ERCOT to grant the exemption, and the Metering Facilities to which the exemption will apply;**

Air Liquide seeks approval by TAC and the ERCOT Board of Directors (“ERCOT Board”) for a permanent exemption from the requirements in Paragraph (6) of Protocol Section 10.3.2.3 for the Bayou-Bayport Complex, including all six ERCOT-Polled Settlement (EPS) Meters at the site as shown on EPS Metering Design Proposal, TDSP Project Number 100-BYU, Meter IDs: BYU\_G1, BYU\_G2, BYU\_G3, BYU\_G4, Choate\_Plant, BBP\_Plant.

**(b) A detailed statement of the reason for seeking the exemption, including any supporting documentation;**

The Bayou-Bayport Complex (“the Complex”) in Harris County, Texas is wholly owned by Air Liquide. The Complex is a vital component of Air Liquide’s Texas Gulf Coast operations and supply network. The Complex has supplied oxygen, nitrogen, argon, hydrogen, steam, and water to customers for over 50 years, before ERCOT served as the central operating coordinator for Texas, and prior to ERCOT functioning as a single control area in 2001. The original interconnection configuration for the Complex also predates the competitive market, and was designed in coordination with CenterPoint’s vertically integrated predecessor, Houston Lighting & Power (“HL&P”). The netting arrangement at the Complex was initially approved by ERCOT’s metering department on May 17, 2001, permitting netting of generation and auxiliary loads supporting the generation. In 2002, the meter design was amended to add non-auxiliary load from Air Liquide and new metering points, and an additional amendment was approved in May 2005 to add another meter. The netting arrangement in place today has been subsequently reapproved several times in conjunction with updates to the meter design, most recently in 2015.

The intent of Protocol Section 10.3.2.3 was to allow certain interconnections that predated the competitive market, such as the Bayou-Bayport Complex, to continue to receive the same treatment previously applied by the bundled utilities (in this case, HL&P). Protocol Section 10.3.2.3 allows net metering for a facility with multiple Points of Interconnection (“POIs”) where: (1) “the Loads and generator output are electrically connected to a common switchyard,” meaning in part that the interconnection points “are physically not greater than 400 yards apart” (“400 yard requirement”); and (2) there is “sufficient generator capacity to serve all plant Loads for netting to occur.”

The Protocols do not explicitly describe how the 400-yard distance should be measured under Section 10.3.2.3 with respect to certain equipment and configurations that may exist at the POIs; in particular, the relevant interconnection points *within* a substation are not explicitly defined. As a result, Air Liquide and CenterPoint have historically used a measurement convention that is slightly different from what ERCOT uses during a site audit.[[1]](#footnote-1) Air Liquide was unaware of this discrepancy until it was identified through a recent metering site audit and subsequent discussions with ERCOT. Air Liquide views both measurement approaches as reasonable, and maintains that all prior metering design approvals and net metering treatment for the Complex remain legally valid. However, Air Liquide seeks this permanent exemption to align the historical treatment of the Bayou-Bayport Complex with ERCOT’s measurement practices.

**(c) Details of the Entity(s) to which the exemption will apply;**

The exemption will apply to Air Liquide Large Industries U.S. LP, as the registered Resource Entity for the Bayou-Bayport Complex.

**(d) Details of the location to which the exemption will apply;**

This exemption will apply to the Bayou-Bayport Complex located at 11777 Bay Area Boulevard in Pasadena, Texas, 77507 and includes all six EPS meters at the site (TDSP Project Number 100-BYU).

**(e) Details of the period of time for which the exemption will apply, including the proposed start and finish dates of that period; and**

The permanent exemption will start upon the date of approval by the ERCOT Board. There is no end date to this exemption.

**(f) Any other information requested by ERCOT.**

ERCOT has not requested any other information to date.

Submitted by:

/*s*/ *Bill Smith*

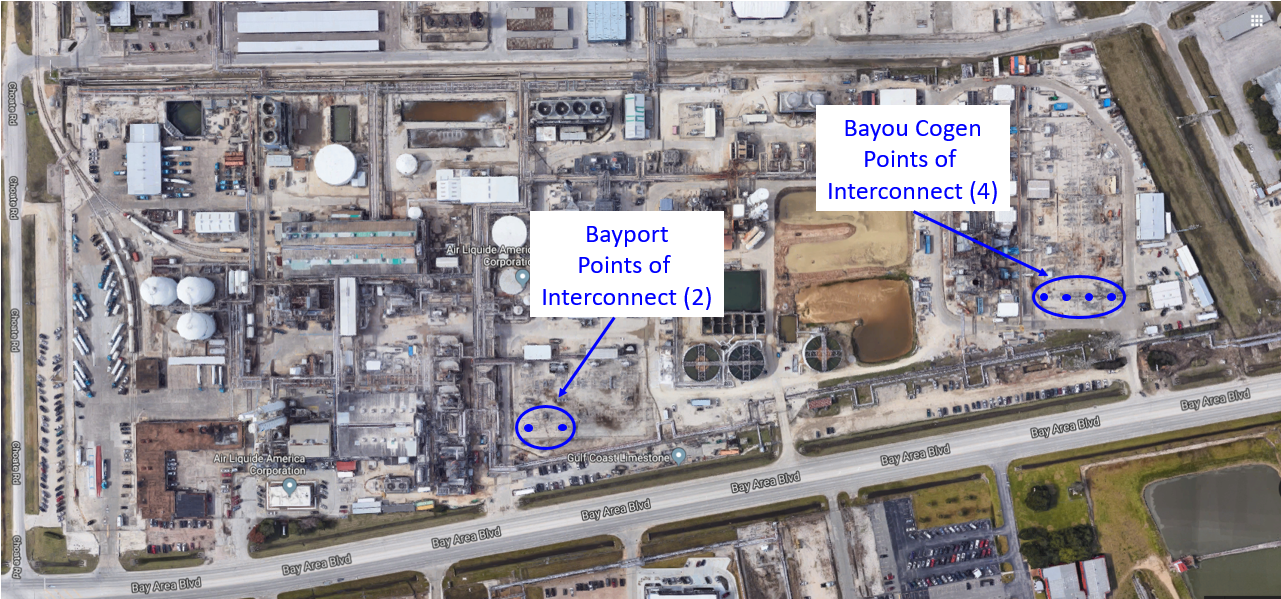
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**Air Liquide’s Bayou-Bayport Complex**



1. Under Air Liquide and CenterPoint’s historical measurement approach, the interconnection points at the Complex are within 400 yards of each other, but under ERCOT’s approach two of the six interconnection points are 422 yards apart. The other interconnection points are within 400 yards of each other under either approach. [↑](#footnote-ref-1)