**Provisional Conditions for Interconnection and Operation of**

**Qualified Distribution Generation Resources**

(Effective September 26, 2019)

This document establishes provisional conditions for the interconnection and operation of certain Generation Resources connected at distribution voltage in the Electric Reliability Council of Texas, Inc. (“ERCOT”) System (hereinafter, “Distribution Generation Resource” or “DGR”).[[1]](#footnote-2) These conditions apply to any Resource Entity operating an existing DGR (i.e., modeled in ERCOT systems as of the effective date of this policy), any Resource Entity that has been qualified by ERCOT to pursue interconnection of a DGR, and any Qualified Scheduling Entity (“QSE”) or other agent of a Resource Entity with an existing or qualified DGR. These conditions will continue to apply until (1) ERCOT issues a Market Notice stating that ERCOT has developed and implemented the revisions to its rules necessary to ensure the reliable interconnection and operation of DGRs, (2) ERCOT issues a Market Notice stating that any one or more of these conditions are no longer effective, or (3) the Public Utility Commission of Texas (“PUC”) determines that any one or more of these conditions are no longer effective. These conditions apply only to the limited subset of distribution-level generators that are, or that are proposed to be, modeled as Generation Resources—i.e., generators that are subject to economic dispatch and eligible to qualify for participation in Ancillary Services. These conditions do not apply to other distribution-level generators, including distribution-level Non-Modeled Generators (which will be known as “Settlement-Only Distribution Generators” [“SODG”] upon implementation of NPRR889) and unregistered Distributed Generation. Entities that wish to receive settlement for their distribution-level generation but that do not wish to participate in Ancillary Services or be subject to economic dispatch may register their generators as Non-Modeled Generators/SODGs.

For the purposes of satisfying any of the below conditions that requires written confirmation from the Distribution Service Provider serving the DGR (hereinafter, “DSP”), ERCOT will accept either an email or an electronic copy of a letter from DSP to Resource Entity. For the purposes of satisfying any condition that requires submission of a written agreement between DSP and Resource Entity, ERCOT will accept any written agreement, including without limitation an interconnection agreement between DSP and Resource Entity. Notwithstanding the foregoing, where a Municipally Owned Utility (“MOU”) or Electric Cooperative (“EC”) is proposing to interconnect a DGR to its own distribution facilities, any condition requiring written confirmation or a written agreement may be satisfied by electronic submission of a letter to ERCOT confirming satisfaction of the condition, if signed by a duly authorized official for the MOU or EC. In each case, Resource Entity must submit any required written confirmation or agreement to ERCOT as an attachment to the Resource Asset Registration Form submitted through the interface on the Market Information System Certified Area, or, upon implementation, through the Resource Integration and Ongoing Operations Interconnection Services system.

Any Resource Entity representing an existing DGR or a DGR that has been qualified to pursue interconnection with the ERCOT System (hereinafter, “Resource Entity”) must comply with the following conditions on the interconnection and operation of the DGR:

1. As a condition for interconnection, Resource Entity must provide written confirmation from DSP stating that DSP has conducted appropriate studies to (i) confirm that DSP’s system will not preclude the DGR’s compliance with ERCOT’s requirements concerning voltage ride-through, under-frequency and over-frequency relaying, and primary frequency response, and (ii) identify any limitations on the DGR’s minimum or maximum MW output levels, charging levels (if applicable), or on the DGR’s ramp rate that may be necessary due to DSP system limitations. If requested by ERCOT, Resource Entity has provided any requested DSP studies to ERCOT and any operational concerns have been addressed to ERCOT’s satisfaction.
2. As a condition for interconnection, Resource Entity must coordinate with DSP and the Transmission Service Provider that interconnects with DSP’s system (hereinafter, “TSP”) to ensure the electrical path from the DGR to the Resource Node has been modeled in a simplified manner (i.e., using an equivalent model) to ERCOT’s satisfaction. As a condition for continued operation, Resource Entity must ensure this model information is updated to ERCOT’s satisfaction as it changes from time to time.
3. As a condition for interconnection, Resource Entity must provide written confirmation from DSP that DSP has disclosed to Resource Entity all known distribution system operational limitations impacting the DGR’s operation, including DSP-imposed limits on the rate or magnitude of injection or withdrawal, if any, and Resource Entity has confirmed to DSP and ERCOT that any such limitations are reflected in the ERCOT model, the DGR’s Resource registration information, and/or in the DGR’s real-time telemetry. As a condition for continued operation of the DGR, Resource Entity must ensure that any such limitations continue to be reflected in the ERCOT model, the DGR’s Resource registration information, and/or in the DGR’s real-time telemetry.
4. As a condition for interconnection, if interconnecting to facilities owned by any DSP other than an MOU or EC, Resource Entity must provide ERCOT evidence of a written agreement with DSP pursuant to PUC Substantive Rule 25.212(a)(4) that the frequency relaying requirements in ERCOT rules, including Nodal Operating Guide Section 2.6.2, control in the event of any conflict with PUC Substantive Rule 25.212(c)(3). As a condition for continued operation, this agreement must remain effective, or some other agreement establishing these responsibilities must be in effect.
5. As a condition for interconnection, Resource Entity must provide ERCOT with written confirmation from DSP that the DGR is not connected to any line that is subject to manual or automatic disconnection by DSP or any Transmission or Distribution Service Provider or Transmission Operator as part of any Under-Frequency Load Shed, Under-Voltage Load Shed, or manual Load Shed scheme. As a condition for continued operation of the DGR, DSP must refrain from connecting the DGR to any such line.
6. As a condition for interconnection, Resource Entity must provide evidence of a written agreement with DSP reflecting a commitment by DSP to promptly notify Resource Entity or its Qualified Scheduling Entity (“QSE”) of any planned or forced outage of any distribution facility controlled by DSP that impacts, or that foreseeably could impact, the operation of the DGR. As a condition for continued operation of the DGR, following such notification from DSP, and within the time specified in the ERCOT Protocols and/or the Nodal Operating Guide, Resource Entity’s QSE updates the DGR’s Current Operating Plan, telemetered status (if appropriate), and the ERCOT Outage Scheduler to reflect the unavailability of the DGR consistent with the impact of that outage or of any other planned or forced outage of distribution facilities under the control of Resource Entity. As a condition for continued operation, this agreement must remain effective, or some other agreement establishing these responsibilities must be in effect.

Nothing in this document affects Resource Entity’s obligation to comply with all other applicable laws, including without limitation all applicable ERCOT rules governing registration, operation, and settlement of Generation Resources.

1. Except where explicitly defined otherwise herein, capitalized terms used in this document are understood to have the meaning assigned by the ERCOT Protocols. The term “Distribution Generation Resource” was introduced by NPRR889, RTF-1 Replace Non-Modeled Generator with Settlement Only Generator, which has been approved but is grey-boxed pending system implementation. For the purposes of this document, “DGR” refers not only to a DGR as defined in NPRR889, but also to any Generation Resource interconnected to TDSP Facilities at distribution voltage. [↑](#footnote-ref-2)