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| Key Topic Concept (KTC) Number | 15-2 | KTC Title | 15:2 Energy Storage Resources Market Suspension and Market Restart Settlement |
| Date Posted | | June 16, 2020 | |
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| Executive Summary | | This KTC establishes the settlement of Energy Storage Resources during Market Suspension and Market Restart Events | |
| Recommendation Description | | ESRs shall be settled for generation deployments similarly to other Resources during Market Suspension and Market Restart Events. However, ESR may also qualify to receive compensation for the metered load to charge the battery prior to a Market Suspension and will not be allocated Market Suspension Make-Whole Payment costs. | |
| BESTF Discussion | | On 5/21/2020, ERCOT staff presented a presentation on the concepts of the ESR Market Suspension and Market Restart Settlement.  On 6/12/2020, the BESTF reached consensus on KTC 15-2. | |
| TAC Action Requested | | BESTF plans to request at the 06/24/20 TAC meeting a vote to approve KTC 15-2. | |
| TAC Action Summary | |  | |

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| Proposed KTC Recommendation Language |

# *Key Topic/Concept recommendation Language for TAC Approval*

06/24/20 TAC Meeting: (Consensus from 06/12/20 BESTF meeting):

KTC15 Item 2:

1. Energy Storage Resources (ESRs) will be eligible for consideration to recover the following costs:
   1. Electricity charging costs that occurred before the Market Suspension. To be eligible to recover these costs, the ESR state-of-charge (SOC) at the end of the Market Suspension must be less than the SOC at the beginning of the Market Suspension period. In addition, the QSE representing the ESR must submit the following data within 5 months of a Market Restart:
      1. Electricity costs incurred to charge the battery prior to a Market Suspension.
      2. The discharge MWh difference of the SOC described in a. above.
      3. Charging related costs will be compensated on the Resource’s most recent MWh consumption prior to the Market Suspension
   2. Variable operations and maintenance (O&M) costs incurred during the Market Suspension period. The O&M costs will be calculated based on a constant variable O&M rate times the MWhs generated during the Market Suspension period, where the variable O&M rate is:
      1. $0.3/MWh, or
      2. Actual O&M value incurred, if submitted within 5 months of a Market Restart
2. ESRs will not be paid a price for generation that occurred during the Market Suspension period.
3. ESRs will not be charged a price for consumption that occurred during the Market Suspension period.
4. Costs incurred by the ESR prior and during the Market Suspension Period (e.g., load and O&M charges) shall be included in the calculation of the Generation Resource Make-Whole Payment.
5. Make-Whole Payments to ESRs will be allocated to the LRS that occurred during the Market Suspension period, on a daily load ratio share basis.
6. DC-Coupled Resources that discharge during the Market Suspension period will be eligible to recover operating costs based on the following variable O&M values:
   * 1. Standard O&M value as defined in the Protocols ($4.40/MWh[[1]](#footnote-1)), or
     2. Actual O&M value incurred, if submitted within 5 months of a Market Restart
7. Metered load to charge the ESR, (MEBL + MEBR)[[2]](#footnote-2), will not be allocated Market Suspension Make-Whole Payment costs.

# *Key Topic/Concept recommendation Language Previously APProved by tac*

None.

# *Key Topic/Concept recommendation Language IN DISCUSSION AT BESTF*

None.

# *Future Decision Points and Issues for Developing Key topic/Concept recommendation Language*

None.

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| Applicable Protocol Section(s) |  |
| Impacted System(s) / Application(s) |  |

1. Variable O&M costs for renewable Resources per 5.6.1 Verifiable Costs, paragraph (6), Table (c) [↑](#footnote-ref-1)
2. Measured metered load as defined in NPRR986, BESTF-2 Energy Storage Resource Energy Offer Curves, Pricing, Dispatch, and Mitigation [↑](#footnote-ref-2)