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| NPRR Number | [1020](http://www.ercot.com/mktrules/issues/NPRR1020) | NPRR Title | Add Definition of Integrated Battery Storage Systems (IBSS) |
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| Date | | May 12, 2020 | |
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| Submitter’s Information | | | |
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| Market Segment | | Independent Generator | |

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| Comments |

While Enel North America (Enel), representing Enel X, N. A. and Enel Green Power, N. A., and Able Grid Infrastructure Texas, LLC (Able Grid) understand the original Sponsor’s request to apply Wholesale Storage Load (WSL) treatment to the entirety of its charging Load, including any auxiliary Load contained in a pre-fabricated battery, and the subsequent changes ERCOT and Public Utility Commission of Texas (PUCT) Staff proposed via the 5/11/20 ERCOT and PUCT Staff comments to reduce the overly restrictive scope of Nodal Protocol Revision Request (NPRR) 1020 as filed, Enel and Able Grid oppose the revision request as originally filed, remain concerned for the potential impact of the NPRR as improved by the 5/11/20 ERCOT and PUCT Staff comments, and oppose the requested Urgent status for NPRR1020.

First, NPRR1020 does not meet the test in ERCOT’s Protocols to be addressed urgently. No showing has been made that “an existing Protocol or condition is impairing or could imminently impair ERCOT System reliability or wholesale or retail market operations, or is causing or could imminently cause a discrepancy between a settlement formula and a provision of these Protocols.” *See* paragraph (1) of Section 21.2, Urgent and Board Priority Nodal Protocol Revision Requests and System Change Requests. The impact of this NPRR as originally proposed and as revised by the 5/11/20 ERCOT and PUCT Staff comments is to address the scope of WSL treatment. The issues raised by this NPRR fail to meet the requirements of ERCOT’s Protocols to be addressed urgently.

Second, the WSL issue originally raised by the Sponsor would have provided potential preferential market treatment of one design of a battery installation over another battery installation design by treating all auxiliary power consumed by the “integrated” battery installation as eligible for WSL treatment, whereas other designs of battery installations would be charged for auxiliary power at the retail rate. The 5/11/20 ERCOT and PUCT Staff comments attempt to mitigate the potential discriminatory impact of the NPRR as filed in terms of providing a certain rate treatment based upon the “housing” of the Energy Storage Resource (ESR) and the fact the designer made certain design choices that eliminated any submetering of auxiliary Load.

For example, the fact that the auxiliary services, such as air conditioning, is contained within a single container, seems to be a driving differentiator for WSL treatment for this design, versus the treatment of any other storage resource. In addition, the other eligibility criteria - “does not require external system support” - is also a design decision made in the manufacturing or assembly of the ESR. In this instance, there is no measurement of the need for “external system support”, which is not the same as saying there is no external system support. Instead, there is no way to ascertain the amount of that external system support because of the lack of the inclusion of metering or measurement of that support. In establishing a technology neutral standard, the standard could be that the level of external support is de minimus, kWh/day, for example. Then that standard could be available to any technology, irrespective of housing. Whether the additional Load at issue is external or internal to the housing, the fundamental issue remains the same – the thermal management of the battery – and there is no policy basis for discriminating in favor of one form of design versus another.

Even as revised by the 5/11/20 ERCOT and PUCT Staff comments, the provisions of NPRR1020 remain somewhat ambiguous and may still result in discriminatory impact. For example, what is the scope of the phrase “is housed in a single container of any shape or size”? Also, how broadly should “does not require external system support” be interpreted? If an Energy Storage System (ESS) is designed with a cooling system that is external to the “single container,” such as on top of a building or immediately adjacent to the building, does the proposed language result in that ESS not being eligible for WSL treatment, but an ESS with a cooling system located inside a single container would be eligible for WSL treatment? If so, that would be a significant discriminatory impact that Enel and Able Grid oppose. These are substantive issues that warrant a more thorough stakeholder debate and consideration than allowed by the current limited scope of ERCOT activities due to the Covid-19 Pandemic. Over the past weeks, ERCOT has taken the approach of limiting substantive debate on issues to “must-pass” NPRRs that are of high priority to ERCOT operations. This NPRR does not rise to that level.

Because Enel and Able Grid oppose granting NPRR1020 Urgent status and oppose the potential practical impacts of NPRR1020 as filed and as amended by the 5/11/20 ERCOT and PUCT Staff comments, Enel and Able Grid are not proposing additional revisions to the cover page or Protocol language at this time.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None