



## **Item 7: Deletion of Eagle Pass DC Tie Load Zone**

*Sandip Sharma*

Director of Market Operations (Forward Markets)

Urgent Board of Directors Meeting

ERCOT Public

August 11, 2020

# Background

- Direct Current Tie (DC Tie) Load Zones are defined as a type of Load Zone per Nodal Protocol Section 3.4.1, Load Zone Types
- Per Nodal Protocol Section 3.4.2, Load Zone Modifications, DC Tie Load Zones may not be added, deleted, or changed unless approved by the ERCOT Board.
- Any approved additions, deletions, or changes to DC Tie Load Zones go into effect 48 months after the end of the month in which the addition, deletion, or change was approved.

# Background

- The Eagle Pass DC Tie (DC\_S Settlement Point) began a forced outage on March 23, 2020
- Subsequently, ERCOT was notified by AEP that it would be permanently removed from service due to the unavailability of necessary replacement parts
  - This was communicated in a Market Notice on May 1, 2020
  - ERCOT stopped approving e-Tags for the Eagle Pass DC Tie
  - CRRs exist with DC\_S as a sink or source Settlement Point through 2022
- DC\_S cannot be removed like a retiring Resource Node Settlement Point, because DC Ties are defined as a type of Load Zone
- Board approval is required to delete a Load Zone, and the Load Zone must remain for 48 months after the approval

# ERCOT Action Items

- A DC Tie Load Zone is comprised of only the DC Tie itself, and it may be unnecessary to impose a 48-month waiting period before deleting this type of Load Zone.
  - Permitting a shorter wait period for the deletion of DC Tie Load Zones may allow for a more timely removal from the CRR Auctions and ERCOT Network Model, following the retirement of a DC Tie.
- ERCOT is considering sponsoring an NPRR to remove the Board approval requirement to delete a DC Tie Load Zone and to align the deletion of DC Tie Load Zones with the timeline for removing Resource Nodes.
  - Timeframe of removal would depend on the expiration dates of existing CRRs.
  - The timing of Resource Node removal is currently under discussion in pending NPRR1017 (Management of CRRs and Resource Node Removal).

# ERCOT Recommendation

- ERCOT Staff recommends that the Board approve the deletion of Eagle Pass (DC\_S) DC Tie Load Zone.
- Under current Protocols, the approval from the Board would start the 48-month waiting period before deletion of the DC Tie Load Zone.

**<Vote>**



**Date:** August 4, 2020  
**To:** Board of Directors  
**From:** Sandip Sharma, Director of Market Operations (Forward Markets)  
**Subject:** Deletion of Eagle Pass (DC\_S) DC Tie Load Zone

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors Meeting Date:** August 11, 2020

**Item No.:** 7

**Issue:**

Whether the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) should vote to approve the deletion of the Eagle Pass (DC\_S) DC Tie Load Zone.

**Background/History:**

Protocol Section 3.4.1, Load Zone Types, defines a Direct Current (DC) Tie Load Zone as a type of Load Zone. Protocol Section 3.4.2, Load Zone Modifications, requires that Load Zones may only be deleted upon approval by the Board, and that approved deletions cannot go into effect until 48 months after the end of the month in which the deletion was approved.

The Eagle Pass DC Tie experienced a forced outage on March 23, 2020. Subsequently, ERCOT was notified by AEP Texas Inc. (AEP) that the Eagle Pass DC Tie would be permanently removed from service due to the unavailability of necessary replacement parts. On May 1, 2020, ERCOT issued a Market Notice informing stakeholders of the permanent retirement of the DC Tie. Further, the Market Notice stated that both AEP and ERCOT conducted independent evaluations and determined that the retirement of the tie did not create any new reliability criteria violations on the ERCOT System.

The Eagle Pass DC Tie is designated as the DC\_S Settlement Point and is the only source of Load in the DC\_S Load Zone.

**Key Factors Influencing Issue:**

The DC\_S Load Zone is no longer necessary because the Load Zone comprises only the now-retired Eagle Pass DC Tie. If the DC\_S Load Zone is not deleted, the DC\_S Settlement Point would continue to be biddable in Congestion Revenue Rights (CRR) auctions, even though there is no longer any active infrastructure at that Settlement Point. Further, approving deletion of this Load Zone will allow for its eventual removal from the ERCOT Network Model. Given that there is no longer an active DC Tie at the DC\_S Settlement Point, it would be burdensome and confusing to indefinitely maintain that element in the Network Model.



**Conclusion/Recommendation:**

ERCOT staff recommends that the Board approve the deletion of the Eagle Pass (DC\_S) DC Tie Load Zone pursuant to Protocol Section 3.4.2.



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**BOARD OF DIRECTORS RESOLUTION**

WHEREAS, the Eagle Pass DC Tie has been permanently retired from service and the Eagle Pass (DC\_S) DC Tie Load Zone comprises only the now-retired Eagle Pass DC Tie;

WHEREAS, Electric Reliability Council of Texas, Inc. (ERCOT) Protocol Section 3.4.2, Load Zone Modifications, requires that Load Zones, including DC Tie Load Zones, may only be deleted upon approval by the ERCOT Board of Directors (Board);

WHEREAS, ERCOT staff recommends deletion of the DC\_S Load Zone as it is no longer necessary; and

WHEREAS, after due consideration of the alternatives, the ERCOT Board deems it desirable and in the best interest of ERCOT to approve the deletion of DC\_S Load Zone;

THEREFORE, BE IT RESOLVED, that the deletion of the DC\_S Load Zone is hereby approved.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its August 11, 2020, meeting, the ERCOT Board passed a motion approving the above Resolution by\_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of August 2020.

\_\_\_\_\_  
Vickie G. Leady  
Assistant Corporate Secretary