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| NPRR Number | [1038](http://www.ercot.com/mktrules/issues/nprr1038) | NPRR Title | BESTF-8 Limited Exemption from Reactive Power Requirements for Certain Energy Storage Resources |
| Date of Decision | | October 13, 2020 | |
| Action | | Approved | |
| Timeline | | Urgent | |
| Effective Date | | Upon system implementation of Nodal Protocol Revision Request (NPRR) 989, BESTF-1 Energy Storage Resource Technical Requirements | |
| Priority and Rank Assigned | | Not applicable | |
| Nodal Protocol Sections Requiring Revision | | 3.15, Voltage Support | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This NPRR establishes a limited exemption from Reactive Power requirements for certain Energy Storage Resources (ESRs). The exemption is available only to an ESR that achieved Initial Synchronization prior to December 16, 2019 (the date NPRR989 was submitted) and applies only to the extent the ESR is unable to comply with the Reactive Power requirements when it is charging. In order to qualify for the exemption, the Resource Entity for the ESR must submit a notarized attestation to ERCOT stating that the ESR would be unable to comply with the Reactive Power requirements without making physical or software changes. The NPRR does not exempt any ESR from the responsibility to provide Reactive Power when discharging. | |
| Reason for Revision | | Addresses current operational issues.  Meets Strategic goals (tied to the [ERCOT Strategic Plan](http://www.ercot.com/content/wcm/lists/144926/ERCOT_Strategic_Plan_2019-2023.pdf) or directed by the ERCOT Board).  Market efficiencies or enhancements  Administrative  Regulatory requirements  Other: (explain)  *(please select all that apply)* | |
| Business Case | | NPRR989, which was approved by the ERCOT Board of Directors on June 9, 2020, expanded Voltage Support Service (VSS) requirements to apply to ESRs and also required ESRs to have Reactive Power capability available at all MW levels when charging or discharging. Six ESRs, which have a combined capacity of approximately 97 MW, achieved Initial Synchronization prior to December 16, 2019 (the date NPRR989 was submitted). Each of these ESRs has either a gross unit rating greater than 20 MVA or is at a site with other units connected at the same Point of Interconnection (POI) that have gross unit ratings aggregating to greater than 20 MVA. These six ESRs will be eligible for grandfathering if this NPRR is approved.  This NPRR is written consistent with Key Topic and Concept No. 15-8, which achieved consensus support at the Battery Energy Storage Task Force (BESTF) and was subsequently approved by the Technical Advisory Committee (TAC) on July 29, 2020. | |
| Credit Work Group Review | | ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed NPRR1038 and do not believe that it requires changes to credit monitoring activity or the calculation of liability. | |
| PRS Decision | | On 9/10/20, PRS unanimously voted via roll call to grant NPRR1038 Urgent status; to recommend approval of NPRR1038 as submitted; and to forward NPRR1038 and the Impact Analysis to TAC. All Market Segments were present for the vote. | |
| Summary of PRS Discussion | | On 9/10/20, participants reviewed the 8/26/20 Luminant comments and noted a desire to have NPRR1038 approved at the October 13, 2020 ERCOT Board meeting to prevent any potential compliance issues for the impacted ESRs when NPRR989 language becomes effective. | |
| TAC Decision | | On 9/23/20, TAC voted via roll call to recommend approval of NPRR1038 as recommended by PRS in the 9/10/20 PRS Report. There was one abstention from the Independent Power Marketer (IPM) (Shell) Market Segment. All Market Segments were present for the vote. | |
| Summary of TAC Discussion | | On 9/23/20, there was no discussion. | |
| ERCOT Opinion | | ERCOT supports approval of NPRR1038. | |
| Board Decision | | On 10/13/20, the ERCOT Board approved NPRR1038 as recommended by TAC in the 9/23/20 TAC Report. | |

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| Market Segment | Not applicable |

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| **Comments Received** | |
| **Comment Author** | **Comment Summary** |
| Luminant 082620 | Requested PRS grant NPRR1038 Urgent status |

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| **Market Rules Notes** |

Please note the baseline Protocol language in the following section(s) has been updated to reflect the incorporation of the following NPRR(s) into the Protocols:

* NPRR1016, Clarify Requirements for Distribution Generation Resources (DGRs) and Distribution Energy Storage Resources (DESRs) (incorporated 9/1/20)
  + Section 3.15

Please note the following NPRR(s) also propose revisions to the following sections:

* NPRR1005, Clarify Definition of Point of Interconnection (POI) and Add Definition Point of Interconnection Bus (POIB)
  + Section 3.15
* NPRR1026, BESTF-7 Self-Limiting Facilities and Self-Limiting Resources
  + Section 3.15
* NPRR1029, BESTF-6 DC-Coupled Resources
  + Section 3.15

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| Proposed Protocol Language Revision |

**3.15 Voltage Support**

(1) ERCOT, in coordination with the Transmission Service Providers (TSPs), shall establish and update, as necessary, the ERCOT System Voltage Profile and shall post it on the Market Information System (MIS) Secure Area. ERCOT, the interconnecting TSP, or that TSP’s agent, may modify the Voltage Set Point described in the Voltage Profile based on current system conditions.

(2) All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than 20 MVA or those units connected at the same Point of Interconnection (POI) that have gross generating unit ratings aggregating to greater than 20 MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).

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| ***[NPRR989 and NPRR1016: Replace applicable portions of paragraph (2) above with the following upon system implementation:]***  (2) All Generation Resources (including self-serve generating units) and Energy Storage Resources (ESRs) that are connected to Transmission Facilities and that have a gross unit rating greater than 20 MVA or those units connected at the same Point of Interconnection (POI) that have gross unit ratings aggregating to greater than 20 MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS). |

(3) Except as reasonably necessary to ensure reliability or operational efficiency, TSPs should utilize available static reactive devices prior to requesting a Voltage Set Point change from a Generation Resource.

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| ***[NPRR989: Replace paragraph (3) above with the following upon system implementation:]***  (3) Except as reasonably necessary to ensure reliability or operational efficiency, TSPs should utilize available static reactive devices prior to requesting a Voltage Set Point change from a Generation Resource or ESR. |

(4) Each Generation Resource required to provide VSS shall comply with the following Reactive Power requirements in Real-Time operations when issued a Voltage Set Point by a TSP or ERCOT:

(a) An over-excited (lagging or producing) power factor capability of 0.95 or less determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and for any Voltage Set Point from 0.95 per unit to 1.04 per unit, as measured at the POI;

(b) An under-excited (leading or absorbing) power factor capability of 0.95 or less, determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and for any Voltage Set Point from 1.0 per unit to 1.05 per unit, as measured at the POI;

(c) For any Voltage Set Point outside of the voltage ranges described in paragraphs (a) and (b) above, the Generation Resource shall supply or absorb the maximum amount of Reactive Power available within its inherent capability and the capability of any VAr-capable devices as necessary to achieve the Voltage Set Point;

(d) When a Generation Resource required to provide VSS is issued a new Voltage Set Point, that Generation Resource shall make adjustments in response to the new Voltage Set Point, regardless of whether the current voltage is within the tolerances identified in paragraph (4) of Nodal Operating Guide Section 2.7.3.5, Resource Entity Responsibilities and Generation Resource Requirements;

(e) Reactive Power capability shall be available at all MW output levels and may be met through a combination of the Generation Resource’s Unit Reactive Limit (URL), which is the generating unit’s dynamic leading and lagging operating capability, and/or dynamic VAr-capable devices. This Reactive Power profile is depicted graphically as a rectangle. For Intermittent Renewable Resources (IRRs), the Reactive Power requirements shall be available at all MW output levels at or above 10% of the IRR’s nameplate capacity. When an IRR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT, the interconnecting TSP, or that TSP’s agent may require an IRR to disconnect from the ERCOT System for purposes of maintaining reliability;

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| ***[NPRR989: Replace paragraph (4) above with the following upon system implementation:]***  (4) Each Generation Resource and ESR required to provide VSS shall comply with the following Reactive Power requirements in Real-Time operations when issued a Voltage Set Point by a TSP or ERCOT:  (a) An over-excited (lagging or producing) power factor capability of 0.95 or less determined at the unit's maximum net power to be supplied to the ERCOT Transmission Grid and for any Voltage Set Point from 0.95 per unit to 1.04 per unit, as measured at the POI;  (b) An under-excited (leading or absorbing) power factor capability of 0.95 or less, determined at the unit's maximum net power to be supplied to the ERCOT Transmission Grid and for any Voltage Set Point from 1.0 per unit to 1.05 per unit, as measured at the POI;  (c) For any Voltage Set Point outside of the voltage ranges described in paragraphs (a) and (b) above, the Generation Resource or ESR shall supply or absorb the maximum amount of Reactive Power available within its inherent capability and the capability of any VAr-capable devices as necessary to achieve the Voltage Set Point;  (d) When a Generation Resource or an ESR required to provide VSS is issued a new Voltage Set Point, that Generation Resource or ESR shall make adjustments in response to the new Voltage Set Point, regardless of whether the current voltage is within the tolerances identified in paragraph (4) of Nodal Operating Guide Section 2.7.3.5, Resource Entity Responsibilities and Generation Resource and Energy Storage Resource Requirements;  (e) For Generation Resources, the Reactive Power capability shall be available at all MW output levels and may be met through a combination of the Generation Resource’s Corrected Unit Reactive Limit (CURL), which is the generating unit’s dynamic leading and lagging operating capability, and/or dynamic VAr-capable devices. This Reactive Power profile is depicted graphically as a rectangle. For Intermittent Renewable Resources (IRRs), the Reactive Power requirements shall be available at all MW output levels at or above 10% of the IRR’s nameplate capacity. When an IRR is operating below 10% of its nameplate capacity and is unable to support voltage at the POI, ERCOT, the interconnecting TSP, or that TSP’s agent may require an IRR to disconnect from the ERCOT System for purposes of maintaining reliability. For ESRs, the Reactive Power capability shall be available at all MW levels, when charging or discharging, and may be met through a combination of the ESR’s CURL, and/or dynamic VAr-capable devices. For any ESR that achieved Initial Synchronization before December 16, 2019, the requirement to have Reactive Power capability when charging does not apply if the Resource Entity for the ESR has submitted a notarized attestation to ERCOT stating that, since the date of Initial Synchronization, the ESR has been unable to comply with this requirement without physical or software changes/modifications, and ERCOT has provided written confirmation of the exemption to the Resource Entity. The exemption shall apply only to the extent of the ESR’s inability to comply with the requirement when the ESR is charging. |

(5) As part of the technical Resource testing requirements prior to the Resource Commissioning Date, all Generation Resources must conduct an engineering study, and demonstrate through performance testing, the ability to comply with the Reactive Power capability requirements in paragraph (4), (7), (8), or (9) of this Section, as applicable. Any study and testing results must be accepted by ERCOT prior to the Resource Commissioning Date.

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| ***[NPRR989: Replace paragraph (5) above with the following upon system implementation:]***  (5) As part of the technical Resource testing requirements prior to the Resource Commissioning Date, all Generation Resources and ESRs must conduct an engineering study, and demonstrate through performance testing, the ability to comply with the Reactive Power capability requirements in paragraph (4), (7), (8), or (9) of this Section, as applicable. Any study and testing results must be accepted by ERCOT prior to the Resource Commissioning Date. |

(6) Except for a Generation Resource subject to Planning Guide Section 5.1.1, Applicability, a Generation Resource that has already been commissioned is not required to submit a new reactive study or conduct commissioning-related reactive testing, as described in paragraph (5) above.

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| ***[NPRR989: Replace paragraph (6) above with the following upon system implementation:]***  (6) Except for a Generation Resource or an ESR subject to Planning Guide Section 5.1.1, Applicability, a Generation Resource or an ESR that has already been commissioned is not required to submit a new reactive study or conduct commissioning-related reactive testing, as described in paragraph (5) above. |

(7) Wind-powered Generation Resources (WGRs) that commenced operation on or after February 17, 2004, and have a signed Standard Generation Interconnection Agreement (SGIA) on or before December 1, 2009 (“Existing Non-Exempt WGRs”), must be capable of producing a defined quantity of Reactive Power to maintain a set point in the Voltage Profile established by ERCOT in accordance with the Reactive Power requirements established in paragraph (4) above, except in the circumstances described in paragraph (a) below.

(a) Existing Non-Exempt WGRs whose current design does not allow them to meet the Reactive Power requirements established in paragraph (4) above must conduct an engineering study using the Summer/Fall 2010 on-peak/off-peak Voltage Profiles, or conduct performance testing to determine their actual Reactive Power capability. Any study or testing results must be accepted by ERCOT. The Reactive Power requirements applicable to these Existing Non-Exempt WGRs will be the greater of: the leading and lagging Reactive Power capabilities established by the Existing Non-Exempt WGR’s engineering study or testing results; or Reactive Power proportional to the real power output of the Existing Non-Exempt WGR (this Reactive Power profile is depicted graphically as a triangle) sufficient to provide an over-excited (lagging) power factor capability of 0.95 or less and an under-excited (leading) power factor capability of 0.95 or less, both determined at the WGR’s set point in the Voltage Profile established by ERCOT, and both measured at the POI.

(i) Existing Non-Exempt WGRs shall submit the engineering study results or testing results to ERCOT no later than five Business Days after its completion.

(ii) Existing Non-Exempt WGRs shall update any and all Resource Registration data regarding their Reactive Power capability documented by the engineering study results or testing results.

(iii) If the Existing Non-Exempt WGR’s engineering study results or testing results indicate that the WGR is not able to provide Reactive Power capability that meets the triangle profile described in paragraph (a) above, then the Existing Non-Exempt WGR will take steps necessary to meet that Reactive Power requirement depicted graphically as a triangle by a date mutually agreed upon by the Existing Non-Exempt WGR and ERCOT. The Existing Non-Exempt WGR may meet the Reactive Power requirement through a combination of the WGR’s URL and/or automatically switchable static VAr-capable devices and/or dynamic VAr-capable devices. No later than five Business Days after completion of the steps to meet that Reactive Power requirement, the Existing Non-Exempt WGR will update any and all Resource Registration data regarding its Reactive Power and provide written notice to ERCOT that it has completed the steps necessary to meet its Reactive Power requirement.

(iv) For purposes of measuring future compliance with Reactive Power requirements for Existing Non-Exempt WGRs, results from performance testing or the Summer/Fall 2010 on-peak/off-peak Voltage Profiles utilized in the Existing Non-Exempt WGR’s engineering study shall be the basis for measuring compliance, even if the Voltage Profiles provided to the Existing Non-Exempt WGR are revised for other purposes.

(b) Existing Non-Exempt WGRs whose current design allows them to meet the Reactive Power requirements established in paragraph (4) above (depicted graphically as a rectangle) shall continue to comply with that requirement. ERCOT, with cause, may request that these Existing Non-Exempt WGRs provide further evidence, including an engineering study, or performance testing, to confirm accuracy of Resource Registration data supporting their Reactive Power capability.

(8) Qualified Renewable Generation Resources (as described in Section 14, State of Texas Renewable Energy Credit Trading Program) in operation before February 17, 2004, required to provide VSS and all other Generation Resources required to provide VSS that were in operation prior to September 1, 1999, whose current design does not allow them to meet the Reactive Power requirements established in paragraph (4) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource’s URL that was submitted to ERCOT and established per the criteria in the ERCOT Operating Guides.

(9) New generating units connected before May 17, 2005, whose owners demonstrate to ERCOT’s satisfaction that design and/or equipment procurement decisions were made prior to February 17, 2004, based upon previous standards, whose design does not allow them to meet the Reactive Power requirements established in paragraph (4) above, will be required to maintain a Reactive Power requirement as defined by the Generation Resource’s URL that was submitted to ERCOT and established per the criteria in the Operating Guides.

(10) For purposes of meeting the Reactive Power requirements in paragraphs (4) through (9) above, multiple generation units including IRRs shall, at a Generation Entity’s option, be treated as a single Generation Resource if the units are connected to the same transmission bus.

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| ***[NPRR989: Replace paragraph (10) above with the following upon system implementation:]***  (10) For purposes of meeting the Reactive Power requirements in paragraphs (4) through (9) above, multiple units including IRRs shall, at a Resource Entity’s option, be treated as a single Resource if the units are connected to the same transmission bus. |

(11) Generation Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (4) above by employing a combination of the URL and added VAr capability, provided that the added VAr capability shall be automatically switchable static and/or dynamic VAr devices. A Generation Resource and TSP may enter into an agreement in which the proposed static VAr devices can be switchable using Supervisory Control and Data Acquisition (SCADA). ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision.

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| ***[NPRR989: Replace paragraph (11) above with the following upon system implementation:]***  (11) Resource Entities may submit to ERCOT specific proposals to meet the Reactive Power requirements established in paragraph (4) above by employing a combination of the CURL and added VAr capability, provided that the added VAr capability shall be automatically switchable static and/or dynamic VAr devices. A Resource Entity and TSP may enter into an agreement in which the proposed static VAr devices can be switchable using Supervisory Control and Data Acquisition (SCADA). ERCOT may, at its sole discretion, either approve or deny a specific proposal, provided that in either case, ERCOT shall provide the submitter an explanation of its decision. |

(12) A Generation Resource and TSP may enter into an agreement in which the Generation Resource compensates the TSP to provide VSS to meet the Reactive Power requirements of paragraph (4) above in part or in whole. The TSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (4).

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| ***[NPRR989: Replace paragraph (12) above with the following upon system implementation:]***  (12) A Resource Entity and TSP may enter into an agreement in which the Generation Resource or ESR compensates the TSP to provide VSS to meet the Reactive Power requirements of paragraph (4) above in part or in whole. The TSP shall certify to ERCOT that the agreement complies with the Reactive Power requirements of paragraph (4). |

(13) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement or modification.

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| ***[NPRR989: Replace paragraph (13) above with the following upon system implementation:]***  (13) Unless specifically approved by ERCOT, no unit equipment replacement or modification at a Generation Resource or ESR shall reduce the capability of the unit below the Reactive Power requirements that applied prior to the replacement or modification. |

(14) Generation Resources shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT unless equipment damage is imminent.

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| ***[NPRR989: Replace paragraph (14) above with the following upon system implementation:]***  (14) Generation Resources or ESRs shall not reduce high reactive loading on individual units during abnormal conditions without the consent of ERCOT unless equipment damage is imminent. |

(15) All WGRs must provide a Real-Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real-Time SCADA points that communicate to ERCOT the following:

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| ***[NPRR989: Replace paragraph (15) above with the following upon system implementation:]***  (15) All WGRs must provide a Real-Time SCADA point that communicates to ERCOT the number of wind turbines that are available for real power and Reactive Power injection into the ERCOT Transmission Grid. WGRs must also provide two other Real-Time SCADA points that communicate to ERCOT the following: |

(a) The number of wind turbines that are not able to communicate and whose status is unknown; and

(b) The number of wind turbines out of service and not available for operation.

(16) All PhotoVoltaic Generation Resources (PVGRs) must provide a Real-Time SCADA point that communicates to ERCOT the capacity of PhotoVoltaic (PV) equipment that is available for real power and/or Reactive Power injection into the ERCOT Transmission Grid. PVGRs must also provide two other Real-Time SCADA points that communicate to ERCOT the following:

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| ***[NPRR989: Replace paragraph (16) above with the following upon system implementation:]***  (16) All PhotoVoltaic Generation Resources (PVGRs) must provide a Real-Time SCADA point that communicates to ERCOT the capacity of PhotoVoltaic (PV) equipment that is available for real power and Reactive Power injection into the ERCOT Transmission Grid. PVGRs must also provide two other Real-Time SCADA points that communicate to ERCOT the following: |

(a) The capacity of PV equipment that is not able to communicate and whose status is unknown; and

(b) The capacity of PV equipment that is out of service and not available for operation.

(17) For the purpose of complying with the Reactive Power requirements under this Section 3.15, Reactive Power losses that occur on privately-owned transmission lines behind the POI may be compensated by automatically switchable static VAr-capable devices.