

December 10, 2020

Public Utility Commission of Texas
Chairman DeAnn T. Walker
Commissioner Arthur C. D’Andrea
Commissioner Shelly Botkin
1701 N. Congress Ave.
Austin, Texas 78711

Re: PUC Project No. 48540, Review of Real-Time Co-optimization in the ERCOT Market,
Update on the Real-Time Co-Optimization Project

Dear Chairman and Commissioners:

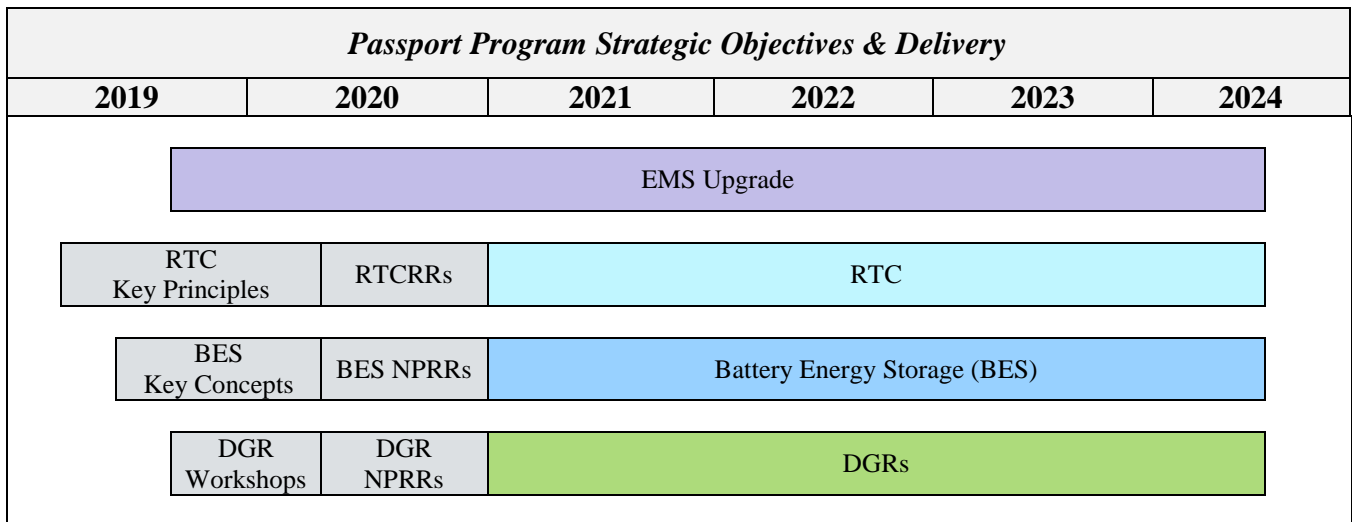
In an effort to keep the Public Utility Commission of Texas (Commission) apprised of current developments and goals with respect to the implementation of Real-Time Co-optimization (RTC), Electric Reliability Council of Texas, Inc. (ERCOT) files this letter to provide the Commission with an update concerning the progress of the RTC project and its implementation.

To date, the RTC project has met all scheduled milestones, and although there is still much to do to ensure timely implementation, the project remains on track to be delivered in 2024. On December 8, 2020, the ERCOT Board of Directors (Board) approved RTC Nodal Protocol Revision Requests and Other Binding Document (OBD) Revision Requests (RTCRRs).

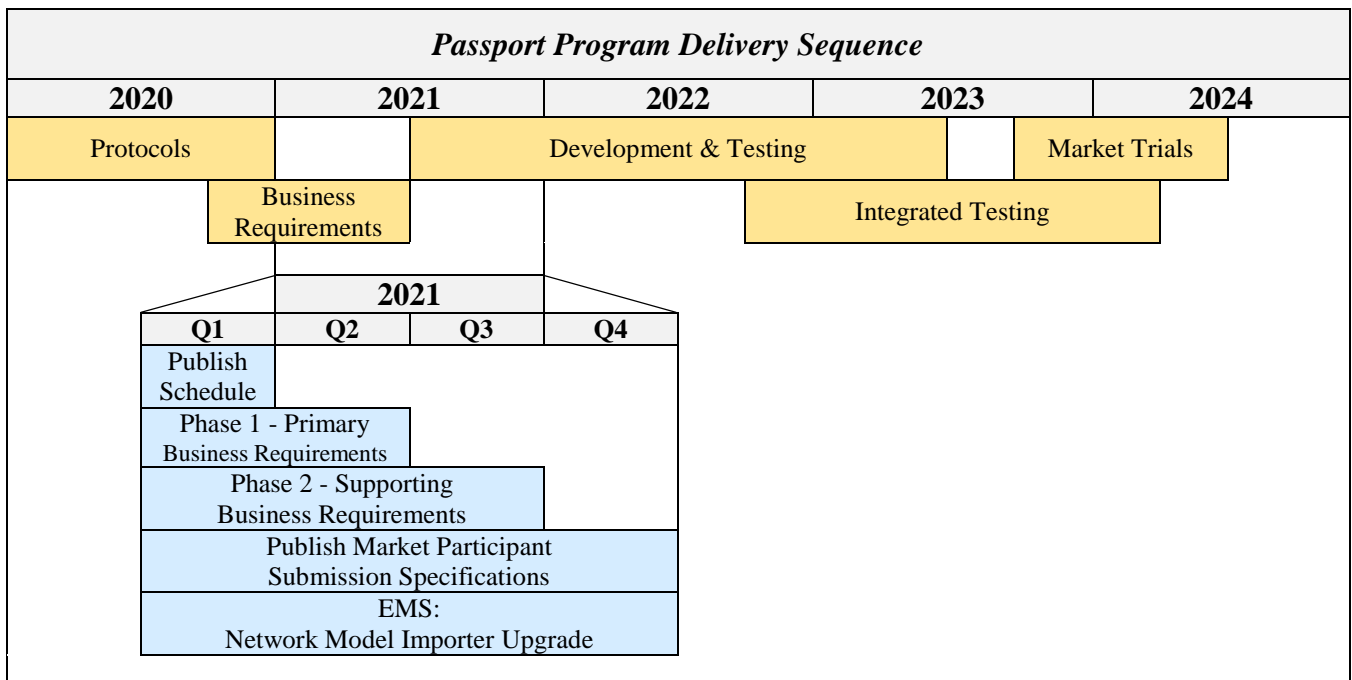
Throughout development of the RTC project, ERCOT has strategically aligned the RTC market design with ERCOT’s in-flight project to upgrade its Energy Management System (EMS), which is targeted to be delivered by summer 2024. EMS is a system of computer-aided tools used by ERCOT operations to monitor and control generation and transmission on the ERCOT System; it is a core ERCOT IT system upon which many of ERCOT’s primary duties under the Public Utilities Regulatory Act (PURA) are executed. The EMS upgrade is designed to ensure alignment with EMS vendor support requirements, and incorporate the necessary changes to adapt to the growth of new and changing resource technologies on the ERCOT System (e.g., Energy Storage Resources (ESRs) and Distribution Generation Resources (DGRs)).

Alignment of RTC implementation with the EMS upgrade allows for the consideration of the requirements and risks associated with the accommodation of the changing resource mix. For example, during the development of the RTCRRs, ERCOT and stakeholders also developed NPRRs to accommodate short-term and long-term solutions to meet reliability requirements and market design needs of ESRs and DGRs. Recognizing the significance of the need to consider the strategy and scope of the implementation of RTC along with efforts to accommodate ESRs and changes to DGRs, ERCOT created a single program to monitor and coordinate these major projects with the EMS upgrade—i.e., the Passport Program.

Thus far, through the Passport Program, ERCOT has developed a schedule of the work needed for implementation of RTC and the projects mentioned herein at the time the EMS upgrade is positioned to go live—i.e., 2024 Q2.



In early 2021, ERCOT will publish and maintain an integrated Passport Program schedule to reflect the details of planned work, short-term and long-term milestones, and expected dates for market trials. ERCOT will continue to work closely with stakeholders, and provide the Commission with updates concerning the Passport Program’s progress, and any issues that may have an impact on deliverables.



As always, ERCOT stands ready to address any questions the Commission may have regarding the implementation of RTC in the ERCOT market.

Sincerely,

/s/ Chad V. Seely
 Chad V. Seely
 Vice President and General Counsel