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| NPRR Number | [1053](http://www.ercot.com/mktrules/issues/nprr1053) | NPRR Title | BESTF-9 Exemption from Ancillary Service Supply Compliance Requirements for Energy Storage Resources Affected by EEA Level 3 Charging Suspensions |
| Date of Decision | | February 9, 2021 | |
| Action | | Approved | |
| Timeline | | Normal | |
| Effective Date | | March 1, 2021 | |
| Priority and Rank Assigned | | Not applicable | |
| Nodal Protocol Sections Requiring Revision | | 8.1.1.3, Ancillary Service Capacity Compliance Criteria | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) establishes an exemption from Ancillary Service supply compliance requirements for any Qualified Scheduling Entity (QSE) representing an Energy Storage Resource (ESR) whose ability to charge is restricted during an Energy Emergency Alert (EEA) Level 3 event.  The NPRR clarifies that the compliance exemption does not impact the QSE’s financial responsibility due to the Ancillary Service insufficiency.  Upon implementation of the Real-Time Co-optimization (RTC) Project, these provisions will no longer be necessary, and the language inserted by this NPRR will be removed. | |
| 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 | | Subsection (m) of P.U.C. Subst. R. 25.501, Wholesale Market Design for the Electric Reliability Council of Texas, states: “The owner or operator of electric storage equipment or facilities shall not make purchases of electricity for storage during a system emergency declared by ERCOT unless ERCOT directs that such purchases occur.” As a result of this restriction, during an EEA Level 3 event (and potentially after such an event) an ESR may not be able to follow an Ancillary Service instruction or maintain a state of charge that would ensure the Resource has the capability to meet its Ancillary Service Resource Responsibility. Given this possibility, this NPRR establishes conditions that must be met in order for the QSE to not be considered out of compliance for failure to provide Ancillary Service.  This NPRR is written to be consistent with Key Topic and Concept (KTC) 15-7, 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 NPRR1053 and do not believe that it requires changes to credit monitoring activity or the calculation of liability. | |
| PRS Decision | | On 12/10/20, PRS unanimously voted via roll call to recommend approval of NPRR1053 as amended by the 12/8/20 ERCOT comments. All Market Segments were present for the vote.  On 1/14/21, PRS voted via roll call to endorse and forward to TAC the 12/10/20 PRS Report and Impact Analysis for NPRR1053. There was one abstention from the Independent Power Marketer (IPM) (Morgan Stanley) Market Segment. All Market Segments were present for the vote. | |
| Summary of PRS Discussion | | On 12/10/20, ERCOT Staff provided an overview of NPRR1053, and participants reviewed the 12/8/20 ERCOT comments.  On 1/14/21, there was no discussion. | |
| TAC Decision | | On 1/27/21, TAC unanimously voted via roll call to recommend approval of NPRR1053 as recommended by PRS in the 1/14/21 PRS Report. All Market Segments were present for the vote. | |
| Summary of TAC Discussion | | On 1/27/21, there was no discussion. | |
| ERCOT Opinion | | ERCOT supports approval of NPRR1053. | |
| Board Decision | | On 2/9/21, the ERCOT Board approved NPRR1053 as recommended by TAC in the 1/27/21 TAC Report. | |

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| Cell Number |  |
| Market Segment | Not applicable |

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| **Comments Received** | |
| Comment Author | **Comment Summary** |
| ERCOT 120820 | Clarified when a QSE must inform ERCOT of its inability to comply with its Ancillary Service Resource Responsibility in order to qualify for the compliance exemption |

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| **Market Rules Notes** |

Please note the baseline Protocol language in Section 8.1.1.3 has been updated to reflect the incorporation of the following NPRR(s) into the Protocols:

* NPRR1011, RTC – NP8: Performance Monitoring (incorporated 1/1/21)

Please note the following NPRR(s) also propose revisions to Section 8.1.1.3:

* NPRR1040, Compliance Metrics for Ancillary Service Supply Responsibility

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| Proposed Protocol Language Revision |

8.1.1.3 Ancillary Service Capacity Compliance Criteria

(1) ERCOT shall provide each QSE representing Resources a capacity summary containing as a minimum the same general information required in Section 6.5.7.5, Ancillary Services Capacity Monitor, except specific to only the QSE. The summary shall be updated with calculations every ten seconds by ERCOT and then provided to the QSE every five minutes using the MIS Certified Area.

(2) ERCOT shall continuously measure the overall performance of each QSE in providing each Ancillary Service by comparing the sum of each of the QSE’s Resources’ telemetered Ancillary Services Resource Responsibility with the QSE’s total Ancillary Service responsibility. If the comparison indicates the QSE is not providing sufficient capacity to meet its Ancillary Services responsibility, ERCOT shall notify the QSE via the MIS Certified Area.

(3) The QSE, within ten minutes of receiving the insufficient capacity notification from ERCOT, the QSE must:

(a) If due to a telemetry issue, correct the telemetered Ancillary Services Resource Responsibility to provide sufficient capacity; or

(b) Must provide both appropriate justification for not satisfying their Ancillary Service Obligation and a plan to correct the shortfall that is acceptable with the ERCOT operator. ERCOT shall report non-compliance of Ancillary Service capacity requirements to the Reliability Monitor for review.

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| [NPRR1011: Delete paragraphs (2) and (3) above upon system implementation of the Real-Time Co-Optimization (RTC) project.] |

(4) A QSE for an Energy Storage Resource (ESR) that is, was, or will be unable to meet its Ancillary Service Resource Responsibility due to a charging restriction during an EEA Level 3 event shall inform ERCOT of this inability no later than one hour after the end of the EEA Level 3 event. Upon providing such notification, the QSE shall be deemed to have complied with its Ancillary Service Supply Responsibility for a time period following the EEA Level 3 event that is equal to the duration of the suspended charging period during the EEA Level 3 event. However, nothing in this paragraph exempts the QSE from any charge under Section 6.7.3, Charges for Ancillary Service Capacity Replaced Due to Failure to Provide, or any other Settlement consequence due to the Ancillary Service insufficiency.

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| [NPRR1053: Delete paragraph (4) above upon system implementation of the Real-Time Co-optimization (RTC) Project:] |