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| **NPRR Number** | [**1087**](http://www.ercot.com/mktrules/issues/NPRR1087) | **NPRR Title** | **Prohibit of Critical Loads and Generation Resource Support Loads as Load Resources or ERS Resources** |
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| **Date** | August 9, 2021 |
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| **Submitter’s Information** |
| **Name** | Vincent DiCosimo |
| **E-mail Address** | vdicosimo@targaresources.com |
| **Company** | Targa Resources |
| **Phone Number** | 713-584-1000 |
| **Market Segment** | Industrial Consumer |

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| **Comments** |

Targa Resources (“Targa”) appreciates the opportunity to comment on Nodal Protocol Revision Request (NPRR) 1087 and ERCOT’s efforts to implement a revised Nodal Protocol while the terms of Senate Bill (SB) 3 are addressed through the rulemaking process at the Public Utility Commission of Texas (PUCT) and the Railroad Commission of Texas (RRC). Targa supports the comments filed by Pioneer Resources, as well as comments reflected in Enel X, Texas Industrial Energy Consumers (TIEC), and Enchanted Rock’s comments.

Targa believes these comments accomplish ERCOT’s goal of limiting participation in Demand response programs in a manner that aligns with the objectives of the forthcoming PUCT and RRC rulemakings and avoids an overbroad, exclusionary process that could result in adverse impacts, such as an increase in the amount of involuntary Load shed.

1. Targa supports ERCOT’s efforts to adjust Protocol language given the forthcoming PUC and RRC natural gas supply chain mapping process to identify which facilities or infrastructure in the natural gas supply chain should be considered as Critical Load. To ensure consistency with the forthcoming PUCT and RRC rulemakings in furtherance of SB 3, Targa respectfully recommends the following:
	1. Remove the definitional language in the NPRR reciting the PUCT’s existing “Critical Load” rule, which will be modified by the forthcoming regulations to be implemented in furtherance of SB 3. Instead, Targa recommends the rule include a reference to applicable regulatory provisions to be revised during the PUCT and RRC rulemakings. This will ensure future changes will automatically be incorporated, and additional definition changes will not be required each time the rule language is amended. This approach minimizes potential conflicts, is clearer to the market and reduces the need for future NPRRs as the rule language is updated.
	2. Remove the definitional language in the NPRR for “Generation Resource Support Load.” As noted above, the PUCT and the RRC are required by SB 3 to conduct a supply chain mapping process to identify which facilities in the natural gas supply chain will be required to register as “Critical.” Once identified and registered, these facilities will be included under the “Critical” designation. Targa does not believe it is appropriate for ERCOT to implement an approach that is different from SB 3 as an interim step and that this issue should remain in the PUCT’s and RRC’s purview.
	3. Insert an effective date for the NPRR that tracks the effective date in the forthcoming PUCT and RRC regulations promulgated in furtherance of SB 3. In SB 3, Section 4, Subchapter C, Chapter 81, Natural Resources Code is amended by adding Section 81.073 to read as follows:

“The commission shall collaborate with the Public Utility Commission of Texas to adopt rules to establish a process to designate certain natural gas facilities and entities associated with providing natural gas in this state as critical customers or critical gas suppliers during energy emergencies.”

As such, Targa would suggest NPRR1087 become effective at the time if consistent with and only upon the final collaboration. Similar to the recommendation above, this approach minimizes potential conflicts, is clearer to the market, and reduces the need for future NPRRs as the rule language is updated.

1. Targa supports avoidance of a separate categorical prohibition on any natural gas facilities qualifying as a Load Resource or Emergency Response Service (ERS) Resource that is overly broad and may have unanticipated adverse impacts on the strategic goals of ERCOT. As ERCOT considers limiting the sites or Loads it will allow to support the reliable operations of the ERCOT grid through their participation as Load Resources or ERS Resources, it is important that ERCOT not inadvertently increase the likelihood that it will be required to call for involuntary Load shed. Targa is concerned that the broad scope of ERCOT’s proposed changes in NPRR1087 could have just that effect.

Both Load Resources and ERS Resources offer their ability to reduce their electricity demand from the grid to help maintain reliable operations for the rest of the Customers on the grid. In the case of ERS, when these Customers are deployed and reduce their demand burden on the grid, they may be (and have proven to be in prior years) a key tool to avoid the need for ERCOT to go the next step and order firm Load shed. Even when ERCOT is faced with the need to require firm Load shed, the dispatch of these Resources reduces the amount of involuntary Load shed that is required. With these considerations in mind, Targa respectfully contends that ERCOT can better ensure reliable operations of the grid by targeted changes in eligibility to address the issues at hand rather than the broader approach as reflected in NPRR1087 as filed.

1. Has ERCOT assessed the impact of lost Load and ERS Resources on total Resource capacity that can provide Ancillary Service and ERS?
2. Targa respectfully contends that the NPRR may be overbroad in the following manner:
	1. Multiple Loads behind a single meter: Targa agrees with Enel X and Pioneer that multiple Loads may be located behind a single Electric Service Identifier (ESI ID) and that not all Loads may be critical. Additionally, Targa believes that Customers with both critical and non-critical Loads should remain eligible to participate as Load Resources and ERS Resources, even when served by the same meter or ESI ID as a critical Load.
	2. Ability to fulfill critical infrastructure responsibilities: Targa recommends that the proposed Protocol language be revised to continue to allow “Critical Load” customer facilities to participate as Load Resources or ERS Resources if they are able to fulfill their critical infrastructure responsibilities as designated by the PUCT and RRC while participating in these critical demand-side market programs in order to help ensure reliability of the ERCOT grid.

Many critical infrastructure Customers who participate as Load Resources and ERS Resources in ERCOT maintain curtailment plans to ensure that essential operations continue during voluntary and involuntary emergency events. Whether it be through backup generation or the implementation of detailed curtailment plans targeting non-essential (or non-critical) Loads at these sites, these Customers understand how to balance their concurrent, essential obligations to both society and these market programs. A “Critical Infrastructure” designation should be leveraged by Transmission / Distribution Service Providers (TDSPs) and ERCOT when faced with the need to employ rotating outages but should not exclude those Customers from also being able to curtail capacity for ERS or as a Load Resource. This may also avoid the need for ERCOT to differentiate between critical Load and non-critical Load while implementing forced Load shed.

Targa shares ERCOT’s objective to ensure that Critical Loads can participate as a Load Resource or ERS Resource without impacting critical industrial or public safety functions.

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| **Revised Cover Page Language** |

None.

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| Revised Proposed Protocol Language |

None.