



**Date:** October 15, 2021  
**To:** Board of Directors  
**From:** Clif Lange, Technical Advisory Committee (TAC) Chair  
**Subject:** Application for Permanent Site-Specific Exemption from Compliance with Paragraph (6) of Protocol Section 10.3.2.3, Generation Netting for ERCOT-Polled Settlement Meters

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors Meeting Date:** October 22, 2021

**Item No.:** 3.2

**Issue:**

Whether the ERCOT Board of Directors (Board) should approve NRG Texas Power LLC's (NRG's) application for permanent site-specific exemption from compliance with paragraph (6) of Protocol Section 10.3.2.3, Generation Netting for ERCOT-Polled Settlement Meters.

**Background/History:**

Paragraph (6) of Protocol Section 10.3.2.3 provides:

- (6) *For purposes of this Section, a common switchyard is defined as an electric substation Facility where the POI for Load and Generation Resources are located at the same Facility but where the interconnection points are physically not greater than 400 yards apart. The physical connections of the Load to its POI and the Generation Resource to its POI cannot be Facilities that have been placed in a TSP's or DSP's rate base.*

On September 29, 2021, TAC unanimously recommended approval of NRG's application for a permanent exemption under the provisions of and in accordance with the information and data requirements found in paragraph (1) of Protocol Section 10.14.3.1, Information to be Included in the Application. Each of the requirements and a summary of the associated portions of the application are as follows:

*The application for exemption to ERCOT shall include:*

- (a) *A detailed description of the exemption sought, including specific reference to the relevant Section(s) of these Protocols or the SMOG authorizing ERCOT to grant the exemption, and the Metering Facilities to which the exemption will apply;*

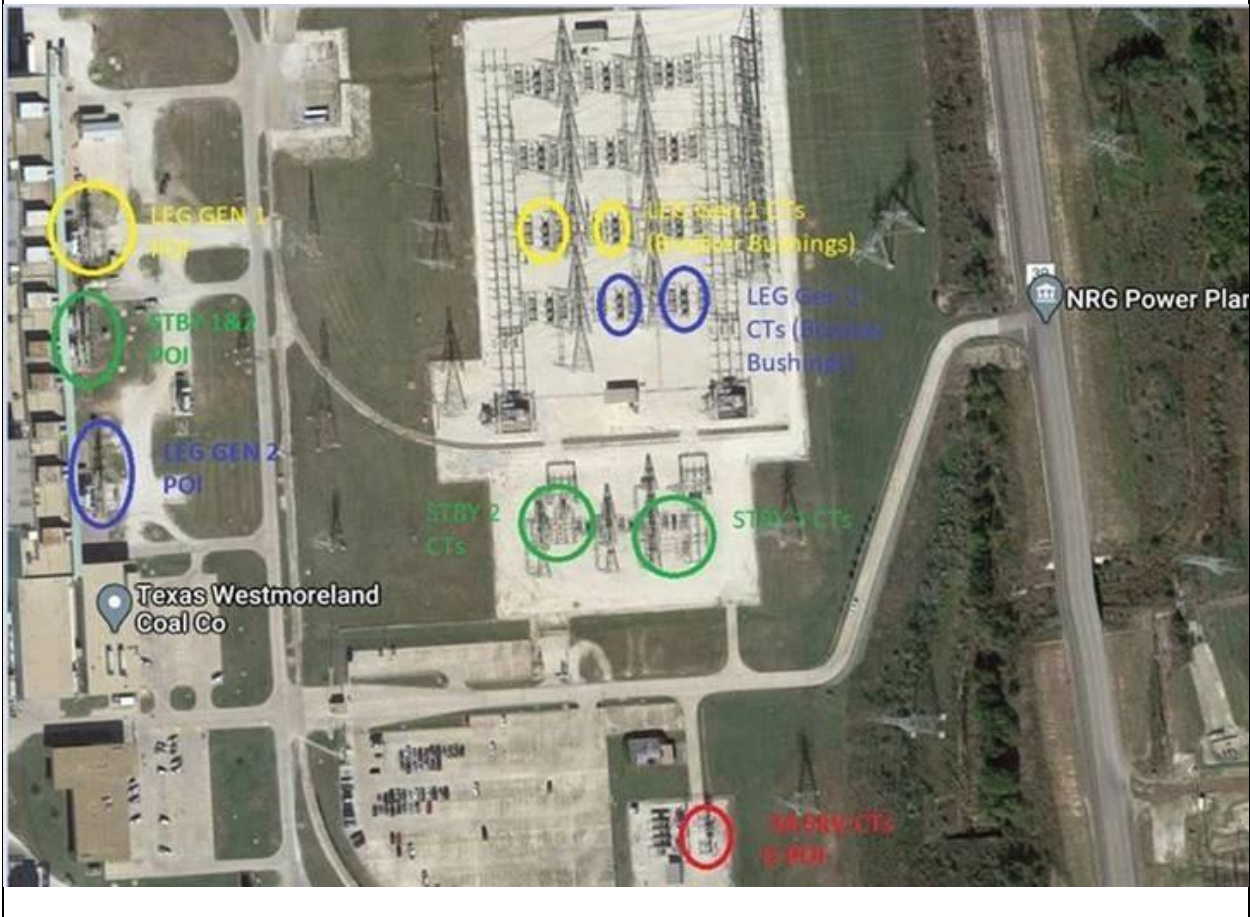
NRG seeks approval by TAC and the Board for a permanent exemption from the requirements in paragraph (6) of Protocol Section 10.3.2.3 for the Limestone

Generating Station including all 6 ERCOT-Polled Settlement (EPS) Meter points at the site (TDSP Project # 100-LEG).

- LEG Gen 1
- LEG Gen 2
- LEG Standby 1
- LEG Standby 2
- LEG 35Kv Trf 1
- LEG 35Kv Trf 2

(b) A detailed statement of the reason for seeking the exemption, including any supporting documentation;

The Limestone Generating Station is wholly owned by NRG Texas Power LLC and is situated in Limestone County. With a combined name plate capacity of approximately 1,660 MW, consisting of 2 coal-fired generating units, Limestone went into commercial operation in 1985. With the generation resource being 36 years old, the station predates not only the ERCOT Nodal Market, but also the de-regulation of the wholesale electricity market in Texas.



The station has always been registered as a single facility, is settled under a single settlement statement, has 6 points of interconnection (POIs), and one metering facility Design Proposal. The Design Proposal pertaining to the EPS metering facility (TDSP Project # 100-LEG) has been conditionally approved by ERCOT.

Paragraph (6) of Protocol Section 10.3.2.3, allows the use of net metering for a facility with multiple Points of Interconnection (POIs), provided that the POIs are physically within 400 yards (*i.e.*, common switchyard). Following a review of the metering facilities at Limestone by the ERCOT metering department and CenterPoint Energy, it was determined that the distance between the two farthest POIs at the site was approximately 1,370 feet, or 457 yards. Therefore, NRG requests the exemption to comply with the 400-yard rule in paragraph (6) of Protocol Section 10.3.2.3.



(c) *Details of the Entity(s) to which the exemption will apply;*



The exemption will apply to NRG as the registered Resource Entity and Qualified Scheduling Entity (QSE) for the Limestone Generating Station.

*(d) Details of the location to which the exemption will apply;*

The location to which the exemption will apply is the Limestone Generating Station located at 3964 FM 39, Jewett, TX, 75846 and includes all 6 EPS meter points at the site (reference TDSP Project # 100-LEG).

*(e) Details of the period of time for which the exemption will apply, including the proposed start and finish dates of that period; and*

The permanent exemption will start upon the date of approval by the Board. There is no end date to this exemption.

*(f) Any other information requested by ERCOT.*

Besides satisfying the requirements in Protocol Section 10.14, Exemptions from Compliance to Metering Protocols, this exemption request also addresses questions posed in “ERCOT’s General Guidelines for Considering ERCOT Polled Settlement (EPS) Metering Facility Exemptions,” which is posted on the Market Information System (MIS).

The proposed exemption does not introduce any known metering inaccuracies, as it merely continues the existing practice of netting generation and auxiliary loads at the site. There are also no changes or impacts to the ERCOT settlements processes expected from the proposed exemption.

NRG has worked with ERCOT and CenterPoint Energy on this permanent metering exemption request, and they both provided information to support the proposed exemption. ERCOT has conditionally approved the Design Proposal pertaining to this EPS metering facility (reference TDSP Project # 100-LEG).

**Key Factors Influencing Issue:**

On September 29, 2021, TAC unanimously voted to recommend approval of NRG’s application for permanent site-specific exemption from compliance with paragraph (6) of Protocol Section 10.3.2.3.

**Conclusion/Recommendation:**

As more specifically described above, TAC recommends that the Board approve NRG’s application for permanent site-specific exemption from compliance with paragraph (6) of Protocol Section 10.3.2.3.





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

WHEREAS, paragraph (6) of Section 10.3.2.3 of the Electric Reliability Council of Texas, Inc. (ERCOT) Protocols impose requirements related to generation netting for Generation Resource Facilities;

WHEREAS, NRG Texas Power LLC (NRG) has submitted a permanent site-specific exemption application from compliance with paragraph (6) of Protocol Section 10.3.2.3 for the Metering Facilities at the Limestone Generating Station;

WHEREAS, the ERCOT Board of Directors (Board) concurs with the September 29, 2021 Technical Advisory Committee (TAC) recommendation to approve NRG's permanent site-specific exemption application; and

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to approve NRG's application for permanent site-specific exemption;

THEREFORE, BE IT RESOLVED, that the ERCOT Board hereby approves NRG's application for permanent site-specific exemption from compliance with paragraph (6) of Protocol Section 10.3.2.3 for the Limestone Generating Station, including all six ERCOT-Polled Settlement (EPS) Meter points at the site, TDSP Project Number 100-LEG, Meter IDs: LEG Gen 1, LEG Gen 2, LEG Standby 1, LEG Standby 2, LEG 35Kv Trf 1, and LEG 35Kv Trf 2.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Jonathan Levine, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its October 22, 2021 meeting, the Board passed a motion approving the above Resolution by \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of October 2021.

\_\_\_\_\_  
Jonathan Levine  
Assistant Corporate Secretary