NOGRR Comments

NOGRR Number	149	NOGRR Title	Revision to Definition of Transmission Operator

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Market Segment	Not applicable

Comments

Electric Reliability Council of Texas, Inc. (ERCOT) provides the following comments to assist the ERCOT Board of Directors (Board) in their consideration of the appeal of Nodal Operating Guide Revision Request (NOGRR) 149, Revision to Definition of Transmission Operator.

Background regarding Transmission Operator (TO) Responsibilities

The Nodal Operating Guide requires every Transmission Service Provider (TSP) or Distribution Service Provider (DSP) in the ERCOT Region to either register as a Transmission Operator (TO), or designate a TO as its representative with the authority to act on its behalf.[1]

Section 3.7 of the Nodal Operating Guide establishes certain basic duties applicable to all TOs.[2] Those responsibilities include:

- Performing the physical operation of the ERCOT Transmission Grid, including circuit breakers, switches, voltage control equipment, protective relays, metering and Load shedding equipment;
- Directing changes in the operation of transmission voltage control equipment per Section 2.7.3, Real-Time Operational Voltage Control;
- Managing Voltage Profiles established by ERCOT per Section 2.7.3; and

[1] *See* Nodal Operating Guide Section 1.4, *Definitions*.
[2] There are additional responsibilities applicable to TOs that represent Transmission Facilities. However, the Small Public Power Group of Texas (SPPG) members claim that they do not own any transmission facilities.

- Taking those additional actions required to prevent an imminent Emergency Condition or to restore the ERCOT Transmission Grid to a secure state in the event of a system emergency.

Many of these general duties are implicated in numerous specific sections relating to emergency conditions, such as Energy Emergency Alert (EEA) or Black Start events. During a declared system emergency, ERCOT may instruct TOs and Qualified Scheduling Entities (QSEs) to take specific operating actions that would otherwise be discretionary to assure that necessary actions are taken to maintain reliability.[3] During all stages of emergency events, TOs and QSEs are typically ERCOT's point of contact for communications about an Operating Condition Notice (OCN); Advisory; Watch; and Emergency Notice regarding Emergency Conditions.[4]

Load shed obligations are established at the DSP level. The Nodal Operating Guide requires that the Entity representing a DSP regarding Load shed obligations (the TO) must have 24x7 operations and Hotline communications with ERCOT and control over breakers.[5] ERCOT requires a Wide Area Network (WAN) connection as the means for conducting 24x7 and Hotline communications. As a result, all TOs are required to establish a WAN connection with ERCOT, which involves the purchase of specific equipment and testing as required by ERCOT.

The TO personnel are required to participate in thirty-two (32) hours per year of training and drills on system emergencies.[6] Such training typically includes topics like system operations, emergency simulations, severe weather, and Black Start.[7]

ERCOT Staff Input Regarding the Impact of NOGRR149

The exemption proposed in NOGRR149 – in other words, the exclusion of certain DSPs from the ERCOT Load Shed Table – would not in itself cause a risk to ERCOT's ability to maintain reliability of the ERCOT System.[8] If a DSP has not designated a TO, ERCOT is not able to assign any load shed obligation to that DSP in the ERCOT Load Shed Table[9] because ERCOT does not have a means of communicating load shed instructions to that DSP through a designated TO. As a result, the load shed obligation that would be assigned to non-compliant DSPs is currently spread proportionately across the ERCOT Load Shed Table amongst the compliant DSPs that have designated a TO.

If the appeal of NOGRR 149 were granted, then there are other DSPs who would qualify for the exemption from the obligation to designate a TO and therefore the obligation for load shed responsibility. There are approximately fifty-three (53) DSPs in the ERCOT Region with total peak loads that would fall beneath the 25 MW cutoff that could potentially be eligible for the

[3] *See* Nodal Operating Guide Section 4.1, *Emergency Operations, Introduction.*
[4] *See* Nodal Operating Guide Section 4.2, *Communication Under Emergency Condition.*
[5] *See* Nodal Operating Guide Section 4.5.3.4, *Load Shed Obligation.*
[6] *See* Nodal Operating Guide Section 1.5.2, System Operator Training Requirements.
[7] *See* Nodal Operating Guide Section 1.5.2, System Operator Training Requirements.
[8] PUC Substantive Rule 25.200(a) provides that ERCOT "shall direct non-discriminatory emergency load shedding and curtailment procedures for responding to emergencies on the transmission system in accordance with ERCOT protocols." Section 4.5.3.4 of the Nodal Operating Guide states that the "[o]bligation for Load shed is by DSP."
[9] *See* Nodal Operating Guide Section 4.5.3.4, *Load Shed Obligation.*

exemption. The proposed exemption would not apply to a DSP that is registered with the North American Electric Reliability Corporation (NERC) – regardless of its total peak load – because such a DSP would have separate obligations under the NERC Reliability Standards (e.g., COM-001-3) to maintain certain communication abilities with ERCOT, which are achieved through the TO. The cumulative peak load of all the fifty-three (53) DSPs that could potentially be exempt under NOGRR149 from the obligation to designate a TO is approximately 600 MW. If all 53 DSPs availed themselves of this exemption, then the remaining eligible DSPs will share in a larger proportional increase under the ERCOT Load Shed Table when ERCOT directs a load shed obligation to the designated TOs.

Revised Cover Page Language

None

Revised Proposed Guide Language

None