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| NPRR Number | [1105](https://www.ercot.com/mktrules/issues?id=639207ae-56d2-3564-a1c5-0923796c08b5) | NPRR Title | Option to Deploy Distribution Voltage Reduction Measures Prior to Energy Emergency Alert (EEA) |
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| Date | | November 23, 2021 | |
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| Submitter’s Information | | | |
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| Market Segment | | Municipal | |

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| Comments |

CPS Energy submits these comments to raise concerns that would have normally been identified and vetted throughout the stakeholder process. Normally the stakeholder process would have allowed for due diligence at the appropriate subcommittee and working group level where focused technical discussions would have allowed for the opportunity to identify any unintended consequences and policy nuances. Given the accelerated timeline of this proposal we feel the need to raise our technical and policy issues via these comments at the next Technical Advisory Committee (TAC) meeting on November 29, 2021.

We feel that the programs that this Nodal Protocol Revision Request (NPRR) is intended to include are voltage reduction measures of the investor owned Transmission and Distribution Utilities (TDUs). There are regulatory requirements that govern the funding and operation of these TDU programs which may require Public Utility Commission of Texas (PUCT) rules and ERCOT Protocols to be changed to allow for their operations to be changed. The language in this NPRR seems to accomplish this by referring to all “distribution voltage reduction measures”, but it is this broad language that seems to unintentionally include the market-based Demand response resources that a Municipally Owned Utility (MOU) can use to manage its costs of power supply for its customers. MOU programs are funded by customer rates and operated by the utility on behalf of our customers. These Demand response programs follow pricing signals to trigger their deployment which is a parameter typically determined by the Qualified Scheduling Entity (QSE) or the market facing department within the MOU which manages the Demand response program. This unintended inclusion of MOU Demand response programs in this NPRR can be avoided by creating a defined term which specifically identifies the distribution voltage reduction measures as those programs from TDUs and not the Demand response programs within an MOU. While the operational characteristics and deployment patterns of an MOU’s Demand response program are likely to align with the market, we feel that the decision to deploy a Demand response program should remain with the MOU.

If ERCOT feels that they intended to include the Demand response programs of MOUs and potentially all Non-Opt-In Entities (NOIEs), we think this NPRR should be tabled and referred to the Wholesale Market Subcommittee (WMS) to discuss the implications of using a market-based resource without fair compensation. Deployment of any resource in the name of reliability should not effectively rob capacity from the developer of that capacity. Doing so would result in lower investment into Demand response programs and lower reliability. We believe ERCOT does not want to commit a resource without compensation which could potentially cause financial harm to that resource.

We ask that ERCOT confirm at the November 29, 2021 TAC meeting that MOU Demand response programs are not included in this NPRR. If ERCOT is unable to draw this distinction, we feel this NPRR should be tabled to allow for further discussion and vetting through the stakeholder process.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None