|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1109](http://www.ercot.com/mktrules/issues/NPRR1109) | NPRR Title | Process for Reinstating Decommissioned Generation Resources |
| Date of Decision | | November 29, 2021 | |
| Action | | Recommended Approval | |
| Timeline | | Urgent – to allow at least one Decommissioned Generation Resource to return to service for part of the 2021-2022 winter Peak Load Season. | |
| Proposed Effective Date | | Upon Public Utility Commission of Texas (PUCT) approval – December 17, 2021 | |
| Priority and Rank Assigned | | Not Applicable | |
| Nodal Protocol Sections Requiring Revision | | 3.14.1.9, Generation Resource Status Updates  Section 22, Attachment H, Notification of Change of Generation Resource Designation | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) allows a Resource Entity to bring a Decommissioned Generation Resource back to service if it submits a Notification of Change of Generation Resource Designation notifying ERCOT of the intended return to service within three years of the date the Generation Resource was removed from the ERCOT Network Operations Model. This NPRR gives ERCOT and the interconnecting Transmission and/or Distribution Service Provider (TDSP) discretion to require any needed studies testing, metering, or facility upgrades to ensure the reliable interconnection of the Generation Resource. | |
| 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 | | This NPRR will enable Generation Resources that have been recently decommissioned and retired to return to service to provide needed generation capacity. ERCOT is aware of one Decommissioned Generation Resource that will likely be able to return for part of the 2021-2022 winter Peak Load Season. Today, the Protocols would require such a Resource to follow the interconnection process for a new Generation Resource. Because recently retired Resources will not generally present material reliability issues that would need to be studied, ERCOT does not believe it is necessary to require such Resources to follow the usual interconnection process. However, to address any concern that such a Resource could cause any reliability issue, this NPRR would grant ERCOT and the interconnecting TDSP the authority to require any studies, testing, metering, or upgrades they deem necessary. ERCOT would also have authority to require the Resource Entity to address any operational concern prior to the operation of the Resource. | |
| Credit Work Group Review | | ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed NPRR1109 and do not believe that it requires changes to credit monitoring activity or the calculation of liability. | |
| PRS Decision | | On 11/10/21, PRS voted via roll call to waive notice for NPRR1109, and to grant NPRR1109 Urgent status. There were two opposing votes from the Independent Generator (Luminant) and Municipal (Denton) Market Segments, and seven abstentions from the Consumer (2) (OPUC, Occidental), Independent Generator (Jupiter Power), Independent Power Marketer (IPM) (3) (DC Energy, Morgan Stanley, Tenaska), and Municipal (Austin Energy) Market Segments. PRS then voted unanimously via roll call to table NPRR1109. All Market Segments participated in the votes.  On 11/17/21, PRS voted via roll call to recommend approval of NPRR1109 as submitted and to forward to TAC NPRR1109 and the Impact Analysis with a recommend effective date of upon PUCT approval. There were two opposing votes from the Independent Generator (Luminant) and IPM (Morgan Stanley) Market Segments, and 12 abstentions from the Independent Generator (5) (Broad Reach, Key Capture, Jupiter, Calpine, EDP Renewables), IPM (Tenaska), Independent Retail Electric Provider (IREP) (2) (Reliant, Just Energy), Investor Owned Utility (IOU) (AEP), and Municipal (3) (Denton, Austin Energy, CPS Energy) Market Segments. All Market Segments participated in the vote. | |
| Summary of PRS Discussion | | On 11/10/21, ERCOT Staff reviewed NPRR1109. Some participants expressed concern that NPRR1109 unnecessarily revises ERCOT’s test and study processes and poses safety and reliability risks and market impacts, and suggested that a good cause exception for one unit would be more appropriate than an NPRR, as it would achieve the goal of additional MWs available for the 2021-2022 winter Peak Load Season without altering the established process and risking unintended consequences. In consideration of the 2021 Generation Entity Winter Weather Preparedness Workshop, participants requested PRS table NPRR1109 for further discussion at a special PRS meeting.  On 11/17/21, participants expressed support for bringing as many additional MWs possible to the market for the 2021-2022 winter Peak Load Season, but voiced concern for NPRR1109’s timeline. Some participants expressed concern that decommissioned units will not actually be ready for operation in sufficient time, that repairs to a unit may impact studies or models, and that NPRR1109 changes the meaning of “retirement” and circumvents the mothball return-to-service process. Participants also discussed whether a good cause exception might be sought with the PUCT rather than revising the ERCOT Protocols on an urgent timeline. | |
| TAC Decision | | On 11/29/21, TAC voted via roll call to recommend approval of NPRR1109 as recommended by PRS in the 11/17/21 PRS Report with a recommended effective date of upon PUCT approval (12/17/21). There were two opposing votes from the IPM (Morgan Stanley) and IREP (Demand Control 2) Market Segments, and six abstentions from the Independent Generator (2) (Luminant, Calpine), IPM (Shell Energy), IREP (2) (Reliant Energy, Just Energy), and Municipal (CPS Energy) Market Segments. All Market Segments participated in the vote. | |
| Summary of TAC Discussion | | On 11/29/21, TAC reviewed the ERCOT Opinion and ERCOT Market Impact Statement for NPRR1109. Supporters offered that NPRR1109 provides ERCOT a framework in the short term, and that an alternative process for reinstating Decommissioned Generation Resources may be developed in the long term. | |
| ERCOT Opinion | | ERCOT supports approval of NPRR1109. | |
| ERCOT Market Impact Statement | | ERCOT Staff has reviewed NPRR1109 and believes the market impact for NPRR1109 enables Generation Resources that have been recently decommissioned and retired to return to service to provide needed generation capacity while also granting ERCOT and the interconnecting TDSP the authority to require any studies, testing, metering, or upgrades deemed necessary, and ERCOT the authority to require the Resource Entity to address any operational concern prior to the operation of the Resource. | |

|  |  |
| --- | --- |
| Sponsor | |
| Name | Bill Blevins |
| E-mail Address | [Bill.Blevins@ercot.com](mailto:Bill.Blevins@ercot.com) |
| Company | ERCOT |
| Phone Number | 512-248-6691 |
| Cell Number |  |
| Market Segment | Not Applicable |

|  |  |
| --- | --- |
| **Market Rules Staff Contact** | |
| **Name** | Brittney Albracht |
| **E-Mail Address** | [Brittney.Albracht@ercot.com](mailto:Brittney.Albracht@ercot.com) |
| **Phone Number** | 512-225-7027 |

|  |  |
| --- | --- |
| **Comments Received** | |
| Comment Author | **Comment Summary** |
| None |  |

|  |
| --- |
| **Market Rules Notes** |

None

|  |
| --- |
| Proposed Protocol Language Revision |

**3.14.1.9 Generation Resource Status Updates**

(1) By April 1st and October 1st of each year and when material changes occur, every Resource Entity that owns or controls a Mothballed Generation Resource or an RMR Unit shall report to ERCOT, on a unit-specific basis, the estimated lead time required for each Resource to be capable of returning to service and, in percentage terms, report probable generation capacity from each Resource that the Resource Entity expects to return to service in each Season of each of the next ten years.

(2) For modeling purposes, ERCOT and TSPs shall rely on the most recent submittal of the following two Notifications with respect to an RMR Unit, Mothballed Generation Resource or Decommissioned Generation Resource: Section 22, Attachment E, Notification of Suspension of Operations, or Section 22, Attachment H, Notification of Change of Generation Resource Designation. Except in the case of an NSO submitted due to a Forced Outage, ERCOT shall post each submitted NSO and Notification of Change of Generation Resource Designation to the MIS Secure Area and issue a Market Notice notifying Market Participants of the posting as soon as practicable, but no later than five Business Days after receipt.

(3) A Mothballed Generation Resource that is not mothballed indefinitely shall remain modeled in all ERCOT systems at all times, (i.e., will not be flagged as “mothballed” in ERCOT’s models) and, when it is not available, the Resource Entity shall designate the Generation Resource as on Planned Outage in the Outage Scheduler.

(4) Except for Mothballed Generation Resources that operate under a Seasonal Operation Period, a Resource Entity with a Mothballed Generation Resource shall notify ERCOT in writing no less than 30 days prior to the date on which the Resource Entity intends to return a Mothballed Generation Resource to service by completing a Notification of Change of Generation Resource Designation.

(5) A Resource Entity must submit a Notification of Change of Generation Resource Designation no later than 60 days prior to the conclusion of an RMR Agreement.

(6) A Resource Entity with a Mothballed Generation Resource that operates under a Seasonal Operation Period shall notify ERCOT in writing no less than 15 days prior to the date on which the Resource Entity intends to begin its Seasonal Operation Period if the first date of operation is prior to the date designated by the Resource Entity in its NSO. A Resource Entity with a Mothballed Generation Resource that operates under a Seasonal Operation Period shall notify ERCOT in writing no less than 15 days prior to the end date designated by the Resource Entity in its NSO if the Resource Entity intends to suspend operation later than that date. Notifications under this section shall be provided by the Resource Entity by completing a Notification of Change of Generation Resource Designation form (Section 22, Attachment H).

(7) Once the Resource Entity notifies ERCOT that a Mothballed Generation Resource is operating under a Seasonal Operation Period, the Resource Entity does not need to annually notify ERCOT of such status.

(8) A Resource Entity with a Mothballed Generation Resource operating under a Seasonal Operation Period shall notify ERCOT in writing no less than 15 days prior to the date on which the Resource Entity intends to return the Mothballed Generation Resource to year-round operation by completing a Notification of Change of Generation Resource Designation form (Section 22, Attachment H).

(9) A Resource Entity with a Mothballed Generation Resource that is not currently mothballed indefinitely must notify ERCOT in writing, by completing an NSO (Section 22, Attachment E), no less than 150 days before the date on which the Mothballed Generation Resource is to be suspended indefinitely or retired and decommissioned.

(10) ERCOT may request that a Mothballed Generation Resource operating under a Seasonal Operation Period be available for operation earlier than June 1**st** or later than September 30**th** of any given calendar year. If ERCOT identifies a specific Resource Entity or QSE with which it will discuss such a request in an attempt to reach a mutually agreeable resolution, ERCOT shall issue a Notice as soon as practicable. The Notice shall include the Resource name and, as applicable, the Resource mnemonic, the Resource MW Rating by Season, and the potential duration of the extended operation period, including anticipated start and end dates. If agreement is reached for the Mothballed Generation Resource to be available for operation earlier than June 1**st** or later than September 30**th**, the Resource Entity shall complete, within two Business Days, a Notification of Change of Generation Resource Designation form (Section 22, Attachment H).

(11) If ERCOT and the Resource Entity or QSE cannot reach a mutual agreement to make the Mothballed Generation Resource operating under a Seasonal Operation Period available earlier than June 1**st** or later than September 30**th** of any given calendar year, then ERCOT may exercise its ability to bring the Mothballed Generation Resource operating under a Seasonal Operating Period into the market under an RMR Agreement pursuant to paragraph (2) of Section 6.5.1.1, ERCOT Control Area Authority.

(12) ERCOT may evaluate, on an annual basis, Mothballed Generation Resources operating under a Seasonal Operation Period for RMR Service to address ERCOT System reliability during the portion of the year when the Mothballed Generation Resource would be unavailable.

(13) A Resource Entity that submitted an NSO as a result of a Forced Outage must notify ERCOT of its intent to return to service as soon as practicable by updating its status in the Outage Scheduler and Current Operating Plan (COP) and is not required to submit a Notification of Change of Generation Resource Designation.

(14) Before retiring and decommissioning either a Mothballed Generation Resource this is mothballed indefinitely or an RMR Unit that would otherwise become a Mothballed Generation Resource upon expiration of an RMR Agreement, a Resource Entity shall notify ERCOT of the expected retirement by submitting a completed Notification of Change of Generation Resource Designation form (Section 22, Attachment H). The date of retirement indicated on the form shall comply with the requirements of Section 3.10.1, Time Line for Network Operations Model Changes.

(15) If a Generation Resource is designated as decommissioned and retired pursuant to any of the above provisions, ERCOT will permanently remove the Generation Resource from the ERCOT registration systems in accordance with Section 3.10.1. Except as provided in paragraph (16) below, if a Resource Entity decides to bring a Decommissioned Generation Resource back to service at a later date, it will be considered a new Resource and must follow the Generator Interconnection or Modification (GIM) process detailed in the Planning Guide. If the Generation Resource is designated as mothballed, ERCOT and TSPs will consider the Generation Resource mothballed until the Resource Entity indicates a definitive return to service date pursuant to this Section.

(16) A Resource Entity may bring a Decommissioned Generation Resource back to service without following the GIM process if the operating characteristics of the Resource are materially identical to the characteristics of the Resource as it existed prior to the date of decommissioning and the Resource Entity submits a Notification of Change of Generation Resource Designation (Section 22, Attachment H) within three years of the date the Generation Resource was removed from the ERCOT Network Operations Model. The date of return proposed in the Notification must be a Network Operations Model load date that is no earlier than 45 days and no later than 180 days from the date of the Resource Entity’s Notification. ERCOT may delay the Network Operations Model load date based on the timing of the Resource Entity’s submission of complete Resource registration data. If the Resource Entity is not the Resource Entity that was associated with the Generation Resource at the time it was removed from the model, the Resource Entity shall provide ERCOT documentation that establishes the Resource Entity’s ownership of the Generation Resource.

(a) Notwithstanding the proposed date of return reflected in the Notification, as a condition for the synchronization of the Resource, ERCOT or the interconnecting Transmission and/or Distribution Service Provider (TDSP) may require any studies, testing, metering, or facility upgrades that ERCOT or the TDSP deem necessary for the reliable interconnection of the Resource, and ERCOT may require the Resource Entity to resolve any operational concern associated with the Resource. The TDSP may require the Resource Entity to compensate the TDSP for any required studies or upgrades in the same manner contemplated for new Generation Resources by the ERCOT Planning Guide, the TDSP’s tariff, and the Standard Generation Interconnection Agreement (SGIA).

(b) If ERCOT or the TDSP requires any studies, testing, metering or facility upgrades, or if ERCOT determines that operational concerns must be addressed, the Resource Entity must complete the commissioning process within 90 days of the date of synchronization, subject to any extension authorized by ERCOT for good cause.

(c) Any Generation Resource that returns to service pursuant to this paragraph is entitled to any exemption from ERCOT requirements that the Resource was entitled to at the time it was removed from the model if the exemption still exists under ERCOT rules.

**ERCOT Nodal Protocols**

**Section 22**

**Attachment H: Notification of Change of Generation Resource Designation**

**TBD**

**Notification of Change of Generation Resource Designation**

This Notification is for changing a Generation Resource designation in accordance with the ERCOT Protocols. Information may be inserted electronically to expand the reply spaces as necessary.

The Notification must be signed, notarized and delivered to ERCOT. Delivery may be accomplished via email to [MPRegistration@ercot.com](mailto:MPRegistration@ercot.com) (if a scanned copy) or via facsimile (Attention: Market Participant Registration) at (512) 225-7079. ERCOT may request additional information as reasonably necessary to support operations under the ERCOT Protocols.

Resource Entity:

DUNS No.:

Generation Resource(s) [plant and unit number(s)]

Generation Resource(s) is currently [check one]

decommissioned and retired

under a Reliability Must-Run (RMR) Agreement

mothballed under a Seasonal Operation Period

mothballed

As of        [date], Resource Entity will change the Generation Resource(s) designation to [check one]

operational (for a Mothballed Generation Resource operating under a Seasonal Operation Period, selecting this option means that the Generation Resource is returning to year round service)

mothballed (a Mothballed Generation Resource operating under a Seasonal Operation Period may not select this option, and must instead use the Section 22, Attachment E, Notification of Suspension of Operation form to change to a different mothballed status)

decommissioned and retired permanently[[1]](#footnote-1) (a Mothballed Generation Resource operating under a Seasonal Operation Period may not select this option and must instead use the form in Section 22, Attachment E to be designated as decommissioned)

Mothballed Generation Resource operating under a Seasonal Operation Period, updating start date or end date of Seasonal Operation Period

As of        [date], a Mothballed Generation Resource will change its Seasonal Operation Period as follows:

change start date of Seasonal Operation Period from       to

change end date of Seasonal Operation Period from       to

The undersigned certifies that I am an officer of Resource Entity, that I am authorized to execute and submit this Notification on behalf of Resource Entity, and that the statements contained herein are true and correct.

Name:

Title:

Date:

STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_

Before me, the undersigned authority, this day appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, known by me to be the person whose name is subscribed to the foregoing instrument, who, after first being sworn by me deposed and said:

“I am an officer of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, I am authorized to execute and submit the foregoing Notification on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, and the statements contained in such Notification are true and correct.”

SWORN TO AND SUBSCRIBED TO BEFORE ME, the undersigned authority on this the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public, State of \_\_\_\_\_\_\_\_\_\_\_

My Commission expires \_\_\_\_\_\_\_\_\_\_

1. In accordance with Section 3.14.1.9, Generation Resource Status Updates, ERCOT will remove the Generation Resource(s) from its registration upon Resource Entity updating Resource Registration accordingly. [↑](#footnote-ref-1)