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| NPRR Number | [1108](https://www.ercot.com/mktrules/issues/NPRR1108) | NPRR Title | ERCOT Shall Approve or Deny All Resource Outage Requests |
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| Date | | April 6, 2022 | |
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| Decision Being Appealed | | PRS Decision to Table NPRR1108 | |
| Date of Decision | | April 6, 2022 | |
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| Submitter’s Information | | | |
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| Market Segment | | Not applicable | |

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| Comments |

Pursuant to Section 21.4.11.1, Appeal of Protocol Revision Subcommittee Action, ERCOT hereby appeals the Protocol Revision Subcommittee (PRS) decision to table Nodal Protocol Revision Request (NPRR) 1108. ERCOT requests that the Technical Advisory Committee (TAC) grant this appeal and recommend approval of NPRR1108 so that it may be considered by the ERCOT Board of Directors (Board) at its April 27-28, 2022 meeting, consistent with the expressed desire of the Chairman of the Public Utility Commission of Texas (PUC) at the March 7, 2022 Board meeting.

ERCOT submitted NPRR1108 in November 2021 on an urgent timeline to establish the details of the process ERCOT intends to use to implement Texas Utilities Code § 35.0021(f), which requires ERCOT to “approve or deny requests by providers of electric generation service . . . for a planned power outage during any season and for any period of time.” This language was enacted by the Legislature in 2021 as part of Senate Bill 3 and became effective on June 8, 2021.

At present, ERCOT does not explicitly approve all requests for Resource Planned Outages. Instead, Resource Planned Outages submitted more than 45 days in advance of the Operating Day are automatically “accepted,” even if allowing the Outage could result in a capacity deficiency or other operational concern. This process of automatic acceptance of Outages does not appear to satisfy the requirements of Section 35.0021(f) because it is not an affirmative approval of the Outage. ERCOT believes affirmative approval is required because the statute uses the word “approve”—not “accept”—and because the statute would otherwise have no practical effect, given ERCOT’s longstanding practice. Apart from the requirements of the statute, ERCOT believes that accepting all Resource Planned Outages submitted more than 45 days in advance creates an unnecessary risk that ERCOT may need to take extreme measures such as directing firm Load shed in situations where such measures could be avoided with better scheduling of Resource Planned Outages due to transparency of daily Outage limits. While ERCOT has the authority to cancel Resource Planned Outages by using Outage Schedule Adjustments (OSA) after issuing an Advance Action Notice (AAN), ERCOT may only exercise this authority within seven days of the anticipated reliability concern. The Resource owner may decline to accept the cancellation or rescheduling of the Outage for various reasons, or it may not be physically feasible to restore the Resource to operating condition in the needed timeframe if the Outage has already begun. In many instances, these undesirable circumstances could be avoided entirely if the Outage in question had simply been scheduled for a different time that did not present the risk in the first place.

To this end, NPRR1108 requires ERCOT to determine the maximum amount of planned Resource Outages it can reliably accommodate on every given Operating Day for the next five years and to post those values publicly so that Resource owners can plan their Outages in a way that comports with ERCOT’s reliability needs. The net effect of NRPR1108 is therefore to provide greater visibility to the market about the values ERCOT will use to comply with its statutory duty to approve or reject generator Outages. ERCOT believes this transparency and predictability should be preferred over a framework that provides no visibility of the reliability drivers ERCOT would use to approve or reject generator Outages.

While ERCOT understands that Resource owners are concerned about constraints on their ability to schedule Outages, this potential imposition is necessary to ensure Outages do not create system reliability concerns. With increasing needs for generator availability during both the Summer and Winter Peak Load Seasons, ERCOT has observed a corresponding increase in demand for Resource Planned Outages during a select few weeks in the spring and fall. Allowing all generators to take Outages at the same time during these weeks is clearly not feasible from a system reliability perspective. The risk of insufficient capacity during the traditional spring and fall Outage seasons unavoidably requires ERCOT to exercise greater coordination authority to enable appropriate generator maintenance to the greatest extent possible while minimizing the reliability concerns these Outages may create. This NPRR allows ERCOT to ensure both of these important goals are served.

ERCOT believes that stakeholders have had sufficient time to consider this proposal over the nearly five months since this NPRR was initially submitted. After submitting the NPRR on an urgent timeline in November, ERCOT [presented](https://www.ercot.com/files/docs/2021/12/16/WMWG_NPRR1108_outage_v1_0.pptx) a detailed description of the NPRR and described the methodology it intended to use in establishing the daily Outage limit at the December 17, 2021 meeting of the Wholesale Market Working Group (WMWG). ERCOT again [presented](https://www.ercot.com/files/docs/2022/03/07/WMWG_NPRR1108_ERCOT_Shall%20_Approve_Deny_All_Resource_Outage_Requests.pdf) the NPRR at the January 28, 2022 WMWG meeting. When ERCOT again took the NPRR to the February 25, 2022 WMWG meeting, certain stakeholders for the first time requested that ERCOT provide the data underlying the chart on slide 12 of ERCOT’s January 28 presentation illustrating the expected daily Outage limit levels. ERCOT [provided](https://www.ercot.com/files/docs/2022/03/07/NPRR1108_Preliminary_MDRPOC_for_WMWG_03072022.xlsx) this data on March 7, 2022. At the March 25, 2022 WMWG meeting, stakeholders requested that ERCOT provide additional historical data regarding actual daily Planned Outage levels. ERCOT [provided](https://www.ercot.com/files/docs/2022/03/29/NPRR1108_Preliminary_MDRPOC_for_WMWG_03072022_v3.0.xlsx) that data on March 27, 2022.

Following the PUC Chairman’s direction on timing of this NPRR at the March 7, 2022 Board meeting, PRS scheduled a special PRS meeting on April 6, 2022 so that the NPRR could be considered along a timeline that would allow for Board approval at its April 27-28, 2022 meeting.

At the April 6, 2022 meetings of the PRS and Wholesale Market Subcommittee (WMS), stakeholders raised concerns about whether the NPRR is legally necessary, suggesting that ERCOT’s current practice already complies with the statute. One stakeholder also suggested that ERCOT’s method of implementing the NPRR might be discriminatory. Several stakeholders requested a workshop so that ERCOT Legal could address these questions. While ERCOT indicated that it would be amenable to a workshop so long as it would accommodate April Board approval, various generation owners expressed concerns with having a workshop prior to the April TAC or Board meetings based on other time commitments. PRS ultimately voted to table the NPRR, consistent with the WMS recommendation earlier in the day. The Consumer segment and a majority in the Investor-Owned Utility segment voted against tabling the NPRR.

ERCOT disagrees with the decision to table based on these concerns. For the reasons explained above, ERCOT believes this NPRR is necessary to implement the directive of Utilities Code Section 35.0021(f), which requires affirmative approval of generator Outages. Moreover, based on ERCOT’s recent experience this spring, this NPRR is necessary to ensure these Outages do not cause reliability concerns. Even if one could question the statutory necessity of the NPRR, the reliability basis for the NPRR is beyond question, and stakeholders have not suggested that the statute prohibits this approach.

ERCOT also disagrees with any concern that the methodology it intends to implement unlawfully discriminates against generators based on their technology. As ERCOT explained to WMS on April 6, 2022, Intermittent Renewable Resources (IRRs) and Energy Storage Resources (ESRs) do not present the same Outage scheduling concerns that thermal units do. Even so, ERCOT intends to cap Outages for each technology, achieving a similar restriction on daily Outages. In any case, this aspect of ERCOT’s coordination is not specified in the NPRR, and so the NPRR itself does not raise this concern. While ERCOT believes its approach is lawful, ERCOT will certainly continue to consider stakeholder feedback in evaluating possible improvements to its implementation of the NPRR, once it is approved.

ERCOT underscores that approval by the ERCOT Board of Directors in April is needed in order to proceed with the development of the systems that will allow ERCOT to calculate and post the daily Outage limit value, enabling ERCOT to comply with its statutory duty to approve or deny all planned generator Outages. ERCOT expects this project to be complete in July 2022, ahead of the fall 2022 Outage season. If NPRR approval is delayed even until the June 2022 Board of Directors meeting, ERCOT expects that the implementation of the NPRR would be delayed many more months because most of the remaining project releases following the July 2022 Release 4 would not be able to accommodate the system changes needed to implement this NPRR. To avoid ERCOT having to potentially issue additional Market Notices announcing limits on Planned Outages during the fall 2022 Outage season, ERCOT would greatly prefer to provide Resource owners the transparency they need to appropriately schedule Outages in a way that avoids the aforementioned reliability concerns.

In light of the foregoing, ERCOT requests that TAC grant this appeal and recommend approval of NPRR1108, as modified by ERCOT’s March 31, 2022 comments.