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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 12, 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 | Independent Retail Electric Provider (IREP) |

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| Comments |

Procedural Background

ERCOT filed Nodal Protocol Revision Request (NPRR) 1108 on November 9th, 2021. NPRR1108 provides ERCOT the ability to deny or approve all submitted Resource Planned Outages based on a daily maximum.

The methodology to determine the daily maximum of Resource Planned Outages and preliminary results of the calculation were first revealed to stakeholders on December 17th, 2021, at the Wholesale Market Working Group (WMWG). However, the underlying data and full results of the calculation were not made available to stakeholders until March 7, 2022, by posting to the January 28, 2022, WMWG meeting page. Additional data comparing the calculation results against actual historical Outages was not made available until March 29, 2022 (also posted to the January 28th, 2022, WMWG meeting page). ERCOT stakeholders did review and discuss the proposed methodology at the February 24, 2022 and March 25, 2022 WMWG meetings. ERCOT considered stakeholder feedback throughout these discussions and made revisions to the methodology with the most recent changes being filed on March 31, 2022. Despite the recent changes, stakeholders continue to have concerns with the methodology and new ideas continue to be proposed in recent discussions of the NPRR at stakeholder meetings and informal meetings with ERCOT Staff.

Accordingly, at the Protocol Revision Subcommittee (PRS) meeting on April 6th, 2022, PRS members voted to keep NPRR1108 tabled for further deliberation with 77.4% in favor. After the PRS meeting on April 6th, ERCOT filed an appeal at the April 13th, 2022, Technical Advisory Committee (TAC) meeting in disagreement with the PRS action to table.

Position Statement

ERCOT stakeholders have consistently expressed concern with the proposed methodology in NPRR1108, which utilizes conservative assumptions to limit Resource Planned Outages. Stakeholders have provided constructive feedback to ERCOT throughout the process of reviewing it. The PRS action to continue to table NPRR1108 was in the spirit of continuing this review and improvement of the methodology to ensure that ERCOT’s implementation of its statutory authority yields results consistent with the intent of the statute, improved reliability.

Senate Bill 3 creates a requirement for ERCOT to “review, coordinate, and approve or deny requests” by Resource owners for Planned Outages, but it provides no requirements or guidance on how to do so. For Resource owners, the process to schedule and conduct Planned Outages is complex, costly, and critically linked to the future availability of thermal Resources. Limiting or inhibiting the ability to take Resource Planned Outages must be carefully considered to eliminate or reduce unintended consequences that will inevitably reduce system reliability, not enhance it.

The ERCOT fleet of dispatchable, thermal Resources is aging and requires predictable and sufficient Outage windows in the spring and fall to conduct the work necessary to improve or maintain availability of these Resources during the high Load periods in the summer and winter. ERCOT’s conservative operations, which includes increased procurement of Ancillary Services and frequent use of Reliability Unit Commitment (RUC), increases the run time, utilization, and wear and tear of these Resources. Additional run hours can trigger Original Equipment Manufacturer (OEM) work under maintenance service agreements and warranties. The result is a need for more Planned Outages of thermal Resources, not less. ERCOT’s proposed methodology in NPRR1108 will allocate fewer available Outage hours as these Resources continue to age. In addition, enhanced weatherization requirements further support the need for more Outage availability given the potential need to install upgraded heat tracing systems or other equipment to ensure compliance.

Any methodology ultimately approved in NPRR1108 must balance all these complex factors: sufficient availability of Planned Outage windows considering increased demand on the thermal fleet, ability for ERCOT to deny outages when realistic risks are identified, flexibility for Resource owners to adjust Outage schedules, and transparency of the process. Additionally, the methodology must also ensure appropriate incentives are established such that Resource owners accurately and timely request Outage windows that correspond with their actual needs. A poorly designed methodology that is too limiting may encourage hoarding of Outage windows to allow Resource owners to manage uncertainty in the future availability of equipment, parts, and skilled labor. Having limited availability for Outages will only serve to hurt overall system reliability by shortening or eliminating Outages for other Resources that are in equal need of adequate Outage time to prepare for the higher demand seasons.

The impacts of NPRR1108 on Resource owners and the ERCOT System have the potential to be significant. It is of vital importance that the methodology to limit Planned Outages is thoroughly vetted by all of the stakeholders that it affects. PRS members look forward to continuing to work with ERCOT on improving the methodology in NPRR1108.