



Item 11.2: Approval of Methodology for Calculating Maximum Daily Resource Planned Outage Capacity – TAC Feedback

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2022 Technical Advisory Committee (TAC) Chair

Board of Directors Meeting

ERCOT Public

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MDRPOC Methodology Stated Concerns

TAC did not endorse the ERCOT methodology or an alternate methodology, but did raise concerns regarding the ERCOT methodology in the following areas:

- IRR contributions during the peak are too conservative and were selected to prevent AANs rather than reflect a reasonable amount of renewable output during peak load.
- Assuming a 99th percentile for thermal outages assumes the worst-case scenario during the entire outage season.
 - At a minimum, the risk associated with unplanned outages and IRR outages should be symmetrical (i.e., if IRR Outage levels are set at the 10th percentile, then non-IRR unplanned Outages should be at the 90th percentile; if IRR Outage levels are at the 25th percentile, then non-IRR unplanned Outages should be at the 75th percentile)
- The 6,500 MW target reserve margin is an arbitrarily derived number not captured in the Protocols and assumes no contribution from Load Resources despite recent changes to incorporate more Load Resources to provide reserves.

MDRPOC Methodology Stated Concerns (cont'd)

- The MDRPOC methodology shortens the spring and fall outage windows due to the ramp of the daily limits at the beginning and end of each season. This cuts off available outage windows and can be mitigated by including a 10 GW floor in the spring and fall outage seasons.
- The 38% headroom margin indicated by ERCOT for the proposed methodology is skewed because much of that time occurs in January to March, early May, and late November. This is incompatible with an energy-only market as these are typically times of higher opportunity costs for a generator due to the potential for weather events, and are likely to be less dependable for scheduling due to the associated risk of outage cancellations (voluntary or involuntary).
- The use of the Historical Resource Planned Outages for determining MDRPOC during the Summer and Winter Seasons should be removed from the methodology in favor of a uniform application of the process throughout the year. Past outage needs are not indicative of future system needs particularly in a changing regulatory landscape that will require greater levels of maintenance, not less.