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| NPRR Number | [1128](https://www.ercot.com/mktrules/issues/NPRR1128) | NPRR Title | Allow FFR Procurement up to FFR Limit Without Proration |
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| Date | | April 29, 2022 | |
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| Submitter’s Information | | | |
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| Comments |

The changes proposed in Nodal Protocol Revision Request (NPRR) 1128 are designed to create a market preference for batteries (and other Fast Frequency Response (FFR)-capable Resources) in Responsive Reserve (RRS) procurement.

Under NPRR863, Creation of ERCOT Contingency Reserve Service and Revisions to Responsive Reserve, FFR is subject to a cap of 450 MW. This cap was established as a margin to avoid high frequency overshoot due to FFR response. This 450 MW cap is not a set-aside or an entitlement to a particular RRS market share for FFR Resources, and neither ERCOT nor any other Market Participant has made a credible reliability case to support a minimum FFR requirement. As proposed, this NPRR essentially transforms the FFR cap into an entitlement, advantaging FFR-eligible Resources in the RRS procurement process with no clear justification.

TIEC understands that FFR may provide some reliability benefits during low-inertia periods, but it may create adverse impacts during other periods due to the limited duration. If any reliability-based procurement preference were established for FFR Resources, it would need to be (1) supported by actual data and analysis, and (2) limited to the conditions where a reliability benefit actually exists, which again is expected to be only low-inertia periods. The proposed market preference in NPRR1128 will just advantage FFR Resources relative to Load Resources in the RRS procurement process without impacting the overall clearing price.

Hunt Energy Network also claims that NPRR1128 is necessary because Energy Storage Resources (ESRs) currently have to choose between FFR and Primary Frequency Response (PFR), and may choose PFR due to potential proration of FFR. However, ESRs will be able to provide both FFR and PFR in less than six months, and will no longer have to make this choice. Under the current implementation of NPRR863, ESRs can either provide FFR or PFR, but not both, and can only offer Ancillary Services for either their charging or discharging capability, not both. Upon the implementation of the FFR Advancement project (PR325-01), which is currently slated for October 2022, ESRs will be able to simultaneously provide FFR, PFR, Regulation Service, and On-Line Non-Spin and will no longer have to choose. They will also be able to offer in their full charging and discharging capability. As a result, this NPRR is unnecessary to address any potential disincentive for FFR-eligible Resources.

Overall, TIEC does not believe this NPRR is necessary or justified, and recommends that it be rejected. Without any economic or reliability support, NPRR1128 has no clear purpose other than creating a market preference for a specific category of Resources. This is not something that has historically been favored in the ERCOT market.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None