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| NPRR Number | [1147](https://ercot.com/mktrules/issues/NPRR1147) | NPRR Title | Update and Improve Notification and Evaluation Processes Associated with Reliability Must-Run (RMR) |
| Date of Decision | | March 23, 2023 | |
| Action | | Approved | |
| Timeline | | Normal | |
| Effective Date | | April 1, 2023 | |
| Priority and Rank Assigned | | Not applicable | |
| Nodal Protocol Sections Requiring Revision | | 3.14.1.1, Notification of Suspension of Operations  3.14.1.2, ERCOT Evaluation Process  3.14.1.3, ERCOT Board Approval of RMR and MRA Agreements  3.14.1.5, Evaluation of Alternatives  3.14.1.9, Generation Resource Status Updates  3.14.1.10, Eligible Costs  22 Attachment E, Notification of Suspension of Operations | |
| Related Documents Requiring Revision/Related Revision Requests | | None | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR):   * Adds a 20 MW capacity threshold for conducting a Reliability Must-Run (RMR) reliability analysis; * Requires that an RMR study be conducted when a Resource Entity gives notice that a Generation Resource is ceasing operation permanently due to a Forced Outage; and * Updates Section 22, Attachment E to require Resource Entity to provide information about deactivation of Transmission Facilities as part of the suspension of operations of the unit. | |
| Reason for Revision | | Addresses current operational issues.  Meets Strategic goals (tied to the [ERCOT Strategic Plan](https://www.ercot.com/files/docs/2018/12/13/ERCOT_Strategic_Plan_2019-2023.pdf) or directed by the ERCOT Board).  Market efficiencies or enhancements  Administrative  Regulatory requirements  Other: Clarification and consistency  *(please select all that apply)* | |
| Business Case | | 1. The capacities of the existing and proposed Generation Resources are getting smaller (e.g., Distribution Generation Resources (DGRs)), as indicated in the recent Report on Capacity, Demand and Reserves in the ERCOT Region (“CDR”). Currently, there is no minimum MW threshold in the RMR evaluation, and significant number of RMR evaluations could be required for small units that are not expected to have a material impact on the reliability of the system. This NPRR revises paragraph (3) of Section 3.14.1.2 to provide that an RMR reliability analysis is not required for units with a capacity less than or equal to 20 MW, but may be conducted at ERCOT’s discretion. This will help ensure ERCOT’s limited resources are focused on issues that are more likely to have a material impact on the reliability of the system. 2. Currently, the Protocols do not require an RMR study be conducted for a Resource that is being decommissioned due to a Forced Outage. However, requiring an RMR study when a Resource Entity gives notice that a Generation Resource is ceasing operations permanently due to a Forced Outage will allow ERCOT to assess the impact of the decommissioning on the reliability of the ERCOT system and allow ERCOT to consider whether an RMR or Must Run Alternative (MRA) Agreement should be executed to address any identified reliability need. 3. Section 22, Attachment E needs to be improved to clarify if any transmission equipment will be deactivated from service as part of the suspension of operations of a unit, in order to accurately develop study base case(s). | |
| PRS Decision | | On 9/15/22, PRS voted unanimously to table NPRR1147 and refer the issue to ROS. All Market Segments participated in the vote.  On 11/11/22, PRS voted unanimously to recommend approval of NPRR1147 as submitted. All Market Segments participated in the vote.  On 12/8/22, PRS voted unanimously to endorse and forward to TAC the 11/11/22 PRS Report and 8/15/22 Impact Analysis for NPRR1147. All Market Segments participated in the vote. | |
| Summary of PRS Discussion | | On 9/15/22, the sponsor provided an overview of NPRR1147.  On 11/11/22, participants noted the ROS endorsement of NPRR1147 as submitted.  On 12/8/22, there was no discussion. | |
| TAC Decision | | On 1/24/23, TAC voted unanimously to recommend approval of NPRR1147 as recommended by PRS in the 12/8/22 PRS Report. All Market Segments participated in the vote. | |
| Summary of TAC Discussion | | On 1/24/23, TAC reviewed the ERCOT Opinion, ERCOT Market Impact Statement, and Independent Market Monitor (IMM) Opinion for NPRR1147. | |
| ERCOT Board Decision | | On 2/28/23, the ERCOT Board voted unanimously to recommend approval of NPRR1147 as recommended by TAC in the 1/24/23 TAC Report. | |
| PUCT Decision | | On 3/23/23, the PUCT approved NPRR1147 and accompanying ERCOT Market Impact Statement as presented in Project No. 54445, Review of Rules Adopted by the Independent Organization. | |

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| **Opinions** | |
| Credit Review | ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed NPRR1147 and do not believe that it requires changes to credit monitoring activity or the calculation of liability. |
| Independent Market Monitor Opinion | IMM has no opinion on NPRR1147. |
| ERCOT Opinion | ERCOT supports approval of NPRR1147. |
| ERCOT Market Impact Statement | ERCOT Staff has reviewed NPRR1147 and believes the market impact for NPRR1147 improves the efficiency of, and provides clarifications to, RMR analysis. |

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| Sponsor | |
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| Market Segment | Not applicable |

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| **Comments Received** | |
| Comment Author | **Comment Summary** |
| ROS 100422 | Requested PRS continue to table NPRR1147 for further review by the Planning Working Group (PLWG) |
| ROS 111122 | Endorsed NPRR1147 as submitted |

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| **Market Rules Notes** |

None

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| Proposed Protocol Language Revision |

3.14.1.1 Notification of Suspension of Operations

(1) Except for the occurrence of a Forced Outage, a Resource Entity must notify ERCOT in writing no less than 150 days prior to the date on which the Resource Entity intends to cease or suspend operation of a Generation Resource for a period of greater than 180 days. If a Generation Resource is to be mothballed on a seasonal basis, the Resource Entity must notify ERCOT in writing no less than 90 days prior to the suspension date and identify its Seasonal Operation Period.

(2) The Resource Entity shall submit a completed Part I and Part II of the NSO (found in Section 22, Attachment E, Notification of Suspension of Operations). The Resource Entity may also complete Part III of the NSO and submit it along with Parts I and II, or may wait to submit Part III up to ten days after ERCOT makes a determination that the proposed suspension of the Generation Resource would result in a performance deficiency for which the Generation Resource has a material impact. Part I of the NSO must include the attestation of an officer of the Resource Entity that the Generation Resource is uneconomic to remain in service as currently designated and will be unavailable for Dispatch by ERCOT for a period specified in the NSO.

(3) A Resource Entity ceasing or suspending operations as a result of a Forced Outage lasting greater than 180 days shall notify ERCOT as soon as practicable by submitting an NSO. If an NSO is submitted for a Generation Resource that is suspending operations for greater than 180 days due to a Forced Outage but is not indefinitely or permanently ceasing operations, then:

(a) The Generation Resource will not be evaluated for RMR status;

(b) The NSO will not be posted on the MIS, except that information contained in the NSO may be included in reports in accordance with Section 3.2.6.2.2, Total Capacity Estimate; and

(c) ERCOT will not issue a Market Notice.

(4) At least 60 days before the expiration of an existing RMR Agreement, the Resource Entity may apply to renew the RMR Agreement by submitting a new NSO (including both Part I and Part II). Upon receipt of such a renewal request, ERCOT shall update and post to the MIS Secure Area studies as set forth in Section 3.14.1, Reliability Must Run, within 15 Business Days.

3.14.1.2 ERCOT Evaluation Process

(1) Except as provided in paragraph (3) of Section 3.14.1.1, Notification of Suspension of Operations, upon receipt of an NSO under Section 3.14.1.1, ERCOT shall post the NSO on the MIS Secure Area and shall post all existing relevant studies and data and provide a Market Notice of the NSO and posting of the studies and data.

(2) Within 21 days after receiving the NSO described in paragraph (1) above, unless otherwise notified by ERCOT that a shorter comment period is required, Market Participants may submit comments to ERCOT on whether the Generation Resource(s) referenced in the NSO is necessary to support ERCOT System reliability or should qualify for a multi-year RMR Agreement. ERCOT shall consider and post all submitted comments on the MIS Secure Area.

(3) ERCOT shall conduct a reliability analysis of the need for any Generation Resource(s) with a summer Seasonal Net Max Sustainable Rating greater than or equal to 20 MW to support ERCOT System reliability. For Generation Resource(s) with a summer Seasonal Net Max Sustainable Rating less than 20 MW, ERCOT may conduct a reliability analysis if deemed appropriate by ERCOT following consultation with affected Transmission Service Provider(s) (TSP(s)).

(a) ERCOT shall use a Load forecast consistent with current Regional Transmission Plan assumptions and methodologies for the appropriate season(s). If additional new Generation Resources meet the criteria in Planning Guide Section 6.9, Addition of Proposed Generation to the Planning Models, ERCOT shall include those additional Generation Resources with the appropriate seasonal ratings.

(b) If the NSO indicates that the Generation Resource(s) will decommission or suspend operation, or in the case of a Forced Outage, has permanently ceased operation, ERCOT, in its sole discretion, may perform transmission reliability analysis over a planning horizon as defined by the available base cases but not to exceed two years.

(c) For purposes of the reliability analysis, ERCOT shall use the following criteria to identify a performance deficiency that is materially impacted by the Generation Resource:

(i) Without the Generation Resource, there are one or more Transmission Facilities loaded above their Normal Rating under pre-contingency conditions.

(ii) Without the Generation Resource, there is any instability or cascading for any of the following conditions:

(A) Pre-contingency;

(B) Normal system conditions followed by the contingency loss of a generating unit, transmission circuit, common tower outage, transformer, shunt device, or flexible alternating current transmission system (FACTS) device;

(C) Unavailability of a generating unit, followed by Manual System Adjustments, followed by the contingency loss of a generating unit, transmission circuit, common tower outage, transformer, shunt device, or FACTS device; or

(D) Unavailability of a 345/138 kV transformer, followed by Manual System Adjustments, followed by the contingency loss of a generating unit, transmission circuit, common tower outage, transformer, shunt device, or FACTS device.

(iii) Without the Generation Resource, there are one or more Transmission Facilities loaded above 110% of the Emergency Rating under normal system conditions followed by the contingency loss of a generating unit, transmission circuit, common tower outage, transformer, shunt device, or FACTS device.

(iv) For paragraphs (i) through (iii) above, the Generation Resource will only be deemed to have a material impact on a performance deficiency that is caused by a thermal overload(s) if the Generation Resource has a more than 2% unloading Shift Factor on the Transmission Facility(s) that is overloaded and more than 5% unloading impact on the Transmission Facility(s) that is overloaded. For purposes herein, an unloading impact is a measure of a reduction in flow on a Transmission Facility as a percent of its Rating due to a unit injection of power from the Generation Resource.

(v) ERCOT may, in its sole discretion, deviate from the above criteria in order to maintain ERCOT System reliability. However, ERCOT shall present its reasons for deviating from the above criteria to the Technical Advisory Committee (TAC) and ERCOT Board.

(d) ERCOT, in consultation with affected Transmission Service Provider(s) (TSP(s)), may rely upon the results of past planning studies to determine if the Generation Resource is necessary to support ERCOT System reliability. The past planning studies must have used the same or more restrictive reliability criteria than the criteria described in paragraph (c) above.

(e) Additionally, ERCOT shall conduct any other analysis (e.g., operations studies) as required and shall post all study data and results and all analyses and its determination on the MIS Secure Area and issue a Market Notice of its determination.

(4) Within 30 days after receiving the NSO, ERCOT shall issue a Market Notice indicating the status of the reliability analysis referenced in paragraph (3) above. The Market Notice will indicate one of the following:

(a) ERCOT has completed its reliability analysis and the Generation Resource is not required to support ERCOT System reliability;

(b) ERCOT has completed its reliability analysis and the analysis identifies a performance deficiency for which the Generation Resource has a material impact; or

(c) ERCOT has not completed its reliability analysis and will need additional time to complete the assessment.

(5) Within 60 days after receiving Part I and Part II of the NSO, ERCOT shall complete its reliability analysis described in paragraph (3) above and shall issue a Market Notice describing the results of its reliability analysis if the results were not provided in the Market Notice issued under paragraph (4) above. If ERCOT determines that the Generation Resource is not needed to support ERCOT System reliability, then the Generation Resource may cease or suspend operations according to the schedule in its NSO, unless ERCOT in its sole discretion permits the Generation Resource to suspend operations at an earlier date, and ERCOT shall note this in the Market Notice.

(6) Within ten days after a determination by ERCOT that the proposed suspension of the Generation Resource would result in a performance deficiency on which the Generation Resource has a material impact, as described in this Section, ERCOT shall issue a Request for Proposal (RFP) for Must-Run Alternatives (MRAs). ERCOT shall include in the RFP reasonably available information that would enable potential MRAs to assess the feasibility of submitting a proposal to provide a more cost‑effective alternative to the Generation Resource, including any known minimum technical requirements and/or operational characteristics required to eliminate the identified performance deficiency. The MRA RFP shall specify the expected number of hours that an MRA would be needed during the contract period, and the hours of the day, by season, that the MRA would be required to be available. ERCOT shall establish an RFP response schedule such that responses can be evaluated prior to 150 days after submittal of the NSO.

(7) Within ten days after a determination by ERCOT that the proposed suspension of the Generation Resource would result in a performance deficiency on which the Generation Resource has a material impact, as described in this Section, the Resource Entity shall, if it has not already done so, complete and submit to ERCOT Part III of the NSO (Section 22, Attachment E, Notification of Suspension of Operations). ERCOT shall post the Part III information on the MIS Secure Area. Concurrently, the Generation Resource shall submit an initial estimated budget used in the calculation of the proposed Standby Cost and RMR fuel adder, prepared in accordance with Section 3.14.1.11, Budgeting Eligible Costs, and Section 3.14.1.20, Budgeting Fuel Costs, to ERCOT. On or before the 11th day after the determination or the receipt of Part III of the NSO, whichever comes first, ERCOT and the Resource Entity shall begin good faith negotiations on an RMR Agreement. These negotiations shall include the budgeting process for Eligible Costs and for fuel costs as detailed in Section 3.14.1.11 and Section 3.14.1.20.

(8) ERCOT shall issue a Market Notice on the status of the RMR Unit or MRA, including the start date, duration of the RMR or MRA Agreement, the Standby Cost ($/Hour) as applicable, and the amount of MW under contract, within 24 hours of signing an RMR or MRA Agreement with a Resource Entity.

(9) Except in cases where the Generation Resource is to be mothballed on a seasonal basis, if, after 150 days following ERCOT’s receipt of Part I and Part II of the NSO, ERCOT has neither notified the Resource Entity that the continued operation of the Generation Resource is not required nor obtained ERCOT Board approval to enter into an RMR or MRA Agreement, then the Resource Entity may file a complaint with the Public Utility Commission of Texas (PUCT) under subsection (e)(1) of P.U.C. Subst. R. 25.502, Pricing Safeguards in Markets Operated by the Electric Reliability Council of Texas. If the Generation Resource is to be mothballed on a seasonal basis, then the Resource Entity may file such a complaint with the PUCT under subsection (e)(1) of P.U.C. Subst. R. 25.502 if ERCOT has neither notified the Resource Entity that the continued operation of the Generation Resource is not required nor obtained ERCOT Board approval to enter into an RMR Agreement within 90 days following ERCOT’s receipt of Part I and Part II of the NSO.

(10) If the ERCOT Board approves entering into an RMR Agreement but ERCOT and the Resource Entity have not both executed the RMR Agreement by the date on which the Resource Entity intends to cease or suspend operation of the Generation Resource, then the Resource Entity shall maintain that Generation Resource(s) so that it is available for Reliability Unit Commitment (RUC) commitment until no longer required to do so under subsection (e)(2) of P.U.C. Subst. R. 25.502. This paragraph does not apply to a Generation Resource that suspended operations due to a Forced Outage.

3.14.1.3 ERCOT Board Approval of RMR and MRA Agreements

(1) If ERCOT determines that an RMR or MRA Agreement is a cost-effective solution to remedy a performance deficiency for which the suspending Generation Resource has a material impact as described in paragraph (3) of Section 3.14.1.2, ERCOT Evaluation Process, or if ERCOT has identified such a performance deficiency but has determined that entering into an RMR or MRA Agreement is not a cost-effective solution to that performance deficiency, then ERCOT shall present this finding to the ERCOT Board for approval. In seeking such approval, ERCOT shall stipulate to the ERCOT Board that:

(a) The Resource Entity provided a complete and timely NSO including a sworn attestation supporting its claim of pending Generation Resource closure;

(b) ERCOT received all of the data necessary to evaluate the need for and provisions of the RMR or MRA Agreement, and that information was posted on the MIS Secure Area by ERCOT as it became available to ERCOT;

(c) When executed, the signed RMR or MRA Agreement will comply with the ERCOT Protocols and be posted on the MIS Secure Area;

(d) ERCOT evaluated:

(i) The reasonable alternatives to a specific RMR Agreement as set forth in Section 3.14.1, Reliability Must Run, and compared the alternatives against the feasibility, cost and reliability impacts of the signed RMR Agreement;

(ii) The timeframe in which ERCOT expects each unit to be needed for reliability; and

(iii) The specific type and scope of reliability concerns identified for each RMR Unit or MRA as applicable.

(2) ERCOT shall execute the RMR or MRA Agreement as soon as feasible after receiving ERCOT Board approval to do so.

(3) ERCOT shall post on the MIS Secure Area, as they become available, unit-specific studies, reports, and data, by which ERCOT justified entering into the RMR or MRA Agreement.

3.14.1.5 Evaluation of Alternatives

(1) In evaluating responses to the RFP for MRAs, ERCOT shall not consider any response that, in ERCOT’s sole opinion, does not facially demonstrate that the proposed MRA meets the eligibility requirements specified in Section 3.14.4.1, Overview and Description of MRAs, and the availability criteria and other conditions specified in the RFP for MRAs.

(2) ERCOT shall consider any of the following options to resolve an identified performance deficiency:

(a) The Generation Resource proposed for suspension of operations;

(b) All acceptable MRA proposals; and

(c) Any transmission upgrades that can be implemented prior to the time period for which the performance deficiency has been identified.

(3) ERCOT staff shall select the option or combination of options, if any, that most cost-effectively address the performance deficiency, as long as the cost of the selected options is justified given the possible impact to Customers due to the performance deficiency. If ERCOT determines that no option cost-effectively resolves the performance deficiency, then ERCOT shall not select any option. In selecting the most cost-effective option, ERCOT will consider the following factors:

(a) The degree to which the option addresses the identified performance deficiency;

(b) The total expected cost of each option;

(c) Expected unit performance of the Generation Resource proposed for suspension of operations, including start-up time, minimum run-time, minimum down-time, and historical unit outage data;

(d) Operational limitations of proposed MRAs, including start-up times, minimum run-times, ramp periods, and return-to-service times;

(e) Other operational constraints or operational benefits of the proposed option; and

(f) Any other factors which ERCOT determines are relevant to the evaluation, and for which ERCOT can develop quantifiable criteria with which to evaluate all proposed options.

(4) In evaluating the expected impact to Customers due to the performance deficiency, ERCOT shall consider the following factors:

(a) Expected amount of Customer Demand affected (MWh);

(b) Expected number of hours during which Customers will be affected;

(c) Number of Customers affected;

(d) Possible additional Customer impacts due to unforeseen conditions, such as Generation Resource unavailability, transmission circuit Outages, or Load variation due to extreme weather; and

(e) Potential economic impact to Customers.

(5) ERCOT staff shall recommend the selected option or options to the ERCOT Board of Directors for approval, or shall recommend that the ERCOT Board of Directors decline to accept any option, if no eligible, cost-effective option has been identified. ERCOT staff shall provide sufficient information to justify its recommendation. The ERCOT Board of Directors may approve or reject the proposed recommendation, or may direct ERCOT staff to pursue an agreement to procure one or more options not proposed by ERCOT staff.

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 for a Generation Resource temporarily suspending operation 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 (4) 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.

3.14.1.10 Eligible Costs

(1) “Eligible Costs” are costs that would be incurred by the RMR Unit owner to provide the RMR Service, excluding fuel costs or other costs the RMR Unit would have incurred anyway had it been mothballed or shut down.

(a) Examples of Eligible Costs include the following to the extent they each meet the standard for eligibility:

(i) Direct labor to operate the RMR Unit during the term of the RMR Agreement;

(ii) Materials and supplies directly consumed or used in operation of the RMR Unit during the term of the RMR Agreement;

(iii) Services necessary to operate the RMR Unit during the term of the RMR Agreement;

(iv) Costs associated with emissions credits used as a direct result of operation of the RMR Unit under direction from ERCOT, or emissions reduction equipment as may be required according to terms of the RMR Agreement;

(v) Costs associated with maintenance:

(A) Due to required equipment maintenance;

(B) Due to replacement to alleviate unsafe operating conditions;

(C) Due to regulatory requirements, with compliance dates during the term of the RMR Agreement (any such compliance dates and requirements shall be explicitly defined in the RMR Agreement); or

(D) To ensure the ability to operate the RMR Unit consistent with Good Utility Practice;

(vi) Reservation and transportation costs associated with firm fuel supplies not recovered under Section 6.6.6.2, RMR Payment for Energy;

(vii) Property taxes and other taxes attributable to continuing to operate the RMR Unit during the term of the RMR Agreement;

(viii) General fund transfers or similar direct expenses incurred by a Municipally Owned Utility (MOU) if it is required to pay a portion of its revenues to the municipality. If the RMR payment to the MOU is subject to such a requirement, this expense is an incremental cost directly associated with the RMR Unit;

(ix) Costs based on a long-term service agreement (LTSA), provided that:

(A) The maintenance costs to be included are incremental and consistent with the definitions of the costs within the scope of the RMR Agreement and these Protocols;

(B) The cost of each component is specifically set by the LTSA;

(C) ERCOT must be able to verify the incremental or variable maintenance costs ($/MWh) or ($/start) described in the LTSA; and

(D) The LTSA is in effect during the term of the RMR Agreement and available to ERCOT for review; and

(x) Non-fuel costs to return a mothballed RMR Unit, or an RMR unit that had ceased operations permanently due to a Forced Outage, to service provided that:

(A) The costs were incurred between the effective date of the RMR Agreement and the termination date of the RMR Agreement; and

(B) The costs do not include costs the RMR Unit owner would have incurred had the RMR Unit remained mothballed or under Forced Outage.

(b) Examples of costs not included as Eligible Costs are:

(i) Depreciation expense, return on equity, and debt and interest costs;

(ii) Property taxes and other taxes not attributable to continuing to operate the RMR Unit;

(iii) Income taxes of the RMR Unit owner or operator;

(iv) Labor and material costs associated with other, non-RMR Generation Resources at the same facility;

(v) Cost of parts inventory not used by the RMR Unit during the term of the Agreement;

(vi) Costs attributed to other Resources in the power generation station; and

(vii) Any other costs the Resource Entity that owns the RMR Unit would have incurred even if the RMR Unit had been mothballed or shutdown.

**ERCOT Nodal Protocols**

**Section 22**

**Attachment E: Notification of Suspension of Operations**

**TBD**

**Notification of Suspension of Operations of a Generation Resource**

This Notification is required for providing notification of any Generation Resource suspension lasting greater than 180 days. 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.

**Part I:**

Resource Entity:

DUNS Number:

Resource Site Name:

Resource Site Location (County):

Unit Name(s):

Resource Name(s) (Unit Code/Mnemonic):

ESI ID:

Seasonal Net Max Sustainable Rating – Summer (MW):

Seasonal Net Minimum Sustainable Rating – Summer (MW):

Transmission Facilities that will be deactivated or removed from service as part of the suspension of operations of the unit(s):

**Part II:**

As of       [date],[[1]](#footnote-1) the Generation Resource(s) will be limited or unavailable for Dispatch by ERCOT because Resource Entity will [check one]:

decommission and retire the Generation Resource(s) permanently for a reason other than a Forced Outage,[[2]](#footnote-2)

suspend operation on a year-round basis (*i.e.*, mothball) and begin operation on a seasonal basis with a Seasonal Operation Period that begins on [Date] and ends on [Date]. The Seasonal Operation Period must be inclusive of June 1 through September 30,

temporarily suspend operation (*i.e.*, mothball) of the Generation Resource(s) for a period of not less than     months and not greater than     months due to some reason other than a Forced Outage, or

indefinitely suspend operation (*i.e.*, mothball) of the Generation Resource(s).

On [Date], the Generation Resource experienced a Forced Outage. As a result of the Forced Outage, the Resource Entity intends to [check one]:

decommission and retire the Generation Resource(s) permanently2,

temporarily suspend operation of the Generation Resource(s), with an estimated return date of [Date], or

indefinitely suspend operation (*i.e.*, mothball) of the Generation Resource(s).

Check if applicable:  Resource Entity believes that this Generation Resource(s) is inoperable due to emissions limitations or not being repairable.

Operational and Environmental Limitations (check and describe all that apply):

(a) Operational:

Maximum annual hours of operation:

Maximum annual MWhs:

Maximum annual starts:

Other:

(b) Environmental:

Maximum annual NOx emissions:

Maximum annual SO2 emissions:

Other:

**Part III:**

Estimated RMR Fuel Adder ($/MMBtu):

Proposed Initial Standby Cost ($/hr):

I understand and agree that this Notification is not confidential and does not constitute Protected Information under the ERCOT Protocols.

I hereby certify that the proposed, estimated Fuel Adder, Standby Costs, and attached budget are accurate at the time of submittal, necessary, and do not exceed fair-market value.

The undersigned certifies that I am an officer or executive 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. Pursuant to Protocol Section 3.14.1.1, Notification of Suspension of Operations, this date must be at least 150 days (or 90 days if the Generation Resource will mothball and operate under a Seasonal Operation Period) from the date ERCOT receives this Notification. [↑](#footnote-ref-1)
2. ERCOT will remove the Generation Resource(s) from its registration systems if this option is selected. [↑](#footnote-ref-2)