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| NPRR Number | [1186](https://www.ercot.com/mktrules/issues/NPRR1186) | NPRR Title | Improvements Prior to the RTC+B Project for Better ESR State of Charge Awareness, Accounting, and Monitoring  |
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| Date | August 9, 2023 |
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| Submitter’s Information |
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| Market Segment | Not applicable |

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| Comments |

The Texas Advanced Energy Business Alliance (TAEBA) submits these comments regarding the proposed rule changes within Nodal Protocol Revision Request (NPRR) 1186. TAEBA is generally supportive of ERCOT’s efforts to enhance Energy Storage Resource (ESR) flexibility, along with proposing rule changes which move closer to the telemetry required for Real-Time Co-optimization’s (RTC’s) implementation. We preliminarily find that:

* Giving flexibility to ESRs in how they govern their State of Charge (SOC) allows ESR managers to direct the SOC of their Resources in the most efficient and cost-effective deployment, fully in line with the ESR’s individual charging and discharging capabilities;
* While staff are entitled to make expedited changes to the ERCOT Protocols, TAEBA members believe a more robust Market Participant process regarding these changes would have yielded a sufficiently reliable model for ESR SOC telemetry which also provides greater resource flexibility than that which ERCOT proposed.

While the long-term effects of telemetering SOC in support of RTC will be beneficial to ESRs, TAEBA members have reservations about ERCOT functionally requiring Ancillary Service Supply Responsibility to be done on an individual Resource basis. Requiring individual Resources to telemeter their SOC data is a divergence from the market responsibilities of today where the Qualified Scheduling Entity (QSE) is responsible for ensuring the services they contract to provide are covered. Since QSEs are responsible for meeting their Ancillary Service Supply Responsibility at risk of penalty, ERCOT should assume the QSE’s first option in a scenario where one ESR is low on its SOC for the next hour is to call on another Resource, or as a last resort, purchase Ancillary Service from the market to cover its responsibility. The SOC of the individual Resource is therefore less important when evaluating whether a QSE is meeting its obligations. How a QSE meets its scheduled Ancillary Service Supply Responsibility is up to that QSE, and if it fails to meet its obligations there are Protocols for disciplining that QSE. Imposing specific SOC requirements for individual Resources also inhibits QSE flexibility within its own portfolio to provide Ancillary Service(s). When all ESRs that are potential Generation Resources are required to meet a specific SOC before the next hour’s obligation, the QSE lacks the ability to shift Ancillary Service responsibility between ESRs with maximum variability.

TAEBA is supportive of the added flexibility ERCOT Staff provided for ESRs by allowing Resources the ability to lower SOC throughout the hour and charge back up. TAEBA is also supportive of staff’s removal of a specific charging curve requirement, which would have inhibited the flexibility of ESR operation. While the recognition of a diminishing SOC over an hour of obligation by ERCOT Staff is a welcome enhancement to ESR flexibility, it would have been limiting and unnecessary to put guardrails on recharge behavior in the hour’s final 15 minutes. If ESR specific charging requirements must be implemented, compliance should be based on whether an ESR reached the necessary SOC to fulfill its obligation and not how it got to that SOC. Limiting SOC compliance to ERCOT Staff’s originally proposed curve would have inappropriately limited ESR charging behavior.

TAEBA is appreciative of ERCOT staff’s willingness to listen to market stakeholders and make changes to the proposed SOC requirements based on that feedback. However, the choice to make changes regarding ESR market compliance in this NPRR provided limited opportunity for stakeholder discussion. TAEBA believes earlier involvement of stakeholders in the development of SOC requirements for ESRs could have yielded SOC requirements for ESRs which both stakeholders and ERCOT would have found agreeable. While it is understandable that ERCOT Staff want to ensure Resource reliability and take quick steps to achieve that reliability, TAEBA cautions against not using a full rulemaking process, since Market Participants were given limited time to react to this rule change and provide feedback.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None