

**Eolian Comments
in Opposition of TAC's
Recommendation
on NPRR 1186**

NPRR 1186 Creates Reliability Concerns

NPRR1186 will:

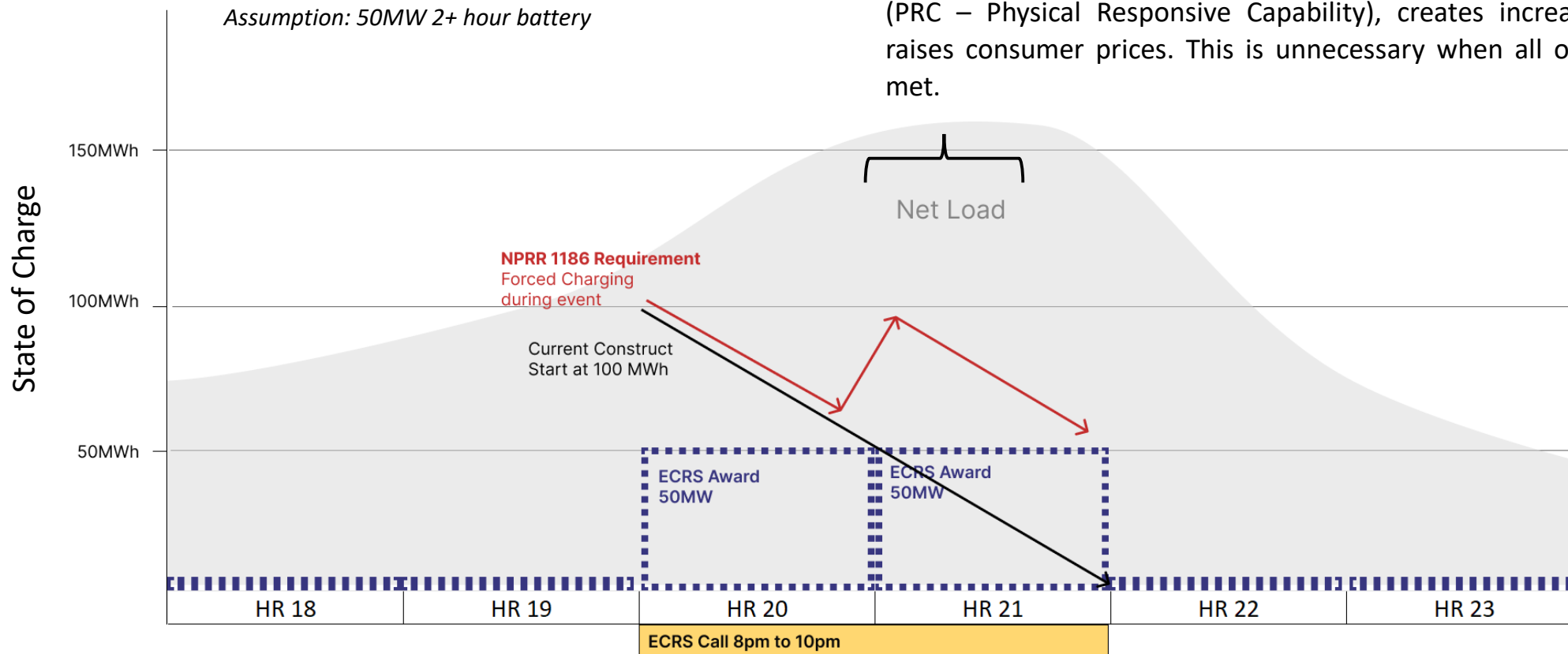
- Cause ESRs to arbitrarily withhold energy in future hours irrespective of whether (a) the ESR has actually been awarded AS in future hours, and (b) the quantity of awarded AS for future hours, and prevent SCED from deploying ESRs with excess energy even in emergencies; and
- Require ESRs to charge during ECRS and Non-Spin deployments.

Under NPRR1186, for every MW of ECRS dispatched, the ESR will be forced to charge to meet arbitrary SOC requirements, which will cause net load to increase by 2x the amount of the AS provided by the ESR.

Further, instead of providing much needed AS to the ERCOT grid, the ESR must instead *pull* power from the grid to charge in order to meet compliance obligations under NPRR 1186.

Illustration of Reliability Concerns

Requiring energy storage resources to charge during an ECRS dispatch event to meet arbitrary 2hr SOC requirements for the next awarded hour despite having enough duration to meet all obligations reduces reserves (PRC – Physical Responsive Capability), creates increased scarcity and raises consumer prices. This is unnecessary when all obligations can be met.



NPRR 1186 increases system fragility by (a) requiring unnecessary charging during a dispatch event and (b) reducing available resource participation during the most critical hours.

Discriminatory Compliance Requirements

- NPRR1186 will subject an ESR to a Protocol violation and enforcement action (including potential fines of \$25,000.00 per incident of violation per day) if the ESR fails to telemeter its required SOC for a single five-minute SCED interval.
- This is a deviation from all other compliance metrics used by ERCOT to evaluate compliance with AS obligations, which are evaluated monthly on a QSE portfolio basis.
- ERCOT currently has sufficient tools for ensuring that all Resources (including ESRs) comply with AS obligations.

Recommendation

- Reject NPRR1186 and instruct ERCOT to resubmit two new NPRRs to separate (a) system coding issues from (b) determination of SOC parameters and related compliance obligations.
- This allows ERCOT's proposals to be appropriately deliberated in the stakeholder process. It will also help ensure that reliability issues are not caused by an NPRR purporting to correct them.
- Based on ERCOT's August 21, 2023 filings with the PUCT, in which ERCOT provided its timeline relating to the implementation of RTC, a decision by the Board to reject NPRR 1186 does not preclude ERCOT from developing a revised NPRR in time to meet its system coding deadline. In its filing with the Commission, ERCOT indicated that it was not planning for the Board to approve NPRR1186 until the Board's October 17, 2023 meeting, and ERCOT would work to implement NPRR 1186 after PUC approval in November 2023.