



Item 5.1.2.3: TAC Advocate Presentation on NPRR1186

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Reliability and Markets Committee Meeting

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NPRR1186, Improvements Prior to the RTC+B Project for Better ESR State of Charge Awareness, Accounting, and Monitoring – URGENT

Revision Description: This NPRR improves the awareness, accounting, and monitoring of the State of Charge (SOC) for an Energy Storage Resource (ESR). This NPRR is for the interim period which is described as the time period before the RTC+B project goes live. The target go-live date for the RTC+B project is expected to be several years away and the language and changes in this NPRR are aimed to strategically improve SOC awareness, accounting, and monitoring with minimal system changes so that the improvements can be in place while the RTC+B project is completed. This NPRR does not specify that ERCOT manage the SOC for an ESR. It specifies existing and new information to be provided by the QSE so that ERCOT can better understand each ESR's current energy capability and expected energy capability in future hours to meet ancillary service (AS) obligations.

Business Case: As of June 1, 2023 there were approximately 3,300 MW of batteries energized on the ERCOT System. The total is estimated to be 9,500 MW of batteries by October 2024. This NPRR provides improvements on the awareness, accounting, and monitoring of SOC for ESRs while the RTC+B project is being implemented; and also provides information and guidelines to the QSEs representing the ESRs so that they can more accurately inform ERCOT of the capability of each ESR.

TAC Vote on NPRR1186

History of NPRR1186:

In November of 2022, ERCOT began to identify common issues that affect ESR's ability to meet operational performance requirements including insufficient amounts of SOC preserved when carrying "up" AS. ERCOT filed NPRR1186 on 6/22/2023. PRS voted to table on 7/13/23 to allow for continued discussion and voted to recommend approval on 8/10/23. On 8/22/23, TAC voted to recommend approval of NPRR1186 as recommended by PRS in the 8/10/23 PRS Report by a margin of 88% in favor, with a recommended effective date of upon system implementation for all sections, with the exception of the grey-boxed paragraph (4) of Section 8.1, which will be effective no earlier than three months after system implementation of NPRR1186.

Opposing Votes:

- City of Dallas, Consumer
- Jupiter Power, Independent Generator
- Demand Control 2, Independent Retail Electric Provider (IREP)

Abstentions:

- CMC Steel, Consumer
- Air Liquide, Consumer
- Tenaska, Independent Power Marketer
- Rhythm Ops, IREP
- APG&E, IREP

Summary of TAC Discussion

Comments submitted by parties in support (ERCOT) and in opposition of NPRR1186 contributed to valuable and productive discussions by ERCOT Stakeholders both at PRS and TAC. TAC members weighed the following factors when reaching their decision to ultimately recommend approval of the NPRR.

Factors influencing TAC member support:

- ERCOT lacks visibility into the SOC of ESRs carrying “up” AS relative to their obligation to provide. NPRR1186 will improve ERCOT’s awareness and enable monitoring of the AS being provided by ESRs in accordance with duration limits established by NPRR1096.
- NPRR1186 is consistent with ERCOT’s conservative operating posture to prioritize operational reliability. Other processes have been adopted since Winter Storm Uri that limit resource flexibility to support operating reserves.
- NPRR1186 is a temporary solution until more sophisticated SOC modeling can be implemented in RTC+B. TAC members agreed discussion of ESR operational and modeling issues should continue with the creation of a dedicated task force and operating experience.
- Some ESR operators support NPRR1186 as a temporary solution.

Concerns considered by TAC members:

- Limits full operational flexibility and capability of ESRs. Unique characteristics of ESRs must be understood and optimized.
- Potential reliability impacts of required charging during EEA events to preserve AS capability.
- Are the currently established duration limits for ESRs in ECRS and NSRS appropriate?