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| NPRR Number | [1191](https://www.ercot.com/mktrules/issues/NPRR1191) | NPRR Title | Registration, Interconnection, and Operation of Customers with Large Loads; Information Required of Customers with Loads 25 MW or Greater |
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| Date | September 22, 2023 |
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| Submitter’s Information |
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| Market Segment | Independent Retail Electric Provider (IREP) |

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| Comments |

Reliant Energy Retail Services LLC (Reliant) appreciates the opportunity to comment on the concepts proposed in Nodal Protocol Revision Request (NPRR) 1191 and the various other accompanying Revision Revisions. Reliant is not providing specific redlines to NPRR1191 or the accompanying Revision Requests at this time but rather offering feedback and alternative proposals intended to address ERCOT’s concerns without burdening large retail customers.

Reliant appreciates the challenges ERCOT faces with increasing uncertainty in supply and, more recently, uncertainty in system demand with the significant growth of Large Flexible Loads (“LFLs”). That said, Reliant opposes the adoption of requirements that impose registration and ramp rate requirements on traditional retail customers of electricity. The ERCOT System, like all other bulk power systems, was designed to serve customers, not to treat them as a resource and impose requirements that would broadly impact their consumption or business. In fact, customers are entitled to receive electricity service (subject to the TSP’s terms and conditions for service), without any obligation to comply with operational requirements at ERCOT as if they were a resource. To the extent certain behaviors or services are needed to help manage grid stability, competitive market products should be leveraged, and proper financial incentives established so those that choose to participate as a resource may do so voluntarily.

Reliant does acknowledge the unique challenge that LFLs present to ERCOT Operations and supports registration and operational requirements for those types of loads. LFLs are designed to interact with the grid, and they possess a level of sophistication that enables them to do so. This interaction is a necessary part of their characteristic and business, unlike traditional retail customers.

Registration Requirements

Reliant supports registration requirements for non-traditional retail customers such as LFLs 75MW or greater. The uncertainty surrounding consumption patterns of LFLs is important for ERCOT to understand and have visibility into to improve system operations and forecasting. Reliant understands from discussion with many LFLs that registration is not a burdensome requirement because most endeavor to participate in the ERCOT market as a Controllable Load Resource (CLR) and expect to register anyway. However, traditional loads (non-LFLs) of any size should not be required to register. ERCOT has ample information, historical usage, and data available for large customers to understand consumption patterns and the ability to analyze the characteristics of these customers either through the data directly available to them or through the interconnecting Transmission and/or Distribution Service Providers (TDSPs).

Ramp Rates

Reliant opposes the adoption of mandatory ramp rate requirements for traditional large retail customers. As currently proposed, NPRR1191 would impose ramp rate requirements both on LFLs that choose to participate as a CLR (which is appropriate) and on large traditional retail customers that have not elected to participate in the ERCOT market as a resource (which is not). The vast majority of large retail customers seeking interconnection use electricity as an essential service for their business. The equipment consuming electricity is not designed to alter the rates of consumption. Imposing a mandatory ramp rate requirement on these customers would create a financial and operational burden to either 1) alter their consumption of electricity likely with additional equipment and interfere with their business, or 2) purchase, install, and operate a battery or other backup generation system for which they would likely need assistance in maintaining and operating. Both compliance paths place excessive and unrealistic financial and operational requirements on traditional large retail customers. This is not a viable solution and is inconsistent with the open access framework, which entitles retail customers (including large customers) with the right to receive electricity service.

*Alternative Proposal*: If over-frequency events due to large customers tripping Off-Line are a reliability threat for the ERCOT System, Reliant recommends that ERCOT increase procurement of Regulation Down Service (Reg-Down) or create a new Ancillary Service targeting over-frequency events that could be provided by CLRs or Energy Storage Resources (ESRs). As with the other Ancillary Services, Reliant recommends that ERCOT prepare studies justifying the need for more over-frequency capability and the development of a methodology to determine the procurement amounts which is reviewed and approved annually.

Jurisdiction

 To the extent that NPRR1191 proposes registration and operational requirements on traditional retail customers—i.e., those that do not seek to participate as a resource in ERCOT—Reliant also has concerns that this proposal exceeds ERCOT’s jurisdiction as the independent grid operator under the Public Utility Regulatory Act (PURA), Tex. Util. Code §§ 11.001-66.016. Specifically, under PURA § 39.151(j), ERCOT’s authority to impose operational requirements in furtherance of its obligation to maintain the reliability of the grid is limited to certain entities that participate in the ERCOT market (such as retail electric providers, power generation companies, power marketers, and transmission and distribution utilities).[[1]](#footnote-1) Notably, traditional retail customers are not included in that list of entities. While load *resources* are also not in that list, such entities have voluntarily agreed to subject themselves to certain registration and operational requirements at ERCOT, in exchange for the privilege of receiving compensation for their services through ERCOT settlements.

Traditional retail customers, on the other hand, have not elected to participate in any compensated service or market at ERCOT and are simply seeking electricity service to run their business. There is nothing in PURA that allows ERCOT to impose requirements on traditional retail customers in relation to their passive receipt of electricity service. In fact, retail customers have a right to receive electricity service under PURA § 39.203 (subject to terms and conditions of service imposed by the TSP consistent with its tariff). Reliant is concerned that the proposed registration and operational requirements in NPRR 1191 and related Revision Requests would impose new, burdensome requirements on traditional retail customers that could make it infeasibly costly for those customers to receive the electricity service to which they are statutorily entitled.

Reliant recommends that ERCOT revise NPRR1191 and associated Revision Requests to remove any requirements for traditional retail customers that are not participating in any ERCOT market voluntarily.

Registered Curtailable Loads (RCLs)

Reliant strongly supports increasing the incentives for expanding Demand response by retail customers in ERCOT’s robust competitive retail market. The greatest potential to increase Demand response and energy efficiency is to align the financial incentives of retail customers to reduce consumption when the ERCOT system is experiencing tight conditions. Reliant supports the creation of the RCL as a new type of Demand response product that ERCOT can leverage prior to an Energy Emergency Alert (EEA). But without any financial incentive to participate and a compliance obligation to remain consuming until ERCOT deployment (even if prices are high), there is little motivation for customers to participate. In fact, given the telemetry requirement cost and exposure to high prices prior to deployment, it is likely not in the customer’s financial interest to participate as an RCL. Reliant recommends the creation of financial incentives to encourage customer participation as an RCL.

*Alternative Proposal*: Customer Load associated with an RCL could be allocated costs for ERCOT Contingency Reserve Service (ECRS) and Non-Spinning Reserve (Non-Spin) using their Load Ratio Share (LRS) that is coincident with hourly net peak Load for the day. This provides financial incentives that align with the RCL’s contribution to reducing tight system conditions. Reliant proposes this as a concept for initial discussion among ERCOT and stakeholders to ensure more robust participation in the RCL product.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None

1. PURA § 39.151(j) states that: “**A retail electric provider, municipally owned utility, electric cooperative, power marketer, transmission and distribution utility, or power generation company shall** observe all scheduling, operating, planning, reliability, and settlement policies, rules, guidelines, and procedures established by the independent system operator in ERCOT. Failure to comply with this subsection may result in the revocation, suspension, or amendment of a certificate as provided by Section 39.356 or in the imposition of an administrative penalty as provided by Section 39.357.” Emphasis added. [↑](#footnote-ref-1)