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| **NPRR Number** | [**1198**](https://www.ercot.com/mktrules/issues/NPRR1198) | **NPRR Title** | **Congestion Mitigation Using Topology Reconfigurations** |
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| **Date** | October 4, 2023 |
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| **Submitter’s Information** |
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| **Market Segment** | Independent Generator |

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| **Comments** |

Engie North America (“Engie”) submits these comments in support of the 9/6/2023 Independent Market Monitor (IMM) and 9/20/23 Octopus Energy comments to NPRR1198 and its related NOGRR258.

Engie would first like to emphasize the 2022 State of the Market Report where the IMM indicated the following:

“The congestion costs in ERCOT’s real-time market in 2022 were $2.8 billion, up 37% from 2021. High natural gas prices, outages of generators in load pockets, and frequently binding generic transmission constraints (GTCs) contributed to the increase. Congestion costs are correlated with natural gas prices because higher gas prices tend to increase the costs of the generators that are dispatched to manage transmission congestion and serve customers in congested areas. The figure below shows:

* The South zone experienced the highest congestion costs in 2022, similar to 2021. This is a departure from prior years and is primarily attributable to load growth and GTCs in the Rio Grande valley,7 as well as increased congestion from Port Lavaca into Houston;
* The West zone exhibited the second highest congestion as a result of high renewable output that is limited by GTCs. Given the expected increase in renewable development, we expect this congestion to increase in coming years.
* Cross-zone congestion increased substantially in 2022, primarily in May and early June because of outages into Houston affecting flows from both North and South into Houston. These outages also contributed to higher congestion in Houston.”

Based on the congestion realized, the IMM created recommendation 2022-3 – Allow transmission reconfigurations for economic benefits stating:

“Currently, ERCOT’s approval processes only allow constraint management plans14 for reliability reasons. However, there are times in which a transmission reconfiguration can relieve congestion without negatively affecting reliability.15 Such plans should be developed and utilized.”

The report also noted that both SPP and MISO are already moving forward with reconfigurations as a mitigation to congestion.

Engie also understands these changes could affect Congestion Revenue Rights (CRRs); and while that should be considered during implementation, it should not be an impediment to moving forward. Also, all reconfigurations must be completely transparent in what they are, when they will be utilized, and the effects of utilizing the reconfiguration so those in the CRR market can take these factors into consideration when developing their CRR strategy.

In closing, congestion creates an inefficient generation dispatch and reconfigurations are designed to mitigate the congestion to allow for a more efficient generation dispatch, thus reducing the costs to consumers.

Engie believes NPRR1198 and its related NOGRR258 should be recommended for approval.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None