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| NPRR Number | [1202](https://www.ercot.com/mktrules/issues/NPRR1202) | NPRR Title | Refundable Deposits for Large Load Interconnection Studies |
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| Date | October 11, 2023 |
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| Submitter’s Information |
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| Cell Number |  |
| Market Segment | Not applicable |

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| Comments |

ERCOT submits these comments to Nodal Protocol Revision Request (NPRR) 1202 to express its concerns with this NPRR, in its current form, and request PRS table NPRR1202 for continued discussion at the Large Flexible Load Task Force (LFLTF) and potentially the Wholesale Market Subcommittee (WMS).

The concept within NPRR1202 of holding deposits for Large Loads and, for those projects not energizing within a specified time, donating those deposits to charity is not a process currently envisioned in the ERCOT Board Policies and Procedures. Currently, the ERCOT Board Policies and Procedures contemplate charging user fees for services provided by ERCOT, and do not include potentially non-refundable deposits. Additionally, while holding the deposits is relatively straightforward, there are financial implications of selecting a recipient and donating deposits deemed non-refundable pursuant to the proposed NPRR1202. ERCOT intends to research whether such a practice is compatible with ERCOT’s status as a 501(c)(4) nonprofit. In lieu of a *deposit*, there may be an opportunity to assess a recurring *maintenance fee* for work performed to sustain projects within the interconnection queue (gathering data, generating reports, answering questions, etc.) as a cost-recovery effort.

Also, the applicability of this deposit (or maintenance fee) process to only Large Loads when there are similar projects within the generation interconnection queue which are not likely to ever energize seems like an incomplete approach to addressing the stated problem. If stakeholders wish to pursue this deposit (or maintenance fee) policy, it should be applied to all projects, both Load and generation, to maximize the benefit of the proposed change.

Another concern is that the magnitude of the Large Load Interconnection Study (LLIS) fee proposed within NPRR1202 does not appear to be based on the cost to ERCOT for interconnection-study work performed and may be a barrier to entry to smaller entrants.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None