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| NPRR Number | [1203](https://www.ercot.com/mktrules/issues/NPRR1203) | NPRR Title | Implementation of Dispatchable Reliability Reserve Service |
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| Date | | December 3, 2023 | |
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| Submitter’s Information | | | |
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| Market Segment | | Industrial Consumer | |

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| Comments |

TIEC files these comments in support of ERCOT’s plan to develop a standalone implementation of Dispatchable Reliability Reserve Service (DRRS), and to withdraw this NPRR and Other Binding Document Revision Requests (OBDRRs) 049 and 050. TIEC recently filed a letter at the Public Utility Commission (PUC) supporting this path as well.

House Bill (HB) 1500 requires ERCOT to “develop and implement an ancillary services program to procure dispatchable reliability reserve services … to account for market uncertainty” and provides specific requirements for this new service. The text of HB 1500 presumes that DRRS would be developed and implemented as a new, standalone service, and that is how it was discussed throughout the 2023 session. This intent is reflected in the recent letter from Chairman Schwertner, Chairman Hunter, and Vice Chair Holland, stating that the purpose of HB 1500, Section 22, was to create a targeted ancillary service product to efficiently manage operational uncertainty with dispatchable resources.

As a standalone product, DRRS will better meet actual system needs in a targeted, transparent manner and give ERCOT more flexibility to address operational uncertainty. It will also provide more efficient and transparent price signals for both DRRS and for Non-Spinning Reserve (Non-Spin) if the two products are separate, and not commingled. These efficiencies will provide more optimal outcomes for consumers and better signals for generation owners and developers. While TIEC recognizes that a standalone implementation cannot be achieved by the December 1, 2024 deadline, implementing DRRS as a subcategory of Non-Spin also does not comply with the requirements or intent of HB 1500. In this circumstance, implementing a service that meets the substantive requirements of HB 1500, Section 22 should be prioritized over meeting the administrative deadline.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None