

Item 14.2: TAC Endorsement of ERCOT Recommendation regarding 2024 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements

TAC Representative

Emily Jolly

Senior Vice President, Regulatory Affairs,
Lower Colorado River Authority

Reliability and Markets Committee Meeting

ERCOT Public December 18-19, 2023

TAC Consideration of 2024 AS Methodology

<u>Failed</u> Motion to Endorse the 2024 Ancillary Services Methodology as Recommended by ERCOT

- Failed by a vote of 12 in favor, 7 opposed, with 11 abstentions
- Opposing votes within Consumer (4), Cooperative (1), and Independent REP (2) segments

<u>Successful</u> Motion to Endorse the 2024 Ancillary Services Methodology as Recommended by ERCOT on the commitment from ERCOT to bring the methodology back up for TAC review by April 30, 2024

- Passed by a vote of 21 in favor, 3 opposed, with 6 abstentions
- Opposing votes within the Consumer (1) and Independent REP (2) segments



Summary of TAC Discussion of 2024 AS Methodology

- TAC members opposed to the 2024 methodology as recommended by ERCOT echoed concerns expressed by the Independent Market Monitor regarding increased ancillary service costs, particularly related to the procurement of ERCOT Contingency Reserve Service (ECRS)
- TAC members supporting the 2024 methodology as recommended by ERCOT emphasized the need for regulatory certainty to support investment decisions

