



Item 11: TAC Report

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2023 Technical Advisory Committee (TAC) Vice
Chair

Board of Directors Meeting

ERCOT Public

December 19, 2023

Overview

- **Purpose**
 - Summary of TAC Update and October/December TAC Highlights
- **Voting Items / Requests**
 - NPRR1172, Fuel Adder Definition, Mitigated Offer Caps, and RUC Clawback
- **Key Takeaways**
 - TAC recommended approval of 9 Revision Requests; 1 Revision Request had opposing votes
 - TAC approved the 12/1/23 Request for Withdrawal for NPRR1203, Implementation of Dispatchable Reliability Reserve Service

Summary of TAC Update

Revision Requests Recommended for Approval by TAC – Unopposed

- NPRR1181, Submission of Coal and Lignite Inventory Notifications
- NPRR1192, Move OBD to Section 22 – Requirements for Aggregate Load Resource Participation in the ERCOT Markets
- NPRR1196, Correction of NCLR Ancillary Service Failed Quantity Calculations under NPRR1149
- NPRR1201, Limitations on Resettlement Timeline and Default Uplift Exposure Adjustments
- NPRR1204, Considerations of State of Charge with Real-Time Co-Optimization Implementation - URGENT
- NOGRR257, Removal of Redundant ERS Reporting Requirement
- PGRR110, Revision to Accommodate Steady-State Node-Breaker Modeling
- RMGRR176, Addition of Market Processes Specific to LP&L – URGENT

Revision Requests Recommended for Approval by TAC – Non- Unanimous (Vote)

- NPRR1172, Fuel Adder Definition, Mitigated Offer Caps, and RUC Clawback

October/December TAC Highlights

- Annual TAC/TAC Subcommittee Structural and Procedural Review
- 2024 Ancillary Services Methodology
- West Texas Synchronous Condenser RPG Project
- TNMP - Silverleaf and Cowpen 345/138-kV Stations RPG Project
- Withdrawal of NPRR1203, Implementation of Dispatchable Reliability Reserve Service



NPRR1172, Fuel Adder Definition, Mitigated Offer Caps, and RUC Clawback

Purpose	This Nodal Protocol Revision Request (NPRR) removes the Mitigated Offer Cap (MOC) multipliers, and creates a 100% clawback for Reliability Unit Commitment (RUC). This NPRR also sets the Three-Part Supply Offers that ERCOT creates at 100% of the approved verifiable costs or generic costs.
Sponsor	Residential Consumer, OPUC, City of Eastland, TIEC, Texas Steel Mills
TAC Vote	On 10/24/23, TAC voted to recommend approval of NPRR1172 as recommended by PRS in the 10/12/23 PRS Report; and the 10/17/23 Revised Impact Analysis. There were five opposing votes from the Cooperative (2) (GSEC, STEC) and Independent Generator (3) (Calpine, ENGIE, Luminant) Market Segments, and two abstentions from the Independent Generator (Jupiter Power) and IPM (Tenaska) Market Segments.
ERCOT Market Impact Statement	ERCOT Staff has reviewed NPRR1172 and believes it will have a positive market impact as the proposed changes will incentivize Resources to self-commit and reduce Reliability Unit Commitments (RUCs) by changing the clawback factors in RUC Clawback Charge Settlement to 100% and improves language to better align with the current market design and operation.
Effective Date/Priority	Phase 1 – The first of the month following Public Utility Commission of Texas (PUCT) approval; Phase 2 – Upon system implementation (Priority 2024; Rank 4070)
ERCOT Impact	Phase 1 – Less than \$5K (O&M), Phase 2 – Between \$65K and \$85K; impacts to Settlements & Billing Systems, Market Operation Systems, Data Management & Analytic Systems, ERCOT Website and MIS Systems, and Channel Management Systems; ERCOT business processes will be updated
Business Case Highlights	The MOC multipliers are outdated and reflect a market design prior to the inclusion of the Operating Reserve Demand Curve (ORDC) Fuel Adder and the Exceptional Fuel Cost process. A 100% clawback for RUC eliminates possible incentives for a Resource to be used for RUC and should encourage self-commitment and reduce the needs for RUCs will still allowing Resources to recover their fuel costs.



October/December TAC Highlights

Annual TAC/TAC Subcommittee Structural and Procedural Review. TAC and its subcommittees concluded the annual structural and procedural review and endorsed the findings presented at the 10/24/23 TAC meeting. The current structure of TAC and subcommittees was deemed necessary and effective. TAC will report its findings at the December 18, 2023 R&M Committee meeting.

2024 Ancillary Services Methodology. On 12/4/23, TAC voted 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. There were three opposing votes (City of Dallas, Demand Control 2, APG&E) and six abstentions (PEC, STEC, Jupiter Power, Luminant, Rhythm Ops, GP&L).

West Texas Synchronous Condenser RPG Project. On 12/4/23, TAC voted unanimously to endorse the West Texas Synchronous Condenser RPG Project as recommended by ERCOT.

TNMP - Silverleaf and Cowpen 345/138-kV Stations RPG Project. On 12/4/23, TAC voted unanimously to endorse TNMP – Silverleaf and Cowpen 345/138-kV Stations RPG Project – Option 1 as recommended by ERCOT.

October/December TAC Highlights

NPRR1203, Implementation of Dispatchable Reliability Reserve Service. TAC discussed the 12/1/23 Request for Withdrawal filed by ERCOT; and a new NPRR for a standalone DRRS product. On 12/4/23, TAC voted to approve the 12/1/23 Request for Withdrawal for NPRR1203. There were two abstentions from the Cooperative (LCRA) and Independent Generator (Luminant) Market Segments. The associated Other Binding Document Revision Requests (OBDRRs) 049 and 050, were also withdrawn.