

PROJECT NO. 54248

**SELECTION OF THE
RELIABILITY MONITOR FOR
THE ERCOT POWER REGION**

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**PUBLIC UTILITY
COMMISSION OF TEXAS**

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.'S
2023 FOURTH QUARTER RELIABILITY MONITOR REPORT**

The Public Utility Commission of Texas (PUC/Commission) order directing Electric Reliability Council of Texas, Inc. (ERCOT) to assume the duties and responsibilities of the reliability monitor for the ERCOT power region (ERM)¹ directs ERCOT to file a quarterly report summarizing its previous quarter ERM activities. The ERM hereby provides the following information for the Fourth Quarter (Q4) of 2023.

I. Executive Summary

The ERCOT Legal and Compliance Departments are fully staffed for the ERM role. As of the end of Q4, the ERM's cumulative performance metrics are as follows:

Priority ²	No. of Cases	Change	Avg Days Open
Critical	2	-	262
High	90	+47	136
Medium	70	+6	195
Low	35	+6	169
Total	197	+59	164

Since November 2022 when ERCOT assumed the ERM role, it has opened an average of 15 Incident Reviews per month.

Status	No. of Cases	Percent of Total
Referred to PUC Enforcement	55	27.9%
Report Drafted	21	10.7%
Management Review	6	3.0%
Opened/Investigation Started	48	24.4%
Closed/Consolidated	60	30.5%
Hold	7	3.6%
Total	197	100%

¹ Project No. 54248 https://interchange.puc.texas.gov/Documents/54248_3_1250231.PDF dated 11/2/22.

² The ERM staff assess an event's impact on ERCOT System reliability and categorize events such as the loss of generation, frequency, or voltage excursions, *etc.* as "Critical." The ERM categorizes other events as "High," "Medium," or "Low" depending on such factors as: number and size of the facilities involved, if the event is local versus widespread, whether an issue relates to only an administrative matter, *etc.*

During Q4, the ERM either closed or referred to the Commission 30 Incident Reviews. Thus, the ERM has averaged six Incident Reviews per month either closed or referred to the Commission during 2023.

The bulk of Incident Reviews involve:

- Failure to Update Outage Scheduler (Winter Storm Elliott) (30)
- Failure to Follow Dispatch Instructions (23)
- Emergency Response Service Performance (21)
- Generation Resource Energy Deployment Performance (11)
- Non-Spin Reserve Service (11)
- Primary Frequency Response (10)

The most significant events on which the ERM is focused involve the accuracy of telemetry data, voltage ride-through issues, high speed data requirements, and voltage support.

The ERM completed its first audit of Market Participant compliance with an Operating Guides requirement. Specifically, the ERM conducted an audit of Resource Entities to determine if they timely submitted reactive test data as required by Protocols § 8.1.1.2.1.4, *Voltage Support Service Qualification* and ERCOT Operating Guides § 3.3.2.2, *Reactive Testing Requirements* subsections (5) and (7), which provide:

- (5) The QSE representing a Generation Resource shall be responsible for scheduling reactive verification tests when requested by the Resource Entity in accordance with the conditions outlined above. If ERCOT does not issue a specific request for a Generation Resource reactive capability verification, the Generation Resource shall complete a reactive verification test at least every five years.

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- (7) The Resource Entity representing a Generation Resource shall be responsible for the timely and accurate reporting of test results to ERCOT and to the QSE representing the Generation Resource. The Resource Entity representing a Generation Resource must properly complete all required data fields in the NDCRC application for a test to be considered valid.

The ERM reported the results of the audit to Commission staff and will open Incident Reviews on the most egregious performers.

II. Changes to Reliability Requirements to Promote Improved Reliability

The ERM is tracking the following revision requests that could impact system reliability:

- [NPRR1204](#) Improvements prior to the RTC+B Project for better ESR State of Charge awareness, account, and monitoring.
- [NPRR1206](#) Clarifies the types of Qualified Scheduling Entities (QSEs) required to have a Hotline and a 24-hour, seven-day-per-week (24x7) control or operations center.
- [NPRR1207](#) Incidental disclosure of Protected Information and ECEII during ERCOT Control Room tours.
- [NPRR1210](#) Changes the frequency of the Next Start Resource Test and the Load-Carrying Test respectively from once every five years to once every four calendar years.
- [NPRR1213](#) Allows Distribution Generation Resources (DGRs) and Distribution Energy Storage Resources (DESRs) on circuits subject to Load Shed to provide ERCOT Contingency Reserve Service (ECRS).
- [PGRR113](#) Allows ERCOT to first consider transmission needs without Constraint Management Plan (CMP) actions in its Regional Transmission Plan studies and will then only model a CMP in the Regional Transmission Plan in certain limited circumstances.

In addition to the foregoing, the ERM continues working with Subject Matter Experts (SMEs) on the following issues to improve ERCOT System reliability:

- Telemetry accuracy;
- Model data accuracy and timeliness; and
- Voltage support.

III. Overall State of ERCOT System Reliability

The overall state of ERCOT System reliability is good. The ERCOT System experienced a Level 2 Energy Emergency Alert (EEA2) event on September 6, 2023. ERCOT submitted an after-action report to the Commission related to that event. The ERM has reviewed the report and opened a series of Incident Reviews based on potential violations of reliability requirements.

Aside from the EEA event, as mentioned in previous reports, the ERM continues to identify the following areas of concern based on discussions with ERCOT SMEs:

- Energy Storage Resource performance/State-of-Charge monitoring
- Voltage control
- Telemetry quality
- Frequency ride-through
- Voltage ride-through
- Fault recording and sequence of events recording data requirements
- Installation of phasor measurement recording equipment
- Data recording, redundancy, retention, and reporting requirements
- Updates to the resource dynamic planning models
- Dynamics data for Generation Resources and Settlement Only Generators
- Dynamic data for equipment owned by Resource Entities

IV. Areas for Future Audit

The ERM is currently considering which reliability requirements to audit in 2024 and will confer with Commission staff before finalizing a decision.

The ERM stands ready to provide any additional information requested by the Commission.

Dated: January 12, 2024

Respectfully submitted,

/s/ Chad V. Seely

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