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Item 8.2: System Operations Update

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Reliability and Markets Committee Meeting

ERCOT Public April 22, 2024

Overview

Purpose

- Provide an update on key operational metrics to the Reliability and Markets (R&M) Committee
- Provide information on recent Ancillary Services performance
- Provide information on hot topics

Voting Items / Requests

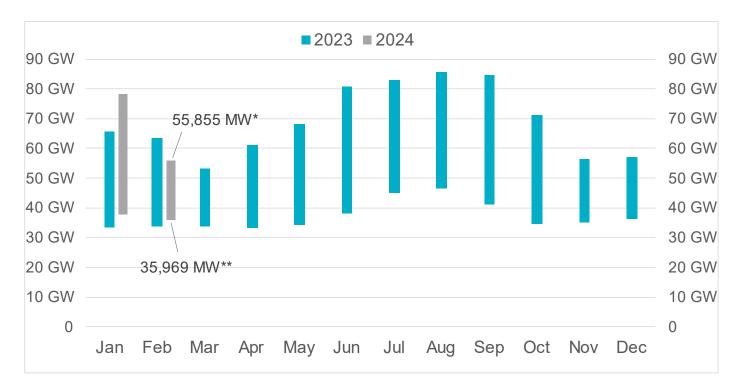
- No action is requested of the R&M Committee; for discussion only

Key Takeaways

- All key operational metrics are trending well, and all Ancillary Services are performing well
- ERCOT was able to successfully operate through the solar eclipse
- Stakeholders are currently considering options identified by ERCOT for the earlier release of ECRS capacity during near-scarcity conditions identified by ERCOT to address IMM feedback on ECRS



Demand



*Based on the maximum net system hourly value from March release of Demand and Energy 2024 report.

**Based on the minimum net system 15-minute interval value from March release of Demand and Energy 2024 report.

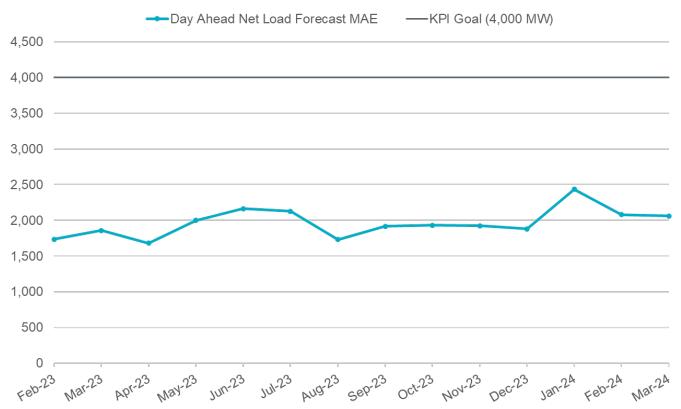
Data for latest two months are based on preliminary settlements.

Key Takeaway: ERCOT set a new all-time winter peak record of 78,314 MW* on 1/16/2024; This is 12,682 MW more than previous January record of 65,632 MW (which occurred in 2023) and 3,789 MW more than the previous all-time winter peak on December 23, 2022.



Forecast Performance

Day Ahead Net Load Forecast - Mean Absolute Forecast Error

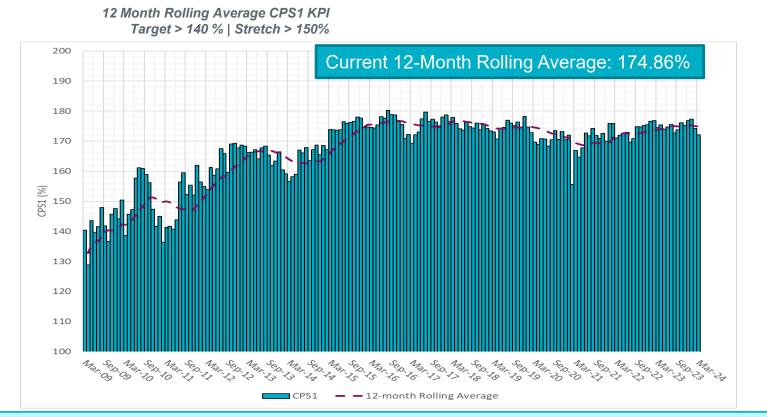


Key Takeaway: Day Ahead Net Load Forecast Mean Absolute Forecast Error is a new Key Performance Indicator from 2023. This metric has met the target and has been trending well.



Frequency Control

• Control Performance Standard 1 (CPS-1) is a measure of the frequency control on a power system, pursuant to NERC Standard BAL-001. The 12-month rolling-average of this measure is required to stay above 100%.



Key Takeaway: Frequency control has been performing extremely well.

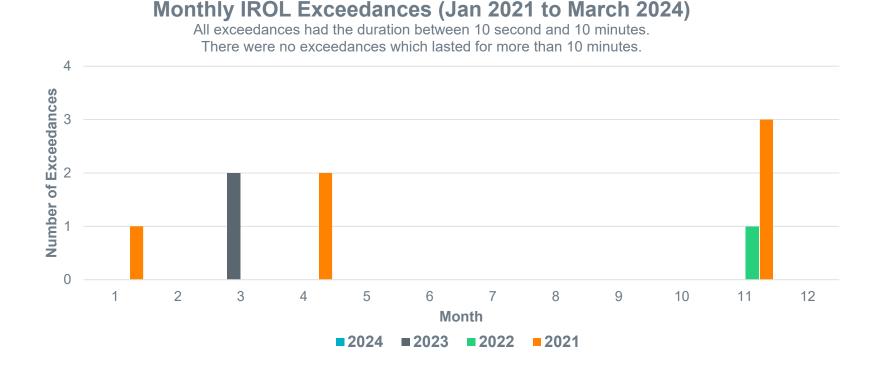
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Transmission Limit Control

• The most-recent Interconnection Reliability Operating Limit (IROL) exceedance occurred in March 2023.



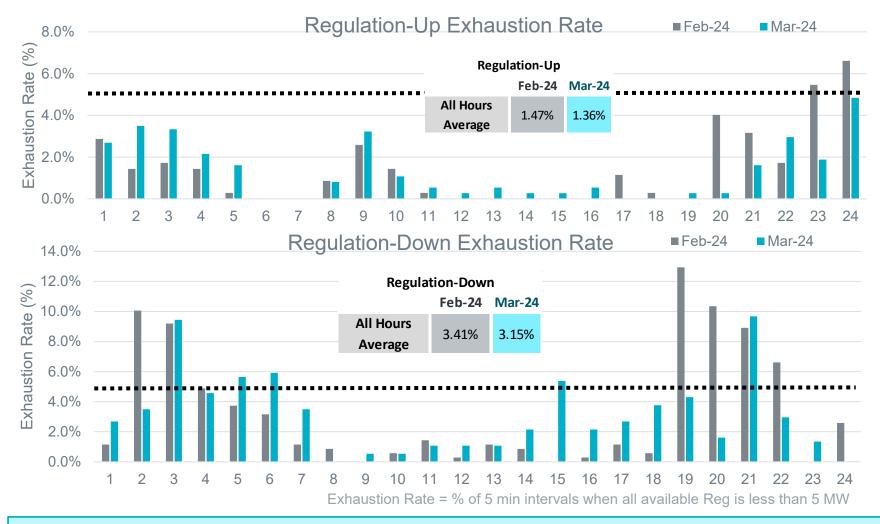
Key Takeaway: ERCOT has not experienced significant reliability risks associated with exceeding IROLs.



Ancillary Services Performance



Regulation Service Deployments for Feb 2024 to Mar 2024



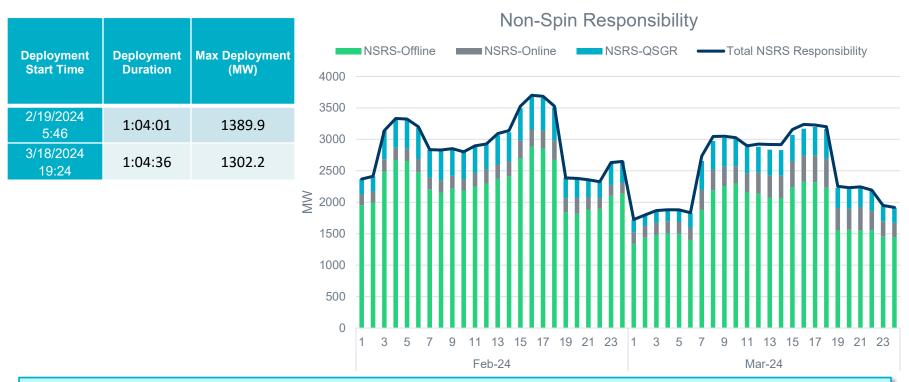
Key Takeaway: Average Regulation Up and Down exhaustion rates were similar in 2022 and 2023.

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Non-Spinning Reserve Service (Non-Spin) Deployments for Feb 2024 to Mar 2024

Between Feb 2024 and Mar 2024, there were 2 events that resulted in deployment of offline Non-Spin.

During this time, an average of ~24% of Non-Spin was provided using online capacity and by Quick Start Generation Resources. This type of Non-Spin is always available to SCED to dispatch (with an offer floor of \$75) and no operator action is needed to deploy this capacity.

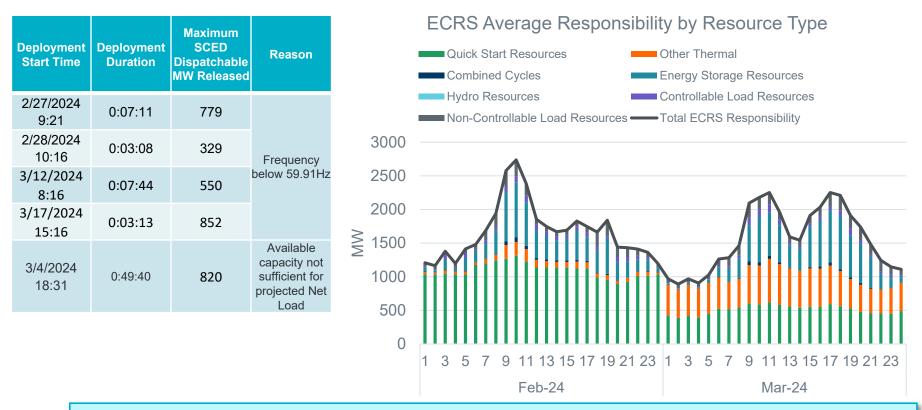


Key Takeaway: All recent Non-Spin deployments were to meet 30-minute ramping needs. Non-Spin performed well in all deployments.

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ERCOT Contingency Reserve Service (ECRS) Release for Feb 2024 to Mar 2024

Between Feb 2024 and Mar 2024, there were 5 events that resulted in release of SCED dispatchable ECRS. 4 releases were for frequency trigger while 1 release was to meet 10-minute projected net load.



Key Takeaway: ECRS performed well in all deployments and helped recover from the events that triggered deployment.

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Responsive Reserve Service (RRS) Released for Feb 2024 to Mar 2024

- From Feb 2024 to Mar 2024 there were no manual release of RRS
- With the implementation of ECRS, RRS capacity autonomously deploys when frequency exceeds the frequency dead-band. RRS may be manually released to SCED during scarcity events when additional capacity is needed.

Key Takeaway: No Manual RRS Release from Feb 2024 to Mar 2024.

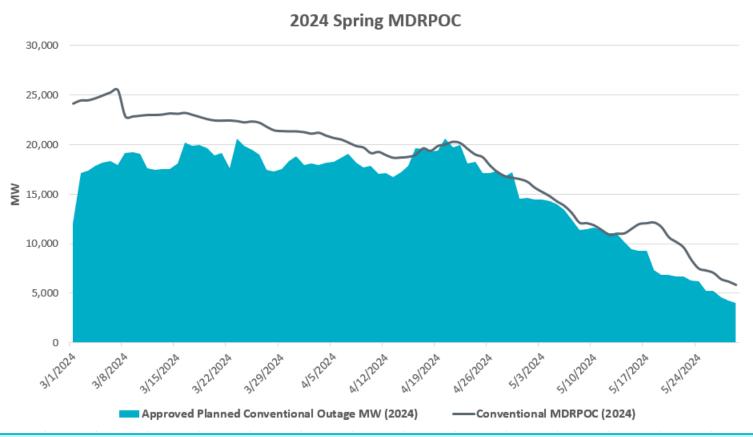


Hot Topics

- Resource Outages
- April 8 Solar Eclipse
- Release of ECRS



Currently Approved Planned Outages versus Maximum Daily Resource Planned Outage Capacity (MDRPOC)



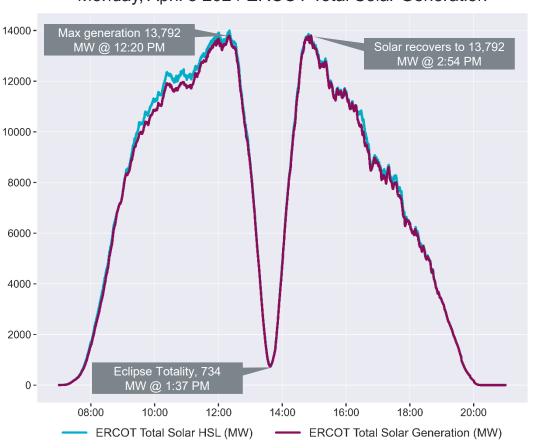
Key Takeaway: MDRPOC has provided sufficient margin to accommodate planned resource outages. Tight capacity days can still occur when actual conditions differ from the assumptions used to derive the MDRPOC.



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Total Solar Eclipse – Monday, April 8, 2024



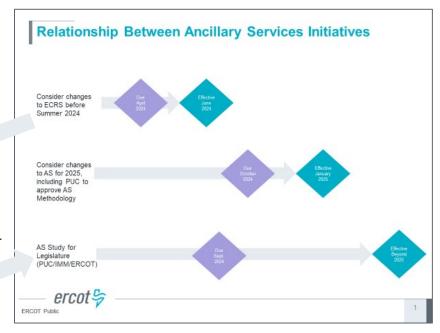
Monday, April 8 2024 ERCOT Total Solar Generation

- On Monday, April 8, 2024, a total solar eclipse passed over Texas from the southwest to northeast direction.
- Solar generation was reduced during the eclipse, dropping from an instantaneous peak of 13.8 GW at the beginning of the eclipse to a low output of 0.7 GW at 1:36 p.m., and then rising to approximately 13.8 GW by 3:10 p.m.
- ERCOT procured additional Ancillary Services (AS), committed additional generation, took manual actions to increase ramping capability, and deployed AS to maintain reliability.

Key Takeaway: On April 8th, 2024, a total solar eclipse passed over Texas impacting solar generation. ERCOT used available tools to balance the system.

ECRS Release

- During review of Ancillary Services (AS) Methodology for 2024, ERCOT committed to revisit ERCOT Contingency Reserve Service (ECRS) prior to summer, based on feedback from IMM
 - Already reduced quantity during review of AS for 2024; not planning to reduce further – will discuss quantity criteria later in the year as part of other AS efforts
 - Instead, current focus for this summer is on whether to release ECRS "earlier" on tight days



- ERCOT has worked with IMM to develop potential mechanisms to release ECRS earlier during near-scarcity conditions, while still meeting system reliability requirements
 - One option is a continuous release of the portion of ECRS that is not used for frequency recovery behind an offer floor – however this option requires Protocol and system changes by ERCOT and Market Participants and, therefore, will not be implemented before this summer
 - The quicker option is to release blocks of ECRS automatically when SCED is short of capacity by a given amount



ECRS Release

- ERCOT proposed NPRR 1224 to formalize the mechanism to be used to release ECRS when SCED is short
 - Worked with the IMM to propose a trigger level at which this release would occur to start the stakeholder discussion
 - Expected that the ultimate trigger would be determined through the NPRR approval process, which would balance the impacts of this change on various stakeholders
- The Protocol Revision Subcommittee tabled NPRR 1224 at its April meeting
 - This makes a decision on NPRR 1224 unlikely before summer
 - Without this guidance on an appropriately-balanced trigger, ERCOT intends to release ECRS in a similar manner to last year until such guidance is received
- ERCOT will, in parallel, be filing a separate NPRR to implement the "offer floor" option so that it can be considered

