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| NPRR Number | [1180](http://www.ercot.com/mktrules/issues/NPRR1180) | NPRR Title | Inclusion of Forecasted Load in Planning Analyses |
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| Date | July 15, 2024 |
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| Submitter’s Information |
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| Cell Number |  |
| Market Segment | Not Applicable |

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| Comments |

ERCOT submits these comments to further revise this NPRR based on feedback from stakeholders regarding the 12/13/23 ERCOT comments. Those comments had proposed to modify the Regional Planning Group (RPG) process to allow Transmission Service Providers (TSPs) to obtain an ERCOT independent review of any Tier 1 or 2 project even when the project may not be based on quantifiable evidence of Load growth—i.e., evidence such as an interconnection agreement or other confirming agreement, a credible third-party study, or an officer letter attesting to the Load values.

However, after further discussion with several TSPs, ERCOT believes that allowing for an independent review of projects that are not entirely based on such evidence is undesirable because it could result in ERCOT failing to recommend—and when appropriate, endorse—a project to address a legitimate reliability or economic need that may be justified by some lower level of Load that is based on quantifiable evidence of Load growth. Even if the language were modified to provide for an identification of two competing transmission solutions—one that is based only on Load that is supported by quantifiable evidence and another that is based in part or in whole on Load that has not been substantiated by such evidence—this would also be undesirable because it could result in competing certification proceedings at the Public Utility Commission of Texas (PUCT), which could engender unnecessary confusion and could be difficult to resolve within the 180-day timeline required by statute because of disagreements about the validity of Load values.

To avoid the possibility of such competing proceedings, and to ensure that transmission needs identified by ERCOT are based on evidence of Load that meets a minimum threshold of facial credibility, ERCOT has concluded that RPG and ERCOT should be required to rely only on Load values that are based on quantifiable evidence of Load growth—i.e., “Substantiated Load,” as now defined in this NPRR.

Based on this conclusion, these comments remove all of the language ERCOT had proposed in Section 3.11.4.9, Regional Planning Group Acceptance and ERCOT Endorsement, which would have detailed the different procedural paths that differed depending on whether the submitted Load was based on quantifiable evidence. Instead, these comments largely defer to the existing RPG process with the lone change being that, when ERCOT concludes that the TSP’s submitted Load value is not supported by one of the defined categories of quantifiable evidence—i.e., when the project is based in whole or in part on “Unsubstantiated Load,” as defined in this NPRR—ERCOT will notify the TSP and RPG of this fact, and neither the RPG nor ERCOT will proceed with review of the project.

To be clear, ERCOT does not intend to suggest that its acceptance of TSP-submitted Load values for purposes of RPG review somehow immunizes those values from further factual review during PUCT certification proceedings. ERCOT is simply proposing an ERCOT-level process that ensures that any RPG acceptance, and any ERCOT recommendation or endorsement, will be based on Load values that meet a minimal test for facial credibility.

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| Revised Cover Page Language |

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| Nodal Protocol Sections Requiring Revision | 2.1, Definitions3.11.4.1, Project Submission3.11.4.1.1, Project Submissions Based on Unsubstantiated Load (new)3.11.4.6, Processing of Tier 2 Projects3.11.4.7, Processing of Tier 1 Projects3.11.4.9, Regional Planning Group Acceptance and ERCOT Endorsement |
| Revision Description | This Nodal Protocol Revision Request (NPRR) revises the Protocols to address recent amendments to P.U.C. Subst. R. 25.101, Certification Criteria, which became effective on December 20, 2022.Specifically, NPRR1180 incorporates the requirement in P.U.C. Subst. R. 25.101(b)(3)(A)(ii)(II) for any reliability-driven transmission project review conducted by ERCOT to incorporate the historical Load, forecasted Load growth, and additional Load seeking interconnection, in the ERCOT independent review. |
| Business Case | The inclusion of historical Load, forecasted Load growth, and additional Load seeking interconnection in transmission project reviews conducted by ERCOT is required by Public Utility Commission of Texas (PUCT) Rule for Certificates of Convenience and Necessity (CCNs). Including that information in ERCOT’s independent reviews of RPG projects will help ensure ERCOT’s transmission project recommendations support long-term system and Customer needs. |

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| **Market Rules Notes** |

Please note that the following NPRR(s) also propose revisions to the following section(s):

* NPRR956, Designation of Providers of Transmission Additions
	+ Section 3.11.4.1
	+ Section 3.11.4.9

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| Revised Proposed Protocol Language |

**2.1 DEFINITIONS**

**Substantiated Load**

Load submitted by a TDSP for planning purposes that is substantiated by any of the following:

 (a) An executed interconnection or other agreement;

(b) An independent third-party Load forecast that has been deemed credible by ERCOT and that may include Load for which a TDSP has yet to sign an interconnection agreement; or

(c) A letter from a TDSP officer attesting to such Load, which may include Load for which a TDSP has yet to sign an interconnection agreement.

**Unsubstantiated Load**

Load submitted by a TDSP for planning purposes that is not Substantiated Load.

***3.11.4 Regional Planning Group Project Review Process***

3.11.4.1 Project Submission

(1) Any stakeholder may initiate an RPG Project Review through the submission of a document describing the scope of the proposed transmission project to ERCOT. Projects should be submitted with sufficient lead-time to allow the RPG Project Review to be completed prior to the date on which the project must be initiated by the designated TSP.

(2) Stakeholders may submit projects for RPG Project Review within any project Tier. All transmission projects in Tiers 1, 2 and 3 shall be submitted. TSPs are not required to submit Tier 4 projects for RPG Project Review, but shall include any Tier 4 projects in the cases used for development of the Regional Transmission Plan.

(3) All system improvements that are necessary for the project to achieve the system performance improvement, or to correct the system performance deficiency, for which the project is intended should be included into a single project submission.

(4) Facility ratings updates are not considered a project and are not subject to RPG Project Review.

**3.11.4.1.1 Project Submissions Based on Unsubstantiated Load**

(1) Following the submission of a project by a TSP, if ERCOT determines that the asserted need for a Tier 1, Tier 2, or Tier 3 project is based in part or in whole on Unsubstantiated Load, ERCOT shall notify the submitting TSP and the RPG, and neither ERCOT nor the RPG will conduct any further review of the project.

3.11.4.6 Processing of Tier 2 Projects

(1) ERCOT shall conduct an independent review of a submitted Tier 2 project as follows:

(a) ERCOT’s independent review shall consist of studies and analyses necessary for ERCOT to make its assessment of whether the proposed project is needed and whether the proposed project is the preferred solution to the identified system performance deficiency that the project is intended to resolve;

(b) ERCOT shall consider all comments received during the project comment process and factor reasonable comments into its independent review of the project;

(c) ERCOT will attempt to complete its independent review for a project in 120 days or less. If ERCOT is unable to complete its independent review based on RPG input within 120 days, ERCOT shall notify the RPG of the expected completion time;

(d) ERCOT may, at its discretion, discuss submitted transmission projects at meetings of the RPG in order to obtain additional input into its independent review; and

(e) ERCOT shall prepare a written report documenting the results of its independent review and recommendation on the project and shall distribute this report to the RPG.

3.11.4.7 Processing of Tier 1 Projects

(1) ERCOT shall conduct an independent review of a submitted Tier 1 project as follows:

(a) ERCOT’s independent review will consist of studies and analyses necessary for ERCOT to make its assessment of whether the proposed project is needed and whether the proposed project is the preferred solution to the identified system performance deficiency that the project is intended to resolve;

(b) ERCOT will consider all comments received during the project comment process and factor reasonable comments into its independent review of the project;

(c) ERCOT will attempt to complete its independent review for a project in 150 days or less. If ERCOT is unable to complete its independent review based on RPG input within 150 days, ERCOT shall notify the RPG of the expected completion time;

(d) ERCOT may, at its discretion, discuss submitted transmission projects at meetings of the RPG in order to obtain additional input into its independent review; and

(e) ERCOT shall prepare a written report documenting the results of its independent review and recommendation on the project and shall distribute this report to the RPG.

(2) Tier 1 projects require ERCOT Board endorsement.

3.11.4.9 Regional Planning Group Acceptance and ERCOT Endorsement

(1) For Tier 3 projects, successful resolution of all comments received from ERCOT and stakeholders during the project comment process will result in RPG acceptance of the proposed project. An RPG acceptance letter shall be sent to the TSP(s) for the project, the project submitter (if different from the TSP(s)), and posted on the MIS Secure Area. For Tier 2 projects, ERCOT’s recommendation as a result of its independent review of the proposed project will constitute ERCOT endorsement of the need for a project except as noted in paragraph (4) below. For Tier 1 projects, ERCOT’s endorsement is obtained upon affirmative vote of the ERCOT Board except as noted in paragraph (4) below. An ERCOT endorsement letter shall be sent to the TSP(s) for the project, the project submitter (if different from the TSP(s)), and the PUCT, and posted on the MIS Secure Area upon receipt of ERCOT’s endorsement for Tier 1 and Tier 2 projects except as noted in paragraph (4) below.

(2) Following the completion of its independent review, ERCOT shall present all Tier 1 projects for which it finds a need to the ERCOT Board and shall provide a report to the ERCOT Board explaining the basis for its determination of need. Prior to presenting the project to the ERCOT Board, ERCOT shall present the project to the Technical Advisory Committee (TAC) for review and comment. Comments from TAC shall be included in the presentation to the ERCOT Board. ERCOT will make a reasonable effort to make these presentations to TAC and the ERCOT Board at the next regularly scheduled meetings following completion of its independent review of the project.

(3) If a TSP asserts a need for a proposed Tier 1 or Tier 2 project based in part or in whole on its own planning criteria, then ERCOT’s independent review shall also consider whether a reliability need exists under the TSP’s criteria.  If ERCOT identifies a reliability need under the TSP’s criteria, then ERCOT shall recommend a project that would address that need as well as any reliability need identified under NERC or ERCOT criteria, but shall explicitly state in the independent review report that ERCOT has assumed the TSP’s criteria are valid and that an assessment of the validity of the TSP’s criteria is beyond the scope of ERCOT’s responsibility.  ERCOT or the ERCOT Board may provide a qualified endorsement of such a project if ERCOT determines that it is justified in part under ERCOT or NERC criteria, as described in paragraph (1) above.  However, neither ERCOT nor the ERCOT Board shall endorse a project that is determined to be needed solely to meet a TSP’s criteria.