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| NPRR Number | [1235](https://www.ercot.com/mktrules/issues/NPRR1235) | NPRR Title | Dispatchable Reliability Reserve Service as a Stand-Alone Ancillary Service |
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| Date | | July 15, 2024 | |
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| Submitter’s Information | | | |
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| Market Segment | | Not applicable | |

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| Comments |

The Texas Solar Power Association (TSPA) appreciates the opportunity to submit comments on Nodal Protocol Revision Request (NPRR) 1235. TSPA, founded in 2014, is the state-wide trade association representing the interests of solar power industry in Texas, as well as battery storage assets co-located at solar power facilities and in homes and businesses. Our member companies are engaged in the development, installation, and operations of utility-scale, commercial, and residential solar and storage projects and products, serving customers with cost-competitive, clean, predictable electricity in the ERCOT wholesale and retail markets.

TSPA supports the adoption of a new stand-alone Ancillary Service, Dispatchable Reliability Reserve Service (DRRS), as it was discussed and approved in HB 1500 during the 88th Texas Legislative Session (2023). While TSPA acknowledges ERCOT’s interest in initially deploying DRRS as a thermal-only program, largely for technology reasons, the DRRS product will ultimately better serve the market, and all electricity consumers, with the inclusion of dispatchable Energy Storage Resources (ESRs), as policymakers intended. Because of this, TSPA requests that ERCOT make clear that four-hour ESRs will be eligible to participate in the DRRS and commit to a timeline to include ESRs in the DRRS.

As ERCOT is aware, the DRRS was created by the Legislature to address Day-Ahead and Real-Time Market uncertainty, including “intermittency of non-dispatchable resources and forced outage rates for dispatchable generation facilities.” HB 1500 additionally states that DRRS must have the “dispatchable flexibility to address inter-hour operational challenges.”

Energy storage assets are the fastest-responding resources on the grid and can best address inter-hour operational challenges[[1]](#footnote-1). And, there is great interest in the advancement of longer duration energy storage in ERCOT. Relying only on thermal Resources to address market uncertainty (including forced thermal Outages) would be short-sighted and leave ERCOT with less flexibility to efficiently and effectively address market uncertainty through the DRRS product.

Market design choices can incentivize those attributes of Resources that are needed to address particular operational and reliability needs. We have seen this with other products, such as firm fuel, the proposed voltage support service, and potentially with grid-forming inverter technology and seasonal storage. Inclusion of four-hour energy storage in DRRS will act as an incentive to accelerate the advancement and adoption of longer duration storage, which will undoubtedly improve grid reliability and better address market uncertainty.

As ERCOT moves forward with DRRS implementation, TSPA requests that ERCOT staff commits to the Technical Advisory Committee (TAC) and the ERCOT Board of Directors that it will file an NPRR regarding a second phase, or modification to what will serve as the initial DRRS product, for the participation of four-hour duration energy storage no later than August 2025, after a stakeholder review of energy storage participation. TSPA and its members are available to support ERCOT staff in any way to help integrate ESRs into the DRRS as soon as practicable.

TSPA greatly appreciates the opportunity to comment on NPRR 1235 and looks forward to working with ERCOT and market participants to ensure the inclusion of ESRs in DRRS in a timely fashion.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None

1. It should be noted that Controllable Load Resources (CLRs) could also play a significant role in addressing inter-hour operational challenges, but ERCOT does not appear poised to include CLRs in the DRRS product. [↑](#footnote-ref-1)