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| NPRR Number | [1202](https://www.ercot.com/mktrules/issues/NPRR1202) | NPRR Title | Refundable Deposits for Large Load Interconnection Studies |
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| Date | | October 11, 2023 | |
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| Submitter’s Information | | | |
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| Market Segment | | Industrial Consumer | |

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| Comments |

The ERCOT Steel Mills appreciate the opportunity to submit these comments on proposed Nodal Protocol Revision Request (NPRR) 1202. The ERCOT Steel Mills recommend that PRS provide these comments to the Large Flexible Load Task Force (LFLTF), as some suggested revisions herein are also contained in NPRR1191, Registration, Interconnection, and Operation of Customers with Large Loads; Information Required of Customers with Loads 25 MW or Greater.

The ERCOT Steel Mills agree with Lancium LLC, the original submitter of NPRR1202, that this NPRR should be given Urgent status as such is necessary to facilitate the assessment of initial deposits in March 2024, or as soon as possible. ERCOT has provided stakeholders with projections of the number and size of Large Flexible Loads (“LFLs”) that have requested an ERCOT interconnection study. The Current Large Load Interconnection Queue shows over 39,000 MWs of LFL intending to interconnect to the ERCOT grid by 2027. Of the 3,077 MWs that have received approval to energize, ERCOT has observed a non-simultaneous peak consumption of 2,379 MWs -- well short of ERCOT’s total interconnection queue. Crypto industry representatives have indicated at LFLTF meetings that much of the projected LFL interconnection requests are phantom requests attributable in part to the fact that ERCOT does not currently charge an interconnection study fee. The initial study fee proposed in this NPRR should be used by ERCOT to offset the high cost of performing endless transmission studies currently being supported by ERCOT fees to all consumers.

The ERCOT Steel Mills also suggest that, given the magnitude of the LFLs wanting to interconnect by 2027, there is likely no way sufficient transformers can be procured between now and then. Such projections indicate more than a 40% increase in ERCOT total Load. The NPRR 1202 imposes a non-refundable fee for companies desiring an interconnection study as well as a periodically assessed fee which would be refunded to the submitting company if the LFL actually energizes its load to the level of its initial projection requested of ERCOT.

These fees should not impair any large company that realistically intends to actually build a LFL facility.

The ERCOT Steel Mills suggest that such fees are necessary to give ERCOT and the LFLTF realistic projections of future industrial Loads. Protocols written to manage even 5,000 MWs will be difficult to design and insure a reliable outcome of management of LFLs during generation short supplies. Designing for a future projection of over 39,000 MWs would require a totally different method of managing such large Loads on the system. It is imperative that realistic future projections be obtained given that, with the current system of not charging for an interconnection study, it is difficult to have any confidence in current and future LFL projections in ERCOT.

The ERCOT Steel Mills support Urgent status for this NPRR and request that ERCOT design the implementation program as quickly as possible to assure that ERCOT has reliable information as to the seriousness of proposed LFLs requesting interconnection studies.

Consistent with prior comments filed by the ERCOT Steel Mills on NPRR1191 dated August 30, 2023, we also suggest modifications to the definitions of Large Load and Large Load Interconnection Study contained in NPRR1202 and NPRR1191 as described in the following section. This change is more in line with the direction from the State Legislature in SB 1929 to require registration of all crypto mining loads.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

**2.1 Definitions**

**Large Flexible Load**

One or more Facilities engaged in the mining of crypto currency or production of hydrogen by water electrolysis at a single site with an aggregate peak Demand greater than or equal to 75 MW behind one or more common Points of Interconnection (POIs) or Service Delivery Points.

**Large Load Interconnection Study (LLIS)**

The set of studies conducted by a Transmission Service Provider (TSP) for the purpose of identifying any electric system improvements or enhancements required to reliably interconnect a Customer with a Large Flexible Load meeting the requirements of Planning Guide Section 8.2.2, Applicability. These studies may include steady-state studies, system protection (short-circuit) studies, dynamic and transient stability studies, facility studies, and sub-synchronous oscillation studies.

**3.24 Refundable Deposits for Large Load Interconnection Studies**

(1) ERCOT shall assess an initial refundable deposit ($ per MW) in order to initiate a Large Load Interconnection Study (LLIS), or for any similar studies that are already in progress on January 1, 2024.

(2) On the first Business Day of each quarter that the Large Flexible Load associated with the study has not yet energized, ERCOT shall assess an additional refundable deposit ($ per MW) to the Entity responsible for the LLIS.

(3) Each refundable deposit must be paid within ten Business Days.

(4) If a deposit is not paid, planning associated with the LLIS shall cease, and ERCOT may remove the LLIS from any future planning studies or reports.

(5) All funds associated with the initial and quarterly refundable deposits for a LLIS shall be refunded to the Large Flexible Load within 30 Business Days of the energization of the Large Flexible Load. The Entity responsible for the LLIS must use the online Resource Integration and Ongoing Operations (“RIOO”) system to update any change in contact information for this purpose.

(6) If a Large Flexible Load associated with an LLIS does not energize three years after the requested energization date, the deposits can no longer be refunded. ERCOT shall donate any such funds to a charitable purpose determined by the ERCOT Board that benefits the electric industry, such as a scholarship fund for engineering students, or other similar purpose.

**ERCOT Fee Schedule**

***Effective TBD***

The following is a schedule of ERCOT fees currently in effect. These fees are not refundable unless ERCOT Protocols provide otherwise.

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| **Description** | | **Nodal Protocol Reference** | | **Calculation/Rate/Comment** | |
| Private Wide Area Network (WAN) fees | | 9.16.2 | | Actual costs of procuring, using, maintaining, and connecting to the third-party communications networks and related hardware that provide ERCOT WAN communications. The portion of costs for ERCOT’s work regarding an initial installation or reconfiguration of an existing installation will not exceed $7,000. The portion of the monthly network management fee for ERCOT’s work will not exceed $450 per month. | |
| ERCOT Generation Interconnection fee (Not Refundable) | | NA | | Application to interconnect generation to the ERCOT System.  $5,000 (less than or equal to 150 MW)  $7,000 (greater than 150 MW) | |
| |  |  |  |  | | --- | --- | --- | --- | | ***[NPRR1153: Replace “ERCOT Generation Interconnection fee” above with the following upon system implementation:]***   |  |  |  | | --- | --- | --- | | ERCOT Load Resource Registration and Generator Interconnection or Modification fees | NA | $500 for registration of a new Load Resource.  If a Resource Entity seeks to increase the MW size of an existing Load Resource by more than 20% or change the Load Resource’s registration between non-Controllable Load Resource and Controllable Load Resource, it will incur a registration fee of $500.  The term “generator,” as used in this fee schedule relating to interconnection fees and Full Interconnection Study (FIS) Application fees, includes Generation Resources, Energy Storage Resources (ESRs), and Settlement Only Generators (SOGs) but, as reflected below, Settlement Only Distribution Generators (SODGs) will incur a different fee amount than transmission connected SOGs. The following fee amounts apply for the registration of a new generator:  $2,300 for SODGs;  $8,000 for generators that are less than 10 MW (other than SODGs); and  $14,000 for generators that are 10 MW or greater.  If a Resource Entity for an existing SODG seeks to change its registration to a Distribution Generation Resource (DGR) it will incur a registration fee of $8,000.  If a Resource Entity seeks to make a modification that is covered by paragraph (1)(c) of Planning Guide Section 5.2.1, Applicability, to an existing generator it will incur a registration fee in association with the modification request. If, at the time the modification is submitted, the cumulative MW amount of the modification and any other modifications that have been submitted for that generator within the last 12 months amount to less than 10 MW, the registration fee will be $2,300. If, at the time the modification is submitted, the cumulative MW amount of the modification and any other modifications that have been submitted for that generator within the last 12 months amount to 10 MW or greater, the registration fee will be $14,000. | | | | | | | |
| Full Interconnection Study (FIS) Application fee (Not Refundable) | | NA | | $15 per MW – to support ERCOT system studies and coordination. Applicable MW amount per Planning Guide Section 5, Generator Interconnection or Modification. | |
| |  |  |  |  | | --- | --- | --- | --- | | ***[NPRR1153: Replace “Full Interconnection Study (FIS) Application fee” above with the following upon system implementation:]***   |  |  |  | | --- | --- | --- | | Full Interconnection Study (FIS) Application fee | NA | $3,000 for an FIS Application relating to a new generator.  $2,700 for an FIS Application relating to modification of an existing generator. | | | | | | | |
| Qualified Scheduling Entity (QSE) Application fee | | 9.16.2 | | $500 per Entity | |
| Subordinate QSE (Sub-QSE) Application fee | | 9.16.2 | | $500 per Sub-QSE | |
| Large Load Interconnection Study (LLIS) fee | NA | | $50,000 | |
| Recurring Deposits for Large Flexible Load Interconnection Queue | 3.24 | | $X per MW plus $Y per MW per quarter to be refunded upon energization | |
| Competitive Retailer (CR) Application fee | | 9.16.2 | | $500 per Entity | |
| Congestion Revenue Right (CRR) Account Holder Application fee | | 9.16.2 | | $500 per Entity | |
| Independent Market Information System Registered Entity (IMRE) fee | | 9.16.2 | | $500 per Entity | |
| Resource Entity Application fee | | 9.16.2 | | $500 per Entity | |
| Transmission and/or Distribution Service Providers (TDSPs) | | 9.16.2 | | $500 per Entity | |
| Weatherization Inspection fees | | NA | | Resource Entities with Generation Resources or Energy Storage Resources (ESRs) and Transmission Service Providers (TSPs) shall pay fees to ERCOT for costs related to weatherization inspections conducted pursuant to 16 Texas Administrative Code (TAC) § 25.55, Weather Emergency Preparedness, as provided below.  TSPs shall pay an inspection fee of $3,000 for each of their substations or switching stations that are inspected.  Each Resource Entity with Generation Resources or ESRs shall pay an inspection fee calculated as the Semiannual Generation Resource Inspection Costs \* (Resource Entity MW Capacity/Aggregate MW Capacity). ERCOT will perform this calculation twice per calendar year and gather the necessary MW capacity data for that six-month period on one of the last 15 Business Days at the end of the period. Terms used in this formula are defined as follows:  Semiannual Generation Resource Inspection Costs = the sum of outside services costs, ERCOT internal costs, and overhead costs related to weatherization inspections, less inspection fees that will be invoiced to TSPs, for that six-month period.  Resource Entity MW Capacity = the total MW capacity associated with a Resource Entity with Generation Resources or ESRs. To calculate these amounts, ERCOT will query the Resource Integration and Ongoing Operations-Resource Services (“RIOO-RS”) for a report that lists the total MW capacity (real power rating) for all generation assets associated with each Resource Entity.  Aggregate MW Capacity = the total of all the Resource Entity MW Capacity amounts. To calculate this amount, ERCOT will query the RIOO-RS for a report that lists the total MW capacity (real power rating) for all Generation Resources and ESRs associated with all Resource Entities.  ERCOT will issue Invoices semiannually in the months of January and July for the preceding six-month period to the Resource Entities and TSPs that owe inspection fees. Payment of the fee will be due within 30 days of the Invoice date and late payments will incur 18% annual interest. Entities that fail to pay their Invoice on time will be publicly reported in a filing with the Public Utility Commission of Texas (PUCT). Further payment terms and instructions will be included on the Invoice. | |
| Voluminous Copy fee | | NA | | $0.15 per page in excess of 50 pages | |
| Actual Costs associated with Information Requests | | NA | | ERCOT will provide an estimate to the requestor of any vendor or third-party costs ERCOT deems appropriate to fulfill the information request. If the requestor approves the cost estimate, the requestor must pay all such costs as instructed by ERCOT before the information will be delivered to the requestor. | |
| ERCOT Labor Costs for Information Requests | | NA | | $15 per hour of ERCOT time.  If ERCOT determines that a request will involve a substantial burden on ERCOT employee or contractor time to fulfill the request, ERCOT will provide an estimate to the requestor of the anticipated labor costs. If the requestor approves the cost estimate, the requestor must pay all such labor costs as instructed by ERCOT before the information will be delivered to the requestor. | |
| ERCOT Training fees for courses that award Continuing Education Hours (CEHs) | | NA | | $25 per North American Electric Reliability Corporation (NERC) CEH.  Examples of such trainings include, without limitation, the Operator Training Seminar and Black Start Training. | |
| Cybersecurity Monitor fee for Non-ERCOT Utilities that participate in the Texas Cybersecurity Monitor Program | | NA | | The Cybersecurity Monitor fee amount varies from year to year. The current fee amount is posted on ERCOT’s website here:  <https://www.ercot.com/services/programs/tcmp> | |