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| NPRR Number | [1214](https://www.ercot.com/mktrules/issues/NPRR1214) | NPRR Title | Reliability Deployment Price Adder Fix to Provide Locational Price Signals, Reduce Uplift and Risk |
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| Date | | August 9, 2024 | |
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| Submitter’s Information | | | |
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| Market Segment | | Not applicable | |

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| Comments |

ERCOT has expressed concerns with Nodal Protocol Revision Request (NPRR) 1214, as proposed, in stakeholder forums and directly with the sponsor, but also offers these formal comments for the sake of transparency to all stakeholders and decision-makers. As addressed below, the concerns relate to: 1) outstanding complex policy and design issues, 2) analysis limitations, and 3) timing considerations related to the implementation of the Real-Time Co-Optimization plus Batteries (RTC+B) initiative.

Complex Policy and Design Issues

NPRR1214 as currently drafted contains a number of complex issues which require review and development, particularly around pricing and settlement, including:

* Further consideration of the treatment of Energy Storage Resources (ESRs), including:
  + Outstanding design questions around the indifference payment, specifically the determination of the quantity and the treatment of ESRs;
  + Language in Section 6.9.1 that only refers to Generation Resources and Controllable Load Resources (CLRs) but not ESRs;
  + Further consideration of the impacts from NPRR1188, Implement Nodal Dispatch and Energy Settlement for Controllable Load Resources, which introduces nodal Settlement for CLRs. This relates to the Settlement Point Price that the indifference payment would use: pre-NPRR1188 would require zonal prices and post-NPRR1188 would require nodal prices;
* The impacts of Load Resource deployments, Block Load Transfers (BLTs), and utility programs are not properly accounted for nor are impacts of other actions including High Dispatch Limit (HDL) overrides; and
* Modelling of Direct Current Tie (DC Tie) curtailments also requires further consideration.

Analysis Limitations

Some of the pricing run data requested to help evaluate the impact of the NPRR is not available in any existing database nor is it straightforward to pull together in a programmatic way from a large set of save cases. Given several other current priorities, ERCOT is not able to commit to providing this data on a date-certain basis. This data will be available and easier to access after implementation of RTC+B.

Timing Considerations Relative to RTC+B

ERCOT teams are working toward implementation of RTC+B; absent a specific policy direction, no new market change initiatives are being considered prior to RTC+B implementation. Some aspects of NPRR1214 would not be applicable post-RTC, which raises further concerns as to the efficacy of considering this project given other priorities.

Given the concerns noted above, ERCOT does not believe it is practical to support NPRR1214 at this time. ERCOT would recommend revisiting this issue post-RTC+B implementation when these issues can be reviewed, discussed, and addressed in a more holistic manner in a future NPRR.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None