

PROJECT NO. 54248

SELECTION OF THE RELIABILITY	§	PUBLIC UTILITY COMMISSION
MONITOR FOR THE ERCOT	§	OF TEXAS
POWER REGION	§	

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.'S
2024 THIRD QUARTER ACTIVITY REPORT
FOR RELIABILITY MONITOR

Pursuant to the order of the Public Utility Commission of Texas (PUC/Commission) Directing ERCOT to Serve as Reliability Monitor, effective November 3, 2022, Electric Reliability Council of Texas, Inc. (ERCOT) Reliability Monitor (ERM) hereby submits its 2024 Third Quarter Activity Report.

I. BACKGROUND

On November 3, 2022, the Commission issued an order directing ERCOT to assume the duties and responsibilities of the reliability monitor for the ERCOT power region in accordance with 16 Tex. Admin. Code § 25.503(j).

ERCOT is charged with monitoring, investigating, auditing, and reporting to the PUC on matters related to the compliance of ERCOT, Inc. and ERCOT Market Participants with reliability-related provisions of the Public Utility Regulatory Act (PURA), the PUC's Substantive Rules, and ERCOT Protocols and Other Binding Documents, as well as providing subject matter advice, expertise, and assistance with the PUC's reliability-related compliance and enforcement activities. ERCOT must file a quarterly report summarizing its previous quarter ERM activities. The ERM hereby provides the following information for the Third Quarter (Q3) of 2024.

A. Executive Summary

During Q3, the ERM opened twenty (20) new Incident Reviews:

Priority ¹	No. of Cases
Critical	5
High	6
Medium	5
Low	4
Total	20

Aside from opening the investigations in the table above, the ERM referred 14 Preliminary Assessment Reports to the Commission's Division of Compliance and Enforcement (DICE) during Q3, consisting of five High Priority, seven Medium Priority, and two Low Priority Compliance Deviations. Most of the reports were based on potential violations of Reliability Requirements related to Firm Fuel Supply Service, Primary Frequency Response, Compliance with Dispatch Instructions (including during the September 2023 Energy Emergency Alert), and compliance with Ancillary Service requirements.

B. Changes to Reliability Requirements to Promote Improved Reliability

The ERM is tracking the following revision requests that could impact ERCOT System reliability:

NPRR1241	Firm Fuel Supply Service Availability and Hourly Standby Fee
NPRR1243	Notice and Release of Protected Information or ECEII to Certain Governmental Authorities
NPRR1244	Clarification of Controlled Load Resource Primary Frequency Response Responsibilities
NPRR1245	Additional Clarifying Revisions to Real-Time Co-Optimization
NPRR1246	Energy Storage Resource Terminology Alignment for the Single-Model Era
NPRR1253	Incorporate ESR Charging Load Information into ICCP
NPRR1254	Modeling Deadline for Initial Submission of Resource Registration Data

¹ The ERM staff assess an event's impact on ERCOT System reliability and categorize events such as the loss of generation, frequency, or voltage excursions, *etc.* as "Critical." The ERM categorizes other events as "High," "Medium," or "Low" depending on such factors as: number and size of the facilities involved, if the event is local versus widespread, whether an issue relates to only an administrative matter, *etc.*

<u>NOGRR268</u>	Related to NPRR1246, ESR Terminology Alignment for the Single-Model Era
<u>PGRR117</u>	Addition of Resiliency Assessment and Criteria to Reflect PUCT Rule Changes
<u>PGRR118</u>	Related to NPRR1246, ESR Terminology Alignment for the Single-Model Era
<u>PGRR119</u>	Stability Constraint Modeling Assumptions in the Regional Transmission Plan

In addition to the foregoing, the ERM continues working with Subject Matter Experts on the following issues to improve ERCOT System reliability:

- New telemetry and Current Operating Plan (COP) data requirements for Energy Storage Resources (ESRs) related to NPRR1186;
- New technology telemetry practices, especially regarding Ancillary Services (A/S);
- Voltage Support Services and reactive power requirements; and
- Dynamic model submissions.

C. Routine Compliance Monitoring

In addition to investigating individually reported potential violations, the ERM performed routine monitoring activities of Market Participant and ERCOT compliance with Reliability Requirements. Specifically, ERM analysts monitored compliance with the following Protocols each month:²

- Resource Ancillary Service Qualification Compliance – § 8.1.1.1(1)
- Quick Start Resource Performance – § 8.1.1.2(17)(a)
- QSE Ancillary Service Capacity Compliance – § 8.1.1.3(3)
- Generation Resource Energy Deployment Performance (GREDP) for Non-Intermittent Renewable Resources – § 8.1.1.4.1(7)
- GREDP for Intermittent Renewable Resources (IRRs) – § 8.1.1.4.1(8)
- Controllable Load Resource (CLR) Energy Deployment Performance – § 8.1.1.4.1(9)
- Energy Storage Resource (ESR) Energy Deployment Performance – § 8.1.1.4.1(9)
- Responsive Reserve Service (RRS) Deployment Performance – § 8.1.1.4.2

² References are to Protocols unless otherwise noted.

- RRS from Generation Resources and Controllable Load Resources (CLRs) – § 8.1.1.4.2(1)(a)
- Resources with Insufficient Frequency Responsive Capacity – § 8.1.1.4.2(1)(b)
- RRS from Non-Controllable Load Resources (NCLRs) – § 8.1.1.4.2(1)(a), (4), (6)
 - Non-Spin Reserve Service (NSRS) Deployment Performance – § 8.1.1.4.3
 - NSRS from Generation Resources – § 8.1.1.4.3(3)(a) and (b)
 - NSRS from CLRs – § 8.1.1.4.3(3)(a), (d)
 - NSRS from NCLRs – § 8.1.1.4.3(3)(e), (4)
- ERCOT Contingency Reserve Service (ECRS) Deployment Performance – § 8.1.1.4.4
 - ECRS from Generation Resources and CLRs – § 8.1.1.4.4(1)(a)
 - ECRS from NCLRs – § 8.1.1.4.4(1)(a), (4), (6)
- Emergency Response Service (ERS) Performance – § 8.1.3
 - Testing – § 8.1.3.2(1)(a)(ii)
 - Availability – § 8.1.3.3.3(1)(a)
 - Event Performance – § 8.1.3.3.4
- Primary Frequency Response (PFR) Performance – § 8.5.1.1(1), 8.5.2.1(1)
- PFR 12-Month Rolling Average Performance – Operating Guide § 2.2.8, Attachment J
- Current Operating Plan (COP) Performance Errors – § 3.9.1
- Transmission and/or Distribution Service Provider (TDSP) Transmission Operator (TO) Representation – § 16.19(1)

For each category, ERM analysts retrieve ERCOT data from the ERCOT Market Information System to validate failures before reviewing data, analyzing performance, and comparing performance data to performance metrics to determine which incidents to include in a quarterly report to DICE. The ERM initiated new Incident Reviews because of these analyses.

D. Overall State of ERCOT System Reliability

The overall state of ERCOT System reliability is good. The ERM continues to identify the following areas of concern based on discussions with ERCOT SMEs:

- ESR performance/State-of-Charge monitoring
- Voltage control

- Telemetry quality
- Voltage ride-through
- Fault recording and sequence of events recording data requirements
- Installation of phasor measurement recording equipment
- Data recording, redundancy, retention, and reporting requirements
- Dynamic model submissions

E. 2024 Compliance Audits

The ERM is working on two compliance audits and intends to have them complete by the end of 2024. The first audit evaluates Market Participant compliance with Operating Guides §§ 1.5.2(1), (2), and (3) regarding system operator training requirements. During Q3, the ERM received responses to a second round of Requests for Information (RFIs) to clarify and provide greater detail than initial responses.

In the second compliance audit, the ERM is assessing ERCOT's performance in connection with Operating Guides §§ 3.2.4(4) and (5) related to A/S Performance Monitoring. During Q3, the ERM sent a second set of RFIs to relevant ERCOT departments and received responses on September 25, 2024. The ERM has reviewed the RFI responses and is in the process of drafting an audit report.

The ERM stands ready to provide any additional information requested by the Commission.

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Respectfully submitted,

/s/ A. Andrew Gallo

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