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| NPRR Number | [1272](https://www.ercot.com/mktrules/issues/NPRR1272#summary) | NPRR Title | Voltage Support at Private Use Networks |
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| Date | April 29, 2025 |
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| Submitter’s Information |
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| Market Segment | Not Applicable |

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| Comments |

ERCOT offers the following comments on Nodal Protocol Revision Request (NPRR) 1272.

ERCOT stands by its long-established interpretation of Section 3.15, Voltage Support, of the Nodal Protocols. Paragraphs (4)(a) and (4)(b) of this Section require the Voltage Support Service (VSS) obligation of a Generation Resource to be measured at the Point of Interconnection Bus (POIB) and determined by “the unit's maximum net power to be supplied to the ERCOT Transmission Grid.” Because a Resource that is part of a Private Use Network (PUN) retains the ability to sell the entirety of its capacity into the ERCOT market whenever the co-located load is not consuming power, ERCOT has historically considered the maximum net power to be supplied to the ERCOT grid to be the nameplate of the Resource less any auxiliary load required to operate the Resource. Further, paragraph (4)(e) makes clear this obligation is static, stating “the Reactive Power capability shall be available at all MW output levels”, and that the “Reactive Power profile is depicted graphically as a rectangle.” The VSS obligation is measured at the POIB based on the maximum possible injection to the ERCOT grid and is required at all MW output levels (or for output levels greater than 10% for Intermittent Renewable Resources (IRRs)).

Furthermore, paragraph (17) of Section 3.15 states “For the purpose of complying with the Reactive Power requirements under this Section 3.15, Reactive Power losses that occur on privately-owned transmission lines behind the POIB may be compensated by automatically switchable static VAr-capable devices.” This provision underscores that reactive losses within a private network must be compensated back to the POIB. Consequently, a Generation Resource cannot rely on the fact that it is co-located with load as a reason for not complying with the reactive requirements at the POIB described in paragraphs (4)(a) and (4)(b) of Section 3.15.

ERCOT’s primary concern with NPRR1272 is that it effectively proposes to credit the full amount of possible load at the site against the Generation Resource’s maximum power output when calculating the VSS obligation of that Resource. However, there is no requirement that the load be regularly consuming that amount of power. The Protocols allow for the netted Generation Resource to sell its full capacity to the ERCOT System during times when that load is not consuming power. This NPRR would thus allow the Resource to get full credit for the netted load for purposes of calculating its VSS obligation while also allowing the Resource to retain the ability to sell the entirety of its power into the market at will. Further, when the Resource does sell its full capacity to the ERCOT System, this NPRR would grant it a lower VSS obligation than a stand-alone Resource of the same size, raising significant fairness concerns. Taken to an extreme, if this NPRR were to be adopted, a Generation Resource could eliminate its VSS obligation by adding an equal amount of load behind its meter and operating it for one hour per year.

ERCOT understands the concerns expressed by Occidental on filing NPRR1272 and in subsequent discussions. However, ERCOT believes that the more appropriate solution to this concern is for the Generation Resource that serves load behind the meter full time and wishes to reduce its VSS responsibility to register as a Self-Limiting Facility. Paragraph (4)(f) of Section 3.15 already states “For any Generation Resource or Energy Storage Resource (ESR) that is part of a Self-Limiting Facility, the capabilities described in paragraphs (a) and (b) above shall be determined based on the Self-Limiting Facility’s established MW Injection limit and, if applicable, established MW Withdrawal limit.” If a Generation Resource is truly serving a netted load full time and does not intend to offer that capacity to the ERCOT System in the future, the Resource Entity may designate the site as a Self-Limiting Facility, at which point the VSS obligation would be calculated on the MW Injection Limit. This would have the same effect as the change proposed by this NPRR. For Resources that wish to still retain the option to inject their full nameplate capacity during times when the netted load is not consuming power, ERCOT believes the current language in Section 3.15 establishes the appropriate requirement.

ERCOT is opposed to the changes in Section 3.15 proposed by NPRR1272 and believes the Self-Limiting Facility concept should be utilized to address the issue raised by Occidental in this NPRR.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None