

# **ADER Phase 3 Governing Document Redline Comments**

**Vistra + Enchanted Rock**

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May 7<sup>th</sup>, 2025 - ERCOT WMS

# Executive Summary

## 1. Solution: ADER LSE Acknowledgment

- At WMS on 4/2 and DSWG on 4/17, Vistra outlined the problem of uncoordinated deployment of an ADER participating as an NCLR
- Vistra proposed a simple solution in which ERCOT verifies a QSE↔QSE relationship between the LSE's QSE and the 3<sup>rd</sup> Party QSE
- Enchanted Rock has joined Vistra in co-authoring redlines to effectuate that verification

## 2. Review of Proposed Redlines

- a) Contested Issue Edits
  - b) Administrative Edits
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# 1. Solution: ADER LSE Acknowledgment

At WMS on 4/2, Vistra proposed a solution in which ERCOT verifies a QSE ↔ QSE relationship between the LSE's QSE and the 3<sup>rd</sup> Party QSE

- Retains the Task Force recommendation (i.e., do not require that ESIIDs with >100 kW demand in NCLR model be in the same ADER QSE as the LSE)
  - Adds requirement for ERCOT to verify QSE ↔ QSE relationship between LSE QSE and 3<sup>rd</sup> Party QSE via a signed “LSE Acknowledgment” form just as they already do for the DSP Acknowledgment form
  - Should ensure coordination between entities; less complex than cross-settlement
  - Very low administrative effort for ERCOT
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# 1. LSE Acknowledgment mirrors DSP Acknowledgment

## Appendix A

### **Distribution Service Provider Acknowledgment** ERCOT Aggregate Distributed Energy Resource Pilot Project

This Acknowledgment is signed by an officer of the Distribution Service Provider (DSP) identified below.

By my signature, I confirm that the below-identified DSP has received from [QSE PARTICIPANT's NAME], a Qualified Scheduling Entity in the ERCOT Region ("QSE"), an initial "Details of the Aggregation" submittal as that term is defined in the "Aggregate Distributed Energy Resource Pilot Project Governing Document," and that the DSP provides delivery service to each of the Premises identified in the initial "Details of Aggregation," and that the DSP consents to the participation of those Premises in this Pilot Project. For any subsequent updates to the ADER population, the below-identified DSP confirms that it will verify that it provides delivery service to each of the Premises identified, and will consent to or exclude each Premise's participation in this Pilot Project. The DSP acknowledges that it understands the potential for simultaneous injection of power from each Premise into the DSP's system as a consequence of that participation.

I understand that the below-identified DSP may rescind this acknowledgment by providing 30 days' notice to the QSE and ERCOT, but that no termination of this acknowledgment will be effective before the end of any period for which ERCOT has already issued an award notification to QSE Participant.

DSP: \_\_\_\_\_

Officer Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Template for:



## Appendix C

### Load Serving Entity's Qualified Scheduling Entity Acknowledgment for NCLR-Type Participation ERCOT Aggregate Distributed Energy Resource Pilot Project

This Acknowledgment is signed by an officer of the Qualified Scheduling Entity ("QSE") of the Load Serving Entity ("LSE") ("LSE QSE") identified below.

By my signature, I confirm that the below-identified LSE QSE has received from [QSE PARTICIPANT's NAME], a QSE in the ERCOT Region, an initial "Details of the Aggregation" submittal as that term is defined in the "Aggregate Distributed Energy Resource Pilot Project Governing Document," and that the LSE QSE represents the LSE of one or more Premises identified in the initial "Details of Aggregation," and that the LSE QSE consents to the NCLR-type participation of those Premises in this Pilot Project through [QSE PARTICIPANT's NAME]. For any subsequent updates to the ADER population, the below-identified LSE QSE confirms that it will verify that the LSE represented by the LSE QSE provides retail electric service to one or more of the Premises identified, and will consent to or exclude each such Premise's participation in this Pilot Project. The LSE QSE acknowledges that it understands the potential for impacts to its ERCOT settlements and financial positions related to the Premises' load as a consequence of that participation.

I understand that the below-identified LSE QSE may rescind this acknowledgment by providing 30 days' notice to [QSE PARTICIPANT's NAME] and ERCOT, but that no termination of this acknowledgment will be effective before the end of any period for which ERCOT has already issued an award notification to [QSE PARTICIPANT's NAME].

LSE QSE: \_\_\_\_\_

Officer Signature: \_\_\_\_\_

Printed Name: | \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## 2a. Review of Proposed Redlines

### Section 4 – Remove 6<sup>th</sup> bullet:

- ~~○ Before end of Q2 2025, address broader procedures and rules required to facilitate broader 3rd party aggregation (i.e., not just for large facilities participating in NCLR, for which there are accepted contractual and registration practices today to coordinate QSE and LSE operations) including: (1) any applicable notification, permissions, and customer protection requirements for non-REP entities and (2) exploration of TDU Load Management programs as an alternate route for 3rd party DERs if current ADER pathways are not suitable.~~

### Section 5(a) – Edit 2<sup>nd</sup> bullet:

- An ADER participating as an NCLR will be modeled as a Load Resource and is an aggregation of Premises, where all the sites are located within a single Load Zone and with the same DSP. For ADERs participating as an NCLR where the individual premises associated with the aggregation have electric consumption exceeding 100kW, those premises are not required to have the same LSE **provided that ERCOT has received from the LSE's QSE an active "LSE's QSE Acknowledgment for NCLR-Type Participation" form (hereinafter, "LSE Acknowledgment") (See Appendix C).** Also, ADERs participating as an NCLR may be an aggregation of load- only sites.
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## 2a. Review of Proposed Redlines (cont.)

### Section 5(c)1 – Edit 2<sup>nd</sup> bullet, 4<sup>th</sup> sub-bullet:

- To be eligible to participate in the ADER Pilot Project, a QSE must provide the following information to the applicable DSP that serves each of the Premises that make up the aggregation. The information should be submitted to the DSP on the “Details of the Aggregation” form posted on the Pilot Projects page of the ERCOT website (hereinafter, this information is referred to as “Details of the Aggregation”):
  - Premise unique identifier (name/ID);
  - An indication of whether the ADER telemetry contribution from the Premise is at its TDSP-read meter location or device location;
  - ESI ID (or unique meter identifier, if the ADER is in a NOIE territory) of the TDSP-read meter that measures consumed energy from the grid and/or injected energy into the grid at the Premise;
  - LSE associated with ESI ID or unique meter identifier ~~(not applicable to ADERs intending to participate as NCLRs, provided the individual premise associated with the participating ESIID has electricity consumption that is greater than 100 kW);~~ and

### Section 5(c)1 – Add 9<sup>th</sup> sub-bullet to 2<sup>nd</sup> bullet: (this will also require two new columns in the DOTA form)

- **For ADERs participating as NCLRs where the individual premises associated with the participating ESI ID has electricity consumption that is greater than 100 kW, include:**
  - **DUNS+4 of the QSE associated with LSE**
  - **If the QSE associated with the LSE accepted or rejected the Premises**

### Section 5(c)2 – Edit 2<sup>nd</sup> bullet:

- The “DSP Acknowledgment” and the “QSE Supplement,” as well as the “Details of the Aggregation,” **and the “LSE Acknowledgment” (if applicable)** as described above, shall be submitted as a package to ERCOT via e-mail to pilotprojects@ercot.com and copy the DSP and Resource Entity (RE). QSEs may request that a secure email account be created with ERCOT if using standard email is of concern.

### Section 5(c)2 – Add 6<sup>th</sup> sub-bullet at the end of the 3<sup>rd</sup> bullet:

- Upon receiving the ~~three~~ documents noted above, ERCOT will review the documents. ERCOT may reject the submission for the following reasons:
    - ...
    - **ERCOT has not received the LSE Acknowledgment.**
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## 2a. Review of Proposed Redlines (cont.)

### Section 5(c)6 – Insert sub-section 6:

- 6. For ADERs participating as an NCLR where the individual premises associated with the aggregation have electric consumption exceeding 100 kW and the premises are associated with an LSE that is not associated with the QSE, the QSE must provide written consent from the LSE's QSE (See Appendix C)
    - No LSE or LSE's QSE is required to participate in this program.
    - A QSE must provide the following information to the applicable LSE's QSE that serves each of the Premises that make up the aggregation. The information should be submitted to the LSE's QSE on the "Details of the Aggregation" form posted on the Pilot Projects page of the ERCOT website (hereinafter, this information is referred to as "Details of the Aggregation"):
    - Upon receiving the "Details of the Aggregation," an LSE's QSE that has elected to participate in the Pilot Project shall review the "Details of the Aggregation" for feasibility of participation of the Premises in the proposed Resource on the distribution network. If the LSE's QSE has concerns with all or a portion of the ESI IDs or, for NOIEs, unique meter identifiers, listed in the "Details of the Aggregation," the LSE's QSE will notify the QSE. The LSE's QSE may reject all or a portion of the ESI IDs or unique meter identifiers listed in the "Details of the Aggregation."
    - The LSE's QSE may consent to the participation of the Premises identified in the "Details of the Aggregation," only by executing the "LSE Acknowledgment", Appendix C to this Governing Document, also available on the Pilot Projects page of the ERCOT website.
    - The LSE's QSE's execution of the LSE Acknowledgment shall be taken as the LSE's QSE's confirmation that the LSE provides retail electric service to each of the Premises that are the subject of the request.
    - If any additions or removals have occurred for the month from each aggregation, the QSE will submit monthly updates to the applicable LSE's QSE, as further described in subsections 5.c.3 and 5.c.4, which the LSE's QSE will review in the same manner as above.
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## 2b. Review of Proposed Redlines

### **Section 1** – Update background section to reflect transfer of pilot discussions to ERCOT:

- Participation in the Phase 1 of the Pilot Project began on August 22, 2023. On February 27, 2024, ERCOT staff filed a Phase 1 Report, as required by the Phase 1 Governing Document, in which ERCOT Staff and the ADER Task Force established in PUCT Project No. 53911 (Task Force) reviewed observations on Phase 1 and made recommendations to pursue in Phase 2. The Phase 2 Governing Document was approved by the ERCOT Board on February 27, 2024. On XXX, following the timeline established by the Phase 2 Governing Document, ERCOT prepared a recommendation on moving to a Phase 3 of the Pilot. **On February 13, 2025, the Commission agreed with a recommendation from Commission Staff that the Task Force had achieved its initial objectives and should be dissolved, with the Pilot and related discussions moving to the ERCOT stakeholder process to engage the larger ERCOT market participant community on how best to move the Pilot forward** ~~On XXX, the Task Force and ERCOT filed a Phase 2 Report, recommending to pursue a Phase 3.~~

### **Section 3** – Update 1<sup>st</sup> paragraph:

- The Pilot Project will continue under Phase 3 until implementation of ERCOT market rules and systems are in place to accommodate participation by ADERs, considering any direction from the PUCT, or until ERCOT, following PUCT consultation, or the PUCT deems the Pilot Project unnecessary. ERCOT expects that the Pilot Project will need to continue for a minimum of one additional year from the formal adoption of the Phase 3 Governing Document, including any **potential** future phases, to allow for any incorporation of ERCOT system upgrades, testing of customer migration, and qualifying Resources for multiple ERCOT services, as determined to be allowable while maintaining grid reliability.

### **Section 4** – Edit 1<sup>st</sup> bullet:

- Device-level sub-meter data, power quality metering, or methods for independent certification of QSE-provided data: This Pilot Project will need to evaluate the need for and methods for collecting data from individual Premises or devices that can be used to validate ADER performance and compliance of ADERs, including for the provision of additional Ancillary Services. This may include requiring, ~~for future Pilot Project phases,~~ data recorders located on individual DERs and on the distribution system **in the future**. If that is needed, who installs/owns these data recorders and how is the accuracy of data provided for performance and compliance guaranteed or certified?

### **Section 5(b)** – Edit 6<sup>th</sup> to last bullet:

- The Resource Entity and QSE for the ADER are jointly responsible for maintaining ADER population information, as further described in subsections 5.c.3, ~~and~~ 5.c.4 **and 5.c.6**;
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## 2b. Review of Proposed Redlines (cont.)

### **Section 5(c)** – Edit 1st paragraph :

- Note that the QSE associated with a proposed ADER must submit the information identified in c.1, ~~and~~ c.2, **and c.6** (if **applicable**) below...

### **Section 5(k)** – Edit 2<sup>nd</sup> bullet:

- Recommendations regarding alternative dispatch and pricing schemes for consideration in **the** future ~~phases of the Pilot Project~~, such as recommendations on the LRN concept;
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