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| NPRR Number | [1282](https://www.ercot.com/mktrules/issues/NPRR1282) | NPRR Title | Ancillary Service Duration under Real-Time Co-Optimization |
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| Date | | June 23, 2025 | |
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| Submitter’s Information | | | |
| Name | | Jordan Graham | |
| E-mail Address | | [jordgraham@tesla.com](mailto:jordgraham@tesla.com) | |
| Company | | Tesla Inc. | |
| Phone Number | |  | |
| Cell Number | | 847-778-2826 | |
| Market Segment | | Not applicable | |

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| Comments |

Tesla Inc. (“Tesla”) respectfully submits these comments to Nodal Protocol Revision Request (NPRR) 1282 for consideration at the June ERCOT Board of Directors’ meeting. Tesla supports the comments from Jupiter Power, LLC filed on June 18, 2025, which also have received support from Plus Power and HGP Storage LLC. Tesla respectfully requests that the ERCOT Board reject NPRR1282 as written, and direct ERCOT staff to revise NPRR1282 so that the Energy Storage Resource (ESR) State of Charge (SOC) requirement for Non-Spin Reserve (Non-Spin) procured in the Real-Time Market (RTM) is set at 1 hour rather than 4 hours.

Tesla is concerned that NPRR1282 as currently written would be suboptimal for ERCOT and for ESR market participants. Specifically, Tesla is concerned that the proposed 4-hour SOC requirement for Non-Spin would restrict its supply, which in turn would increase market prices, decrease market efficiency, run counter to ERCOT’s reliability aims, and ultimately increase electricity costs for retail customers.

ERCOT staff’s proposal would require that an ESR have a 4-hour duration and a 4-hour SOC to receive a five-minute Non-Spin award under the Real-Time Co-optimization (RTC) Security-Constrained Economic Dispatch (SCED). As other Independent Generator commenters have explained, the duration qualification refers to an ESR’s nameplate capability for how long it can be continuously discharged, while a SOC refers to the amount of real-time energy capacity an ESR has stored, which can be represented as a percentage or a length of time. While Tesla appreciates that ERCOT’s staff’s intention with this recommended change is to improve reliability by ensuring sufficient Ancillary Service (“AS”) reserves for longer reliability events, Tesla is concerned that the change could have the opposite effect by restricting Non-Spin supply.

Requiring that a 4-hour ESR maintain a full SOC to receive a 5-minute Non-Spin award would threaten to disqualify numerous ESRs from being eligible, constraining supply in the market. It also would significantly increase the opportunity cost for any ESR providing Non-Spin, because the ESR would be subject to a 4-hour reserve obligation, thereby limiting the ESR’s ability to participate in energy markets prior to providing Non-Spin. The cumulative effect of this change would be to restrict Non-Spin supply to more expensive thermal units in the RTM, increasing prices and making the market less efficient. This inefficiency would run counter to the intent of ERCOT’s Real-Time Co-Optimization + Batteries (RTC+B), which aimed for cost efficient integration of energy and AS dispatch optimized in five‑minute SCED intervals.

The Independent Market Monitor (IMM) shares these concerns, stating in its May 13, 2025, comments on NPRR 1282 that requiring a 4-hour SOC for ESRs to provide Non-Spin “will distort their incentives during scarcity conditions,” reducing supply, increasing the likelihood of shortage pricing, and therefore run counter to market designs to support system reliability. Instead, the IMM recommended that the RTC-SCED/SOC requirement for ESRs to provide Non-Spin should be no more than 1 hour. Tesla agrees with that recommendation.

Tesla greatly appreciates ERCOT’s work to implement RTC, and we believe that the recommended changes described in Jupiter Power’s comments and in these comments will result in a more efficient implementation.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None