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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 19, 2025 |

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| Market Segment | Independent Generator |

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| Comments |

Dear ERCOT Board Members:

Plus Power appreciates ERCOT’s sustained engagement with stakeholders as it refines its implementation of Real‑Time Co‑optimization (RTC) and addresses issues related to batteries. We share ERCOT’s reliability objective; we differ only on the means to achieve it. Plus Power respectfully urges the Board to direct ERCOT staff to revise NPRR 1282 so that Non‑Spin qualification and SCED constraints require no more than one hour of continuous capability.

Plus Power supports the comments Jupiter Power, LLC filed on June 18, 2025. We file these comments to highlight a few key issues for the Board’s consideration.

**Background**During the Real-Time Co-Optimization plus Batteries Task Force workshops in late 2023, ERCOT Staff initially proposed applying the four‑hour energy‑sustainment **qualification requirement** that applies to Resources that want to be eligible to provide Non-Spin Reserve Service (NSRS) to real‑time NSRS procurement upon implementation of Real-Time Co-Optimization. Under current ERCOT procurement and real-time operations, this four-hour state of charge duration requirement is not applied to any Resources in real time – it is only a requirement for qualification to bid to provide NSRS and sets a cap on the amount of NSRS that a Resource can offer to provide.

When ERCOT subsequently discussed its proposed energy-sustainment (or State of Charge (SOC)) proposal and the basis for its proposed requirements at the March 25, 2025 and April 22, 2025 RTC+BTF meetings, ERCOT Staff cited two emergency events in May 2022 and March 2025 as evidence that 4-hour duration is appropriate.

**The Four‑Hour Obligation Is Based on a False Assumption**We appreciate that ERCOT must examine every possible contingency as it considers what duration requirement to apply to different ancillary services. However, ERCOT Staff’s justification in this instance is based on the erroneous assumption that *only* batteries will be providing the NSRS reserves. ERCOT has a diverse resource mix and other generation types currently do, and likely will continue to, participate in the NSRS market. However, if ERCOT’s more prescriptive approach as proposed in NPRR 1282 is applied with the implementation of real-time co-optimization, where awards are made in five-minute increments in real time rather than hour-increments on a day ahead basis, the result will be to significantly discourage continued participation by ESRs in the NSRS market. Reducing the participation of ESRs in NSRS will reduce ERCOT’s reliability and increase customer costs.

**The Proposed Four‑Hour Obligation Is Misaligned with the Product**With the implementation of real-time co-optimization, NSRS will be procured and dispatched in five‑minute Security‑Constrained Economic Dispatch (SCED) intervals. Imposing a four‑hour SOC requirement forces storage resources to lock up 48 five‑minute blocks of energy in exchange for revenue from a single block—an obligation‑to‑payment mismatch that no other ERCOT product bears.

**No Other U.S. RTO Requires Four Hours for Real‑Time Reserves**  
As ERCOT noted in its comments filed on June 18, 2025, no other RTO in North America imposes more than a one-hour duration requirement for ancillary services procured in real-time. ERCOT has failed to demonstrate that a four-times multiplier is necessary or appropriate for the ERCOT Region.

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| RTO | Real‑Time Reserve Requirement | Duration Obligation |
| PJM | Non‑Synchronized Reserve must be online within 10 minutes | No multi‑hour sustainment |
| MISO | Supplemental Reserves must sustain output | 60 minutes |
| SPP | Contingency Reserve must deploy within 10 minutes | No multi‑hour mandate |

**Independent Market Monitor Recommendation**In its May 13, 2025, comments on NPRR 1282, the Independent Market Monitor (IMM) advised ERCOT to “change the Non‑Spin duration to one hour,” warning that the longer duration obligation for both qualification and in real-time will suppress competition and inflate costs. Plus Power agrees with that recommendation.

**Market Consequences of a Four‑Hour Duration Rule**  
There are four primary consequences of the proposed four-hour duration rule:

1. Market prices will increase. With fewer suppliers able to economically provide NSRS, the market will have less competition**.** Thus**,** Non-Spin will become more expensive with no attendant reliability benefits.
2. Remove batteries from the energy market. If a battery wants to offer to provide NSRS, it must agree to hold 48 times more energy to provide five minutes of NSRS than to is required to provide five minutes of energy. As a result, a battery that provides NSRS will be required to withhold significant energy from the energy market.
3. The ERCOT grid will run less efficiently. ERCOT will lean more on older, more expensive power plants for NSRS since ERCOT will have economically forced out of the market cheaper, faster-responding batteries. This will reduce the fuel diversity in NSRS than exists today, making it more exposed to failure in the event of uncertain gas supply.
4. Electricity bills will rise for retail customers. The higher NSRS costs will be passed on to consumers, who will pay higher electricity bills.

**Plus Power Concurs with Jupiter’s Comments**Plus Power concurs with the points raised in Jupiter Power’s comments on NPRR 1282. In particular, we share the concern that the proposal conflates duration and real-time SOC, imposing rigid SOC requirements that conflict with the design principles of Real-Time Co-Optimization. Requiring four hours of SOC to receive a five-minute NSRS award creates an inflexible standard that undermines ERCOT’s operational visibility and contradicts the Commission’s prior decision in NPRR 1186 to avoid static SOC mandates on batteries that strand energy in the market. Moreover, ERCOT’s proposal to mandate the same four-hour duration for both qualification and for real-time operation ignores that the separation of the four-hour qualification in effect today from the one-hour duration in effect today was a direct result of the Commission’s decisions on NPRR 1186. We agree that NPRR 1282, as written, would suppress battery participation and raise ancillary service costs without delivering a clear reliability benefit.

**Requested Action**Plus Power respectfully urges the Board to direct ERCOT staff to revise NPRR 1282 so that the NSRS qualification and SCED SOC requirement in real-time require no more than one hour of continuous capability—consistent with the IMM’s recommendation. At a minimum, a one-hour SOC duration requirement in real-time is more consistent with the current SOC requirement for a Resource providing NSRS today than what ERCOT has proposed under NPRR 1282. This single adjustment will better align the NSRS obligation with the five‑minute SCED award, expand eligible supply, foster competition, protect consumers from unnecessary cost increases, and preserve reliability by leveraging fast, flexible storage.

**Commitment to Collaboration**Plus Power stands ready to supply data, modeling, and draft language to support a timely revision. We look forward to working with ERCOT and fellow stakeholders to deliver a market design that upholds reliability while honoring the principles of efficiency and fairness that have long governed Texas’s competitive market.

Respectfully submitted,

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Polly Shaw

Chief External Relations Officer

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None