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| PGRR Number | [122](https://www.ercot.com/mktrules/issues/PGRR122) | PGRR Title | Reliability Performance Criteria for Loss of Load |
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| Date | | May 19, 2025 | |
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| Market Segment | | Consumer | |

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| Comments |

Texas Industrial Energy Consumers (TIEC) files these comments ahead of the Planning Working Group (PLWG) meeting to add to discussion during the meeting on Tuesday, May 20th. TIEC understands from conversations with ERCOT that the intent behind PGRR122 is to codify a system limitation. TIEC members depend on a reliable grid, and TIEC recognizes that ERCOT needs to be aware of system conditions that could lead to a sharp drop of Load. However, it’s not clear that hard-coding 2,600 MW as a Load loss limit for the Large Load Interconnection Study (LLIS) is the right approach, especially when it’s unclear what will happen when the limit is triggered and how it can be resolved.

Importantly, as currently drafted, the Load loss limitation will impact ***any*** load subject to LLIS, which includes any new Load over 75 MW or a modification to an existing facility that increases the peak Demand by 75 MW. During the LLIS process, ERCOT and Transmission Service Providers (TSPs) will model whether the new Load will cause at least 2,600 MW to trip in an area that can be as large as the whole West Load Zone. If there is an aggregate Load loss event above the limit, the Load under study will not be able to move forward in the interconnection process. Following such a result, it is unclear what changes the load will have to make, what information will be conveyed to the load, and whether the load will be able to interconnect at all. Functionally, this limitation could result in a moratorium on interconnections in an entire Load Zone. As such, the implications of what happens if or when the limit is triggered should be thoroughly considered ***before*** a limit is adopted.

Triggering the Load loss limit is also highly dependent on ERCOT’s modeling, which is changing over time, and the scenarios or parameters included in ERCOT’s modeling are not clear. Notably, inputting new TSP data, updating the model parameters, and the inclusion or exclusion of certain generation facilities could all affect the results of whether the Load loss limit is reached. This introduces uncertainty for industrial facilities and developers. While entities design their facilities to meet the requirements of each utility, interconnecting entities do not know what conditions the facility will need to ride through in ERCOT’s modeling or how external factors could impact the results.

TIEC is concerned establishing this system limitation will negatively impact future industrial Loads. By the time facilities are going through LLIS, they have invested millions of dollars in choosing the right site, negotiating land rights, designing the facility, etc. Site locations are not fungible and often are determined based on proximity to certain resources, pipelines, or other services. It will undermine economic development in this state if the Load loss limit stops industrial loads from interconnecting at their preferred (or even required) locations.

Additionally, this PGRR could lead to transmission overbuild because the Permian Basin Reliability Plan and the use of 765-kV facilities is premised on serving the increased demand of Large Loads. The PUCT recently authorized the use of 765-kV facilities in the Permian Basin Reliability Plan based on the anticipated load growth of Large Loads, including over 7.5 GW of load associated with crypto facilities and data centers.[[1]](#footnote-1) Even if the Load loss limit only affects power electronic loads, as ERCOT contends, removing almost one third of the anticipated load may change the calculus of whether 765-kV facilities are necessary. Further, ERCOT’s RTP is similarly based on significant load growth across Texas, and 78% is associated with data centers, hydrogen and hydrogen-related manufacturing, crypto mining, and electrification.[[2]](#footnote-2) As such, this underscores the potential rate impact on customers if TSPs are sizing facilities to meet ERCOT’s forecasted peak demand that may not materialize because of a moratorium on interconnections associated with the Load loss limit.

Further, ERCOT’s recent draft comments narrowing the Load loss limit to only being considered in the LLIS process will not lead to effective solutions. As described above, the Load loss limit will prohibit new customer interconnections that cause an aggregate Load loss to exceed 2,600 MW unless the interconnecting entity adjusts the design of its facility. By only considering the limit as a part of LLIS, ERCOT’s comments impose these new requirements on one interconnecting entity at a time and ignore broader system solutions that could be more cost-effective. This is because if the cost is directly imposed on one customer, that customer will always take the smallest, least costly solution. For example, if a 100 MW industrial facility had 10 MW of sensitive load that tripped offline causing the amount of Load loss to increase from 2,591 MW to 2,601 MW, the industrial facility would likely be prohibited from interconnecting unless it added equipment to cause its load to ride through. In this example, the industrial facility would likely install just enough equipment to ensure it avoided causing at least 2 MW of Load loss, rather than installing equipment that would further reduce Load loss below 2,600 MW. While this solution would allow the system to operate within ERCOT’s parameters, it may not be the most efficient solution. Instead, there could be broader transmission improvements that could benefit the nearby area and significantly reduce Load losses. As this hypothetical demonstrates, when the Load Loss limit is only viewed in the context of LLIS, it overlooks solutions that could benefit the broader system.

Although TIEC believes there must be more analysis and discussion before the Load loss limit is adopted, there could be adjustments that would lessen the potential ramifications of PGRR122:

1. **Visibility into Modeling Parameters**. ERCOT has stated that the Load loss limit will only impact loads that trip in ERCOT and the TSP’s models. If ERCOT would codify or publish the parameters of its modeling, developers could design their facilities accordingly. This would help give loads more certainty that future developments would not be impacted. Notably, TIEC does not support reviving the voltage ride through requirements in NPRR1191 and PGRR111 because ERCOT does not have authority to directly impose requirements on retail customers and the proposal in PGRR111 presented technical, feasibility and cost issues for businesses.
2. **Requiring TSP Solutions**. As described above, one of the challenges with PGRR122 is that it may put a moratorium on interconnections because the limitation would not be imposed on all planning studies. If the limitation is only viewed from the perspective of a Large Load interconnection request, ERCOT and the TSP may not consider solutions that could have a broader system-wide benefit and mitigate the Load losses in the region. As such, TIEC believes there should be language requiring the TSP to provide the interconnecting entity with potential transmission solutions if the Load loss limit is triggered.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None

1. *ERCOT Permian Basin Reliability Plan Study* at 9-10 (July 2024) (available at: <https://interchange.puc.texas.gov/Documents/55718_17_1414013.PDF>) (showing that 11,695 MW are associated with non-oil and gas load and 65% of the non-oil and gas load is associated with crypto facilities and data centers). [↑](#footnote-ref-1)
2. Peak load in 2024 was 85.5 GW, so large load growth of 50 GW is 78% of total load growth of 64.5 GW. *See* ERCOT, *2024 Regional Transmission Plan 345-kV Plan and Texas 765-kV Strategic Transmission Expansion Plan Comparison* at ii (January 2025) (available at: <https://www.ercot.com/files/docs/2025/01/27/2024-regional-transmission-plan-rtp-345-kv-plan-and-texas-765-kv-strategic-transmission-expans.pdf>) (explaining that ERCOT projects 150 GW of peak load in 2030, of which 50 GW is from large load growth). [↑](#footnote-ref-2)