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| NPRR Number | [1286](https://www.ercot.com/mktrules/issues/NPRR1286#summary) | NPRR Title | Establish Multi-Value Criteria for Resiliency-Related Transmission Project Evaluation |
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| Date | August 22, 2025 |
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| Submitter’s Information |
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| Market Segment | Not Applicable |

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| Comments |

ERCOT provides these comments to Nodal Protocol Revision Request (NPRR) 1286 in response to the 7/1/25 Joint Commenters comments, and stakeholder feedback from the July 29, 2025 Planning Working Group (PLWG) meeting.

In regard to the Joint Commenters’ comments, though both NPRR1286 and the language from the Joint Commenters are proposing changes to Section 3.11.2, Planning Criteria, their scopes are different. NPRR1286 is intended to address a very specific resiliency-related requirement from 16 Texas Administrative Code (TAC) § 25.101(b)(3)(A)(iii) while the Joint Commenters’ comments are addressing the exit of Generic Transmission Constraints (GTCs). Given the scope differences, ERCOT recommends that the concept raised by the Joint Commenters be addressed in a separate NPRR which ERCOT understands Joint Commenters have recently done with the submission of NPRR1295, GTC Exit Solutions, and Planning Guide Revision Request (PGRR) 130, Related to NPRR1295, GTC Exit Solutions.

At the July 29, 2025 PLWG meeting, Oncor verbally posed the following two questions:

1. Whether ERCOT, to increase efficiency, would consider endorsing resiliency projects as part of the Grid Reliability and Resiliency Assessment (GRRA) process in accordance with the multi-value criteria instead of requiring a Transmission Service Provider (TSP) to submit the project via the Regional Planning Group (RPG) review process?; and
2. Would ERCOT relax the proposed voltage threshold criterion for the low voltage limit from 0.01 per unit to 0.05 per unit?

In regard to Oncor’s first comment, ERCOT believes that it would be inappropriate for ERCOT to endorse a resiliency project as part of the GRRA for the following reasons:

1. The biennial GRRA is required by the Public Utility Commission of Texas’ (PUCT’s) Rule 16 TAC § 25.101(b)(3)(E) and is focused on identifying areas of the state with reliability or resiliency issues and recommending transmission projects that may increase the grid’s reliability or resiliency in extreme weather scenarios.  But a different PUCT Rule, 16 TAC § 25.101(b)(3)(A)(iii), establishes how the PUCT will approve resiliency-related transmission projects and makes clear that, as a plus factor, resiliency-related transmission projects must still be submitted as either reliability or economic projects. Because of these distinct rules, this means that the GRRA is only focused on identifying projects to address resiliency issues but the way any project is actually approved to address a resiliency issue is if it is submitted as an economic or reliability project.  ERCOT could not endorse a transmission project as part of the GRRA because the GRRA does not consider whether a project that addresses a resiliency issue is an economic or reliability project.
2. Although a transmission project identified in the GRRA could be one way to resolve an identified resiliency issue, nothing prevents a different TSP from bringing a different transmission project to address the same resiliency issue or the identified TSP from bringing a different project to address that issue.  If there is no endorsement in the GRRA, this maintains flexibility for TSPs to consider the resiliency issues identified in the GRRA and then propose projects to resolve those issues, even if the project itself is not included in the GRRA.
3. The GRRA only contains a steady-state analysis. The dynamic analysis and short-circuit analysis required by North American Electric Reliability Corporation (NERC) Reliability Standard FAC-002-4, Facility Interconnection Studies, for new transmission interconnections and existing interconnections of transmission seeking to make a qualified change are typically met through TSP RPG submissions. Consequently, bypassing the RPG process through an upfront project endorsement by ERCOT as part of the GRRA could increase the risk of failing to perform a required study.

In regard to Oncor’s second comment, ERCOT does not have concerns with relaxing the voltage threshold criterion for the low voltage limit from 0.01 to 0.05 per unit. Language to incorporate this revision to the criterion is included in this set of comments.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

3.11.2 Planning Criteria

(1) ERCOT and Transmission Service Providers (TSPs) shall evaluate the need for transmission system improvements and the relative value of alternative improvements based on established reliability, economic, and multi-value criteria.

(2) The reliability criteria are established by the Planning Guide, Operating Guides, and the North American Electric Reliability Corporation (NERC) Reliability Standards.

(3) ERCOT shall attempt to meet these reliability criteria as economically as possible and shall actively study the need for economic projects to meet this goal.

(4) For economic projects, the net economic benefit of a proposed project, or set of projects, will be assessed over the project’s life based on the net benefit that is reasonably expected to accrue from the project as demonstrated through the production cost savings test or the congestion cost savings test. The current set of financial assumptions upon which the revenue requirement calculations for these tests are based will be reviewed annually, updated as necessary by ERCOT, and posted on the ERCOT website. The expected economic benefits are based on chronological simulations of the security-constrained unit commitment and economic dispatch of the generators connected to the ERCOT Transmission Grid to serve the expected ERCOT System Load over the planning horizon, comparing simulations with and without the project. These market simulations are intended to provide a reasonable representation of how the ERCOT System is expected to be operated over the simulated time period. From a practical standpoint, it is not feasible to perform these simulations for the entire 30 to 40 year expected life of the project. Therefore, the economic benefits are projected over the period for which simulations are feasible, which is the planning horizon established in Planning Guide Section 3.1.1.2, Regional Transmission Plan, and a qualitative assessment is made of whether the factors driving the economic benefits due to the project can reasonably be expected to continue.

(5) To determine the economic benefits of a proposed project under the production cost savings test, the revenue requirement of the capital cost of the project is compared to the expected savings in system production costs resulting from the project over the expected life of the project. Outputs from the market simulations described in paragraph (4) above will be used to provide an estimate of the expected reduction in total system-wide production cost due to the project. Other adequately quantifiable and ongoing direct and indirect costs and benefits to the transmission system attributable to the project may be considered as appropriate. If the levelized ERCOT-wide annual production cost savings equals or exceeds the first-year annual revenue requirement of the transmission project, the project will be deemed to demonstrate sufficient economic benefit and will be recommended. ERCOT will publish requested non-confidential modeling inputs, assumptions, and outputs utilized in the production cost savings test if that information can be feasibly provided.

(6) To determine the economic benefits of a proposed project under the congestion cost savings test, the revenue requirement of the capital cost of the project is compared to the expected system-wide consumer energy cost reduction resulting from the project over the expected life of the project. Outputs from the market simulations described in paragraph (4) above will be used to provide an estimate of the expected reduction in total system-wide consumer energy cost due to the project. In the market simulations, system-wide consumer energy cost will be calculated using hourly load in MWh multiplied by hourly load nodal energy prices in $/MWh. Other adequately quantifiable and ongoing direct and indirect costs and benefits to the transmission system attributable to the project may be considered as appropriate. If the levelized system-wide consumer energy cost reduction equals or exceeds the average of the first three years’ annual revenue requirement for the project, the project will be deemed to demonstrate sufficient economic benefit and will be recommended. ERCOT will publish requested non-confidential modeling inputs, assumptions, and outputs utilized in the congestion cost savings test if that information can be feasibly provided.

(7) To meet multi-value criteria, a project submitted as a reliability or economic project must, both, address a resiliency issue identified in a Grid Reliability and Resiliency Assessment (GRRA) required by Planning Guide Section 3.1.1.6, Grid Reliability and Resiliency Assessment (GRRA), and meet at least one of the below criteria, as demonstrated using the cases published in the Regional Transmission Plan:

(a) Prevent thermal loading above 90% of the applicable ratings for planning events in which non-consequential load loss is prohibited as established by the Planning Guide and NERC Reliability Standards;

(b) Prevent voltage levels from getting below the low voltage limits plus 0.05 or above the high voltage limits minus 0.01 per unit for planning events in which non-consequential load loss is prohibited as established by the Planning Guide and NERC Reliability Standards;

(c) Result in levelized ERCOT-wide annual production cost savings of at least 90% of the first-year annual revenue requirement of the project; or

(d) Result in levelized system-wide consumer energy cost reduction of at least 90% of the average of the first three years’ annual revenue requirement of the project.