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ERCOT Board of Directors
7620 Metro Center Drive
Austin, TX 78744

Re: NOGRR272 - Advanced Grid Support Requirements for Inverter Based ESRs

To the ERCOT Board of Directors:

Plus Power develops and operates large, transmission-connected storage projects nationwide and in ERCOT. We are also one of the few companies in the world that operate a grid forming inverter battery system. We own and operate the Kapolei Energy Storage project in Hawaii, where grid-forming capabilities are procured under contract with additional compensation. That experience informs our view: these capabilities are valuable, the designs and operations are costly, the services do not come for free, and the technology and capabilities must be integrated with care.

As drafted, NOGRR272 would mandate the installation and operation of certain grid-forming capabilities ("Advanced Grid Support" capabilities, the requirements of which are specified in PGRR121, *Related to NOGRR272, Advanced Grid Support Requirements for Inverter-Based ESRs*, which also is before the Board for a vote). These capabilities would have to be provisioned in inverter-based Energy Storage Resources (ESRs) with an original Standard Generation Interconnection Agreement (SGIA) executed on or after April 1, 2026. These capabilities would then be tested pursuant to the requirements of PGRR121, and ESRs would be required to operate in conformance with the test results (i.e., with the advanced grid support capabilities enabled) pursuant to NOGRR272.

These capabilities and subsequent performance of the advanced grid support services would be mandated without ERCOT first establishing the basics required to ensure reliable operations of the grid, such as, where and how much is needed, the performance requirements resources must meet, and a clear path to compensation. Mandating performance of advanced grid support services before establishing the basic pre-requisites raises significant reliability vulnerabilities. Scattershot deployment risks uneven behavior and shifts system reliability risk onto a single resource class. The prudent sequence is straightforward: study the system need, set clear performance standards, create a market mechanism to procure the service, and deploy on a phased schedule. This clear and deliberate process is needed to resolve inconsistent statements during the consideration of NOGRR 272 what advanced grid support services ERCOT needs and expects ESRs to provide, and ensure deployment will maximize benefits and minimize unintended consequences that would harm reliability.

The operational tradeoffs are material. Hardware and software selection, model development and testing, headroom and state-of-charge management, and ongoing compliance all carry costs. Capability alone does not deliver reliability – coordinated integration and effective operations management does. To meaningfully achieve the reliability results ERCOT is seeking to achieve through implementation of NOGRR272 (in conjunction with PGRR121) requires reserving energy and power that would otherwise serve the market. Further, tying enforcement to plant-specific models pursuant to PGRR121 that do not reflect operational reality invites penalties when real-world responses diverge from faulty assumptions.

During the stakeholder discussions regarding NOGRR272, Plus Power proposed a meaningful compromise approach that would maximize the number of new inverter-based ESRs that interconnect with the ERCOT grid that have advanced grid support capabilities, but still allow time for ERCOT and stakeholders to address the additional operational details that are necessary to avoid potential reliability concerns and ensure operation of those capabilities in a coordinated manner that actually support reliable operations of the ERCOT grid.¹ Plus Power stands by its proposal as superior to ensuring reliable operations of the ERCOT grid rather than the rushed approach contemplated by the version of NOGRR272 before the Board.

We are prepared to meet clear, study-backed standards. We can support installing grid-forming inverters on new projects and execute controlled field testing to validate interoperability. What we cannot support is an unfunded mandate that compels capability, mandates performance but leaves performance requirements ambiguous, and ultimately expects uncompensated investments and headroom. ERCOT should advance an ancillary-service framework that prices advanced grid support capabilities, including inertia as mandated through NOGRR272 (in conjunction with PGRR121), as well as all related attributes so all technologies can compete on equal terms.

We respectfully request the Board to remand NOGRR272 to the Technical Advisory Committee with direction to revise NOGRR272 to eliminate the requirement that inverter-based ESRs that with an original SGIA executed on or after April 1, 2026 be required to provide the advanced grid support services that meet the modeling requirements of PGRR121. This requirement could then become effective after ERCOT completes studies establishing the need by location and service required; adopts clear, testable performance standards; and phases implementation to ensure inverters are coordinated to maximize reliability. In addition, to clarify representations made in the stakeholder process, ERCOT should be required to implement a compensatory ancillary-service product for the provision of these services by any capable technology. This path would allow ERCOT to ensure that new ESRs coming to the ERCOT market have the capability to provide advanced grid support services but deliver the reliability benefits ERCOT seeks without imposing avoidable risk to the bulk transmission system. This approach also ensures a path to avoiding uncompensated obligations being imposed on new ESRs.

¹ 272NOGRR-23 Plus Power Comments 080625.

We appreciate the opportunity to present these comments for your consideration.

Respectfully,

A handwritten signature in cursive script that reads "Mandy Meadors".

Mandy Meadors
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