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| NPRR Number | [1295](https://www.ercot.com/mktrules/issues/NPRR1295) | NPRR Title | GTC Exit Solutions |
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| Date | September 24, 2025 |
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| Submitter’s Information |
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| Market Segment | Not Applicable |

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| Comments |

ERCOT provides the following comments to Nodal Protocol Revision Request (NPRR) 1295.

1. NPRR1295 requires ERCOT to endorse, “any GTC solution option that is within $20 million of meeting the cost-to-benefit criteria when there are more than five GTCs….” This proposal is inconsistent with Public Utility Commission of Texas (PUCT) Rule 16 Texas Administrative Code (TAC) § 25.101, Certification Criteria, which establishes that a transmission line is needed only if it meets the specified economic or reliability criteria described in the Rule (unless it satisfies the resiliency “plus factor” criteria); NPRR1295 also allows an endorsement of need for projects that fall short of these criteria. With respect to economic criteria, ERCOT may endorse a transmission line as needed only if that project demonstrates sufficient economic savings under either the congestion cost savings test or the production cost savings test, as described in 16 TAC § 25.101(b)(3)(A)(i)(IV). This NPRR allows endorsement of projects that do not demonstrate sufficient savings under either test.
2. Aside from the economic and reliability criteria permitted for transmission project evaluation by 16 TAC § 25.101, the PUCT’s Rule also includes a resiliency “plus factor” concept that enables a project that is submitted as, either, an economic or reliability project despite not meeting those criteria to, nevertheless, be recommended for approval based on the project’s resiliency benefits. NPRR1295 appears to attempt to leverage the resiliency “plus factor” by stating that ERCOT endorsement is merited, “to reflect the intangible resiliency value of reducing the number of Generic Transmission Constraints (GTCs) impacting system operations”, and stating that information available from, “resiliency studies….may be used to estimate the value of improved deliverability of generation due to relieving GTCs.” Section 25.101(b)(3)(A)(iii) states that ERCOT may recommend a project that is submitted as an economic or reliability project despite not meeting those criteria, “if ERCOT determines the line would address a resiliency issue identified in the grid reliability and resiliency assessment [(GRRA)] required by [16 TAC § 25.101(b)(3)(E)].” Accordingly, the resiliency “plus factor” may only be used for transmission project endorsement if the project addresses a resiliency issue identified in the GRRA. The GRRA assesses the ERCOT System’s reliability and resiliency in extreme weather scenarios; the GRRA posted in December 2024 assesses an extreme winter weather scenario and a summer hurricane scenario.[[1]](#footnote-1) GTCs are instituted to manage stability and other non-thermal reliability limits; a transmission project that reduces Generic Transmission Limits (GTLs) or eliminates GTCs would not necessarily mitigate resiliency issues related to extreme weather scenarios assessed in the GRRA.
3. NPRR1295 also allows individual stakeholder(s) to pay part of the capital cost of a transmission project if there is still a shortfall in benefit after lowering the bar by $20 million and requires ERCOT to endorse such project. Section 3.11.4.11, Customer or Resource Entity Funded Transmission Projects, describes the process to evaluate transmission projects fully funded by a Customer or Resource Entity. That process does not contemplate *partial* funding of a transmission project by a Customer or Resource Entity, nor does it include ERCOT endorsement of Customer- or Resource Entity-funded transmission projects.
4. NPRR1295 also requires ERCOT to evaluate each project’s impact on nearby GTCs, which is both impractical and unnecessary. The majority of GTCs are driven by stability issues, and ERCOT’s dynamic analysis typically takes significant time to complete. Based on past experiences, most of the transmission projects may not have material impacts on the nearby GTCs.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None

1. The 2024 GRRA is available under Key Documents on the Planning page of the ERCOT website at: https://www.ercot.com/gridinfo/planning. [↑](#footnote-ref-1)