

PROJECT NO. 54248

SELECTION OF THE RELIABILITY	§	PUBLIC UTILITY COMMISSION
MONITOR FOR THE ERCOT	§	OF TEXAS
POWER REGION	§	

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.'S
2025 THIRD QUARTER ACTIVITY REPORT**

Pursuant to the order of the Public Utility Commission of Texas (PUC/Commission) Directing ERCOT to Serve as Reliability Monitor, effective November 3, 2022, Electric Reliability Council of Texas, Inc. (ERCOT) Reliability Monitor (ERM) hereby submits its 2025 Third Quarter Activity Report.

I. BACKGROUND

On November 3, 2022, the Commission issued an order directing ERCOT to assume the duties and responsibilities of the reliability monitor for the ERCOT power region in accordance with 16 Tex. Admin. Code § 25.503(j).

As more particularly detailed in the Scope of Work filed in this Project on January 2, 2023, in its ERM function, ERM monitors, investigates, audits, and reports to the PUC on matters related to the compliance of ERCOT, Inc. and ERCOT Market Participants with reliability-related provisions of the Public Utility Regulatory Act (PURA), the PUC's Substantive Rules, and ERCOT Protocols and Other Binding Documents. The ERM also provides subject matter advice, expertise, and assistance with the PUC's reliability-related compliance and enforcement activities.

The PUC order directing ERCOT to assume the duties and responsibilities of the ERM directs ERCOT to file a quarterly report summarizing its previous quarter ERM activities.

II. 2025 THIRD QUARTER ACTIVITY REPORT

A. EXECUTIVE SUMMARY

During Q3, the ERM opened 46 new Incident Reviews:

Priority ¹	No. of Cases
Critical	0
High	5
Medium	18
Low	6
Streamlined	17
Total	46

The ERM referred twelve Incident Reviews to the Commission's Division of Compliance and Enforcement (DICE) during Q3 involving potential violations of the following requirements:

- Timely submit a Declaration of Weather Preparedness for Summer 2025
- Provide ERCOT-requested information (Cold Weather Limitations)
- Generation Resource Energy Deployment Performance failures
- Timely respond to ERCOT Notice of Weatherization Inspection
- Controllable Load Resource Energy Deployment Performance
- Timely provide a Notice of Suspension of Operations.

During the second quarter, ERCOT's Internal Audit Department undertook a Consulting Engagement to verify the ERM's compliance with 16 Tex. Admin. Code § 25.503(k): (i) evaluate ERM independence (including processes used to monitor independence); (ii) evaluate ERM Codes of Conduct, including management of reported incidents or deviations; and (iii) evaluate ERM key processes, (*e.g.*, gathering and analyzing information; protecting information; and reporting to the Commission). The Internal Audit Department reviewed the ERM SharePoint site, procedures and other documents and interviewed ERM Employees.

At the engagement's conclusion, the Internal Audit Department issued a Memo summarizing the findings, including:

- ERM staff functions independently as required by 16 Tex. Admin. Code § 25.503(k)

¹ The ERM staff assess an event's impact on ERCOT System reliability and categorize events such as the loss of generation, frequency, or voltage excursions, *etc.* as "Critical." The ERM categorizes other events as "High," "Medium," or "Low" depending on such factors as: number and size of the facilities involved, if the event is local versus widespread, whether an issue relates to only an administrative matter, *etc.* In collaboration with DICE staff, the ERM began using a new priority level for non-compliance events posing a minimal risk to ERCOT System reliability (*e.g.*, administrative failures).

- Codes of Conduct maintained by the ERM follow the requirements of the Commission's Order naming ERCOT as the ERM and are stored securely
- ERM information is well-organized, securely stored, and access is appropriate
- ERM procedures include all matters included in the *Scope of Work* filed in this matter on January 3, 2023
- Quarterly reports to the Commission are filed timely, publicly available, and contain all required information.

B. CHANGES TO RELIABILITY REQUIREMENTS TO PROMOTE IMPROVED RELIABILITY

The ERM is tracking the following revision requests that could impact ERCOT System reliability:

[NPRR1293](#) – Clarifications to the Modeling Timelines

[NPRR1295](#) – Generic Transmission Limits Exit Solutions

[NPRR1296](#) – Residential Demand Response Program

[NPRR1299](#) – Clarifications to Emergency Response Service (ERS)

[NPRR1300](#) – Protected Information and ECEII to OPUC

[NOGRR279](#) – Deadline Extensions for Recording Equipment Installation

[PGRR129](#) – Establish Grid Reliability and Resiliency Assessment Posting Requirements

[PGRR132](#) – Update to Standard Generation Interconnection Agreement Requirement

In addition to the foregoing, the ERM continues working with Subject Matter Experts on the following issues to improve ERCOT System reliability:

- Voltage ride-through and support
- Operational issues with IRR Resources when curtailed
- Telemetry accuracy.

C. ROUTINE COMPLIANCE MONITORING

In addition to investigating individual potential violations, the ERM performed routine monitoring activities of Market Participant and ERCOT compliance with Reliability

Requirements. Specifically, ERM analysts monitor compliance with the following Reliability Requirements² each month:

- Resource Ancillary Service Qualification Compliance – § 8.1.1.1(1)
- Quick Start Resource Performance – § 8.1.1.2(17)(a)
- QSE Ancillary Service Capacity Compliance – § 8.1.1.3(3)
- Generation Resource Energy Deployment Performance (GREDP) for Non-Intermittent Renewable Resources – § 8.1.1.4.1(7)
- GREDP for Intermittent Renewable Resources (IRRs) – § 8.1.1.4.1(8)
- Controllable Load Resource (CLR) Energy Deployment Performance – § 8.1.1.4.1(9)
- Energy Storage Resource Energy Deployment Performance – § 8.1.1.4.1(9)
- Responsive Reserve Service (RRS) Deployment Performance – § 8.1.1.4.2
 - RRS from Generation Resources and Controllable Load Resources (CLRs) – § 8.1.1.4.2(1)(a)
 - Resources with Insufficient Frequency Responsive Capacity – § 8.1.1.4.2(1)(b)
- RRS from Non-Controllable Load Resources (NCLRs) – § 8.1.1.4.2(1)(a), (4), (6)
 - Non-Spin Reserve Service (NSRS) Deployment Performance – § 8.1.1.4.3
 - NSRS from Generation Resources – § 8.1.1.4.3(3)(a) & (b)
 - NSRS from CLRs – § 8.1.1.4.3(3)(a), (d)
 - NSRS from NCLRs – § 8.1.1.4.3(3)(e), (4)
- ERCOT Contingency Reserve Service (ECRS) Deployment Performance – § 8.1.1.4.4
 - ECRS from Generation Resources and CLRs – § 8.1.1.4.4(1)(a)
 - ECRS from NCLRs – § 8.1.1.4.4(1)(a), (4), (6)
- ERS Performance – § 8.1.3
 - Testing – § 8.1.3.2(1)(a)(ii)
 - Availability – § 8.1.3.3.3(1)(a)
 - Event Performance – § 8.1.3.3.4
- PFR Performance – § 8.5.1.1(1), 8.5.2.1(1)

² References are to Protocols unless otherwise noted.

- 12-Month Rolling Average – Operating Guide § 2.2.8(1)
- COP Errors – § 3.9.1(3), 8.1.2(2)
- Distribution Service Provider Transmission Operator Representation – § 16.19(1)

For each category, ERM analysts download ERCOT data from the ERCOT Market Information System to validate failures before analyzing performance and comparing performance data to performance metrics to determine incidents to include in a quarterly report to DICE. The ERM initiates new Incident Reviews following these analyses.

D. OVERALL STATE OF ERCOT SYSTEM RELIABILITY

The overall state of ERCOT System reliability is good. The ERM continues to identify the following areas of concern:

- Energy Storage Resource (ESR) performance/State-of-Charge monitoring
- High Sustained Limit (HSL) issues for Intermittent Renewable Resources when curtailed
- Voltage ride-through by Inverter-based Resources.

E. 2025 COMPLIANCE AUDITS

The ERM continues to work on two compliance audits. The first audit focuses on Market Participant compliance with Nodal Operating Guides requirements to submit back-up control plans for scheduling centers. The ERM issued a Market Notice regarding this audit on January 30, 2025 and sent Requests for Information (RFIs) to more than 380 Market Participants. The ERM received all RFI responses, compiled them into a database and drafted a report currently scheduled for review with ERM leadership.

The second compliance audit focuses on ERCOT's performance in connection with Operating Guide § 2.2.4.3(2) related to Constant Frequency Control Testing. ERCOT responded to the ERM's RFIs and ERM personnel reviewed the responses and drafted a report. That report should be finalized in the near future.

The ERM stands ready to provide any additional information requested by the Commission.

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Respectfully submitted,

/s/ A. Andrew Gallo

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