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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 | October 20, 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 9/19/25 Texas Industrial Energy Consumers (TIEC) comments.

ERCOT is open to the development of a methodology to quantify the resiliency benefits in a different manner. The concept proposed by TIEC was among the initial ideas ERCOT explored during the development of the multi-value criteria. However, ERCOT did not proceed with that concept for the submission of NPRR1286 due to the following concerns, which would need to be addressed:

1. The Grid Reliability and Resiliency Assessment (GRRA) is designed to study the impact of extreme weather events on the ERCOT System using a snapshot of the studied event and not necessarily the entire event duration. The snapshot studied may not be representative of all the hours for the duration of the extreme weather event. The proposed concept would require the expansion of the GRRA to either study each hour of the event or identify a series of representative hours and study those hours, either of which goes beyond the current GRRA scope and may not be practical.
2. To quantify the resiliency benefits of a project as proposed by TIEC, it is critical to have accurate representation of the system conditions including generation, load, and transmission impacts for the entire duration of the extreme weather event, which may be difficult if not impossible. Using the hurricane scenario included in the 2024 GRRA as an example, the load level during the event depends on various factors such as the restoration time of the distribution equipment, the timing of when people return to the area after evacuation, and the repair time for damaged generators and transmission equipment, which typically has a wide range of variation. These inputs are indicative of the amount of assumptions that will need to be made to the system conditions for the duration of the hurricane event. By making these assumptions on an hourly basis during a studied event, this may introduce a higher level of uncertainty in quantifying the resiliency benefit of a transmission project.
3. Depending on the extreme weather event studied, ERCOT may not have a methodology available for determining the probability of the event. Furthermore, ERCOT may not have the necessary input information or appropriate personnel to determine the probability of the event. The assumptions entailed to assign an event probability are inherently subject to debate.

In addition, ERCOT would like to clarify the calculation of the resiliency benefits for the following example from the TIEC comments:

*“Assume there are two potential projects that both include hardening the same specific substation as a part of a line reconductoring/rebuild, among other things, but one costs $100 million and the other costs $1 billion. Addressing the resiliency issue is worth $10 million in one scenario and $100 million in the other but, under either scenario, the system would only receive the benefit of a hardened substation.”*

Based on the 2025 financial assumptions, the first-year revenue requirement for TIEC’s example project is 13% of the project’s capital cost, and the average of the first three years’ revenue requirement is 12.7% of the project’s capital cost. As a result, for the $100 million project, the assumed additional resiliency benefit is $1.3 million under the production cost savings test and $1.27 million under the congestion cost savings test.  In other words, with a 10% resiliency plus factor, the project would only need to show an $11.7 million economic savings under the production cost savings test (i.e., $13 million - $1.3 million) or an $11.43 million economic savings under the congestion cost savings test (i.e., $12.7 million - $1.27 million). For the $1 billion project, the assumed additional resiliency benefit is $13 million under the production cost savings test and $12.7 million under the congestion cost savings test.

ERCOT is open to discussing with stakeholders any alternatives to the ERCOT proposal that can effectively quantify the resiliency benefits without introducing undue amounts of uncertainty or are impracticable. The TIEC comments offer a good starting point for the discussion of alternative proposals.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None