



NPRR 1196: Residential Demand Response Program

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ERCOT Public

Discussion Items

- Need for Residential Demand Response (DR)
- Program Overview
- Barriers to Participation
- Questions and Discussion
- Status of ADER Pilot

Need for Residential DR

Residential Demand Response (DR) represents a resource that is not fully enabled or utilized today

- During high demand days in winter and summer, residential demand can total ~30,000 MW (35%+ of overall load)
- < 4% of residential customers participating in DR in competitive areas (~252,000 out of 7M)

Program approach is needed to address barriers unique to residential DR

- Wholesale-Retail disconnect
- Lack of scale
- Highly weather-dependent
- Customer fatigue and inherent switching risk (in competitive areas)
- With unprecedented load growth, finding and enabling all potential resources is critical for reliability and resiliency

Program Overview



Discussed in two workshops and reflected in NPRR 1296



Targets demand response at times of high net load from smart/programmable devices



Voluntary, pay-for-performance on high x of y seasonal basis



Administered by REPs & NOIEs



500 MW Seasonal Cost Cap

New Residential Demand Response Program

Addressing Barriers to Participation

Minimum Size Threshold

- ERCOT will file comments to add language to specify that the minimum size threshold will be applied at the QSE level (as opposed to at the LSE or NOIE TDSP level).
- ERCOT is working on a more detailed analysis to determine if a lower threshold is appropriate; ERCOT will file comments to change the minimum threshold based on the findings of that analysis.
- ERCOT will make the analysis results available to WMS/RMS in the form of a presentation or report as appropriate.

Questions and Discussion

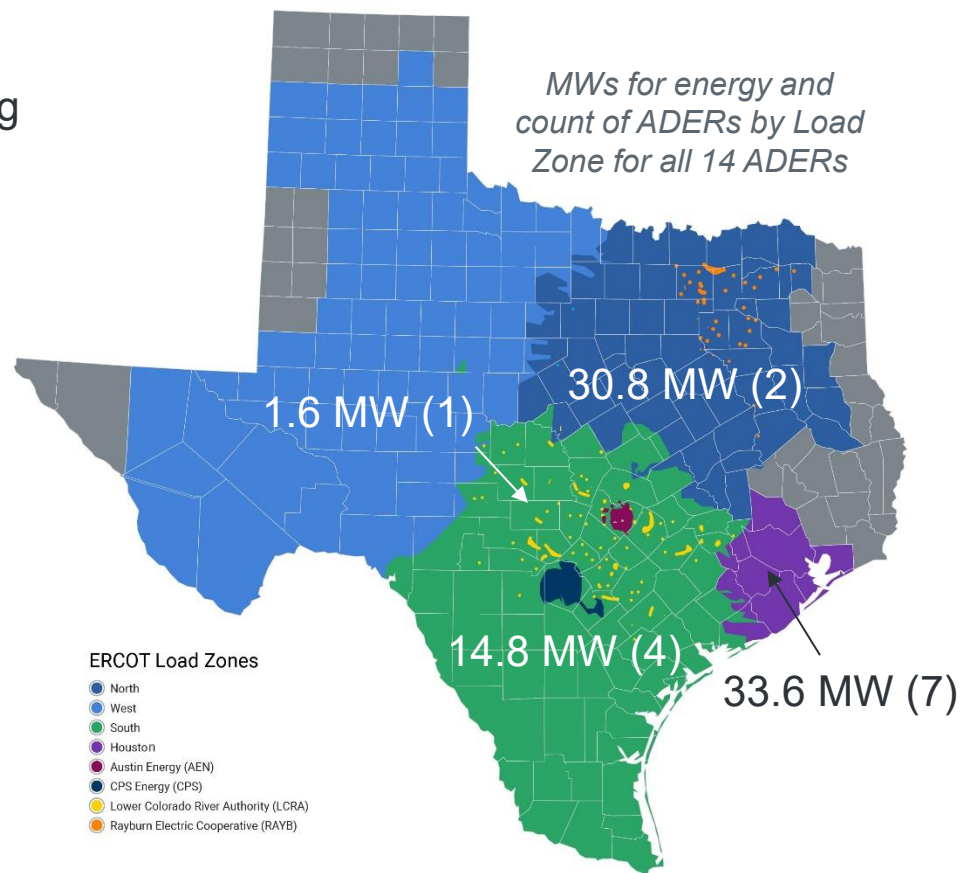
- Market impacts
- Participation requirements
- Options, alternatives and paths forward

**Discussion items for
today**

ADER Pilot Status

Pilot Participation as of October '25

- There are currently 6 ADERs participating in the wholesale electric market:
 - **64.7 MW** capability for energy
 - **40.7 MW** for capability for Non-Spinning Reserve Service (Non-Spin)
 - **41.5 MW** for capability for ERCOT Contingency Reserve Service (ECRS)
 - Primary technology is batteries
- 8 additional ADERs have ERCOT-accepted Details of the Aggregation forms in place.
- Total ADER capacity (qualified and accepted):
 - 80.8 MW capability for energy
 - 45.9 MW capability for Non-Spin
 - 45.3 MW capability for ECRS



Seeing growth in both the number of total ADERs and the number of customers in existing ADERs

Current Status

Transition to Phase 3 of the Pilot was approved in June 2025

- Highlighted changes for phase 3
 - Alternative Participation Model for ADERs
 - Aggregated non-Controllable Load Resources (NCLRs)
 - Third-party aggregation from >100 kW premises in NCLR model, regardless of Load Serving Entity affiliation
 - Premise-level telemetry validation clarifications
 - Details of the Aggregation (DOTA) Form updates
- **Increase to participation limits on October 24, 2025**
 - Capacity limits to 200 MW for energy, 100 MW for each of ECRS and Non-Spin
 - QSE limit increased to 50% of total system limits
 - Clarity around ERCOT's use of discretion to manage and increase limits in future