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| PGRR Number | [132](https://www.ercot.com/mktrules/issues/PGRR132) | PGRR Title | Update to Standard Generation Interconnection Agreement (SGIA) Requirement |

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| Date | November 3, 2025 |

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| Comments |

Southern Power Company (Southern Power) submits these comments for consideration in response to Planning Guide Revision Request (PGRR) 132, Update to Standard Generation Interconnection Agreement (SGIA) Requirement. Southern Power respectfully requests that the Reliability and Operations Subcommittee (ROS) not treat PGRR132 as Urgent and instead table and refer PGRR132 to the Planning Working Group (PLWG) for further review. As with all changes to ERCOT Protocols, Planning Guides, Operating Guides, and Other Binding Documents (collectively, Protocols), the normal stakeholder review process will develop a better product and mitigate the risk of unintended consequences.

Southern Power respectfully offers the following comments on PGRR132:

1) ERCOT has provided no basis for its claim that PGRR132 is necessary to fix an urgent, reliability issue and, moreover, no basis for this designation is apparent;

2) ERCOT and Public Utility Commission of Texas (PUCT) rules already require new interconnecting Resources to sign a new SGIA in order to obtain transmission service, and PUCT rules specifically allow for the amendment of SGIAs by mutual agreement between the SGIA parties;

3) Stakeholders need more time to determine if amending Section 5.2.1, Applicability, represents the best method of achieving ERCOT’s stated policy goal;

4) Should stakeholders determine that amending Section 5.2.1 is the best vehicle for achieving the desired outcome, the proposed language is overbroad and will lead to unintended consequences. At the very least the PGRR132 language must exclude paragraph (1)(c) of Section 5.2.1 from its applicability; and

5) Stakeholders need more information on how ERCOT would implement this change to address its stated concerns.

As currently written, PGRR132 presents substantial unintended consequences. ERCOT Protocols, Commission rules, and even the Public Utility Regulatory Act (PURA) now include numerous requirements for new Resources that apply based on a Resource’s SGIA date.[[1]](#footnote-1) Each of those dates represents a negotiated agreement after extensive deliberations accounting for the technical feasibility of complying with new requirements and the multi-year timeline needed to design, construct, and achieve commercial operations for Generation and Energy Storage Resources (ESRs). Additionally, the referenced SGIA dates act as a regulatory-certainty marker upon which generators have relied in making large capital investment decisions. Requiring generators to sign a new SGIA for all modifications subject to Section 5.2.1 risks upending these negotiated positions and undercutting costly investments made in the ERCOT market.

Southern Power recommends considering alternative methods that would address ERCOT’s concerns without upsetting the existing market paradigm. At a minimum, Southern Power urges narrowing PGRR132 to specify that a new SGIA is required only for new Resources, rather than referencing the entirety of Section 5.2.1 of the Planning Guide. Southern Power supports the concept of requiring a new co-located Resource to sign a new SGIA as long as the existing Resource, that is already connected to the ERCOT System at the same Point of Interconnection (POI), retains its existing SGIA. Alternatively, an existing Resource’s SGIA could be amended to include a new co-located Resource, but with appropriate Protocol changes clarifying that the new co-located Resource must meet the applicable technical reliability requirements in effect at the time of such SGIA amendment. Regardless, existing Resources should be allowed to amend existing SGIAs (via mutual agreement with the interconnecting Transmission Service Provider (TSP)) for modifications made pursuant to paragraph (1)(c) of 5.2.1.

1. **PGRR132 Does Not Present a Reliability Risk that Justifies Urgent Resolution.**

Southern Power appreciates the need for new Resources to adhere to the latest technical standards and requirements described in the Protocols, especially those pertaining to reliability. However, ERCOT has failed to demonstrate that an existing condition is impairing or could imminently impair ERCOT System reliability to justify the classification of PGRR132 as Urgent.[[2]](#footnote-2) Rather, the justification for PGRR132 says, “the *possibility exists* for new Resources – that should have to comply with revised reliability requirements – to avoid the new requirements” (emphasis added). At this time, ERCOT has not provided any evidence or specific details of an ongoing problem that presents an imminent reliability risk. Treating prospective and speculative matters as “urgent reliability issues” undercuts the stakeholder process and dilutes the needed potency of urgent requests when a true reliability issue arises.

Moreover, ERCOT’s justification for PGRR132 specifically mentions ensuring that new Inverter-Based Resource (IBRs)[[3]](#footnote-3) comply with the stricter ride-through performance requirements established in Nodal Operating Guide Revision Request (NOGRR) 245, Inverter-Based Resource (IBR) Ride-Through Requirements, (e.g., the Preferred Voltage Ride-Through requirements). However, for newly proposed co-located IBRs, the combination of (1) better overall ride-through capabilities of newer inverters and (2) the Nodal Operating Guide obligation for IBRs to maximize ride-through capabilities within equipment limitations will result in a new co-located IBR maximizing its ride-through capability to likely meet and potentially exceed the more stringent requirements established in NOGRR245.

For these reasons, ROS should reject ERCOT’s requested urgent reliability risk designation and allow the normal stakeholder process to unfold.

1. **ERCOT and PUCT Rules Require the Execution of a New SGIA for New Interconnecting Resources and Specifically Allow for SGIA Amendments**

ERCOT and Commission rules already require new interconnecting Resources to sign a new SGIA as a prerequisite for obtaining transmission service.[[4]](#footnote-4) If Protocol changes are needed to clarify the treatment of new interconnecting co-located Resources, Southern Power believes further stakeholder vetting is needed.

Additionally, an SGIA is an agreement between the Interconnecting Entity (IE) and a TSP, and Commission rules specifically allow for the amendment of SGIAs pursuant to mutual agreement between the SGIA parties.[[5]](#footnote-5) Such amendments are allowed for modifications to existing Resources, and ERCOT does not have the authority to invalidate a Commission rule.

1. **Section 5.2.1 May Not Be the Best Vehicle to Achieve the Desired Goal**

While Southern Power supports ERCOT’s stated policy goal, as mentioned above and as detailed more below, achieving that goal by amending Section 5.2.1 as proposed will lead to a host of unintended consequences. Given the benefit of time afforded by the normal stakeholder process will allow for a full analysis of whether there exists another method of achieving the same goal without triggering the same potentially negative consequences as the currently proposed PGRR.

1. **PGRR132 Should Be More Narrowly Tailored to Apply to New, Co-located Resources.**

If this PGRR proceeds by utilizing the currently proposed amendments to Section 5.2.1, the language needs to be more narrowly tailored to avoid unintended consequences. PGRR132 in its current form applies to any entity “to which Section 5.2.1 [of the Planning Guide], Applicability, applies.” Paragraph (1) of Section 5.2.1 applies to the following entities:

* (1)(a): Any entity proposing to interconnect a Generation Resource or ESR with a nameplate capacity of one MW or more to the ERCOT System;
* (1)(b): Any entity proposing to interconnect a Settlement Only Generator (SOG) to the ERCOT System; or
* (1)(c): Any Resource Entity seeking to modify a Generation Resource, ESR or SOG connected to the ERCOT System by making certain modifications.[[6]](#footnote-6)

Southern Power is concerned that ERCOT’s proposal, by referencing paragraph (1)(c) of Section 5.2.1, may require a Generation Resource to sign a new SGIA when it increases its real power rating, upgrades certain equipment via non-in-kind replacements, or implements control setting changes that improve performance capabilities. This expands the scope of PGRR132 well beyond ERCOT’s justification and disincentivizes the kind of maintenance and upgrades (including investments to uprate existing dispatchable resources) that strengthen the grid and ultimately serve Texans across ERCOT.

Further, by requiring a change to the SGIA date, ERCOT’s proposed language complicates compliance with other statutes and rules that reference a Resource’s SGIA date, including potentially removing the grandfathered status of IBRs seeking to become compliant with new reliability standards or subjecting Resources to certain PUCT rules (e.g., Firming). For example, PGRR132 would upset the policy decision made in NOGRR245 that allows an IBR with an SGIA signed prior to August 1, 2024 to implement a Generator Interconnection or Modification (GIM) before January 1, 2028 and neither be subject to the Preferred Voltage Ride-Through and Institute of Electrical and Electronics Engineers (IEEE) 2800, IEEE Standard for Interconnection and Interoperability of Inverter-Based (IBRs) Interconnecting with Associated Transmission Electric Power Systems, requirements nor lose NOGRR245 exemptions.[[7]](#footnote-7) Although only NOGRR272, Advanced Grid Support Requirements for Inverter-Based ESRs, explicitly uses the qualifier “original” SGIA, in each case rule language referencing SGIA dates did not anticipate or intend that SGIA amendments would reset the original SGIA date for the purpose of applicability of the new requirements. In all the above cases, the language was carefully structured and often the result of protracted deliberations and compromise to balance retroactive applicability with the planning horizons necessary to adjust business practices to a new, costly standard.

Southern Power recommends identifying an alternative method to address ERCOT’s stated objectives without causing unintended consequences, which could include revising PGRR132’s language or addressing this concern through a separate Protocol change. One potential option is narrowing PGRR132 language so that Generation Resources or ESRs that make modifications pursuant to paragraphs (1)(a) or (1)(b) of Section 5.2.1 must sign a new SGIA. This could include Planning Guide changes to specify that a new co-located Resource that connects to the ERCOT System at the same POI as an existing Generation Resource or ESR must sign a new SGIA, without impacting the SGIA date of the original Resource (or alternatively allowing the amendment of an existing Resource’s SGIA to include a new co-located Resource, but with other appropriate Protocol changes specifying that the new co-located Resource must meet technical reliability requirements effective at the time of such SGIA amendment). Alternatively, if ERCOT’s primary concern is ensuring new co-located IBRs are subject to the stricter ride-through requirements established in NOGRR245, revisions could be made to the Nodal Operating Guide that more clearly specify that a new co-located IBR must meet the stricter ride-through requirements but such co-location would not impact the applicability of ride-through requirements for the existing IBR.

1. **Market Participants Need More Information about how PGRR132 Would Be Implemented.**

As with virtually all new requirements, market participants need to understand how this PGRR will be implemented so they can properly plan their activities. How will Resources that are currently in the interconnection and commissioning process be treated? The Resource Interconnection Handbook states that during Stage 1 of the interconnection process, a Resource must execute an SGIA with the TSP ***within 180 days of completion of the Full Interconnection Study*** (FIS) for the GIM to continue. If not executed during that timeframe, the GIM may be cancelled. If ERCOT believes that the current procedure establishing the SGIA execution timing is problematic, then ERCOT should be more explicit in its justification for this PGRR as well as in the plans for applying such a rule change to Resources already in the interconnection queue.

There will undoubtedly be other questions raised by other market participants, and each of these highlight the central fact that PGRR132 will benefit from a fulsome stakeholder process. Rushing PGRR132 through the process increases the likelihood of unintended consequences and negative market impacts.

1. **Conclusion**

Southern Power appreciates the opportunity to offer comments on PGRR132. We look forward to working with ERCOT and other stakeholders utilizing the normal stakeholder process to ensure that new reliability requirements are followed by the Resources to whom they apply without causing unintended consequences that destabilize the market, which will ultimately weaken Resource adequacy and reliability. At the very least, if PGRR132 proceeds using ERCOT’s proposed language, that language must remove paragraph (1)(c) of Section 5.2.1 from its applicability.

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| Revised Cover Page Language |

None

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| Revised Proposed Guide Language |

None

1. *See, e.g.*, **Firming Requirements** (PURA § 39.1592); **Voltage Ride-Through Requirements** (Operating Guide Secs. 2.9.1(1)(a)(i), (2)); **Voltage Ride-Through Requirements Extension Requests** (Operating Guide Secs. 2.9.1(6), 2.12.1.1(1)(b), 2.12.1.2(3)); **Interconnection Cost Allowance** (16 TAC §25.195(f)); **Advanced Grid Support Requirements for Inverter-Based ESRs** (Proposed new Operating Guide Sec. 2.12(2) in NOGRR272). [↑](#footnote-ref-1)
2. See Planning Guide Section 1.2.4(1): A PGRR may be considered Urgent “only when the submitter can reasonably show that an existing Planning Guide provision is impairing or could imminently impair ERCOT System reliability or wholesale or retail market operations, or is causing a discrepancy between a Settlement formula and a provision of the ERCOT Protocols.” [↑](#footnote-ref-2)
3. Since new interconnecting Resources are already required to sign a new SGIA which would determine the applicability of various requirements (including the more stringent NOGRR245 ride-through requirements), Southern Power interprets the PGRR132 justification to focus on a new Resource proposing to co-locate with an existing Resource connected behind the same POI. [↑](#footnote-ref-3)
4. P.U.C. Subst. Rule §25.195(c): “As a condition of obtaining transmission service, a transmission service customer that owns electrical facilities in the ERCOT region must execute an interconnection agreement with the TSP to which it is physically interconnected.”

   ERCOT Planning Guide §5.2.8.1(1): “As a condition for obtaining transmission service, an IE for any transmission-connected generator must execute a Standard Generation Interconnection Agreement (SGIA) with its TSP…”. [↑](#footnote-ref-4)
5. P.U.C. Subst. Rule §25.195(c): “The SGIA may be modified by mutual agreement of the parties to address specific facts presented by a particular interconnection request provided that the modifications do not frustrate the goal of expeditious, nondiscriminatory interconnection and are not otherwise inconsistent with the principles underlying the commission-approved SGIA.” [↑](#footnote-ref-5)
6. Planning Guide Sec. 5.2.1(1)(c) modifications include but are not limited to increasing the real power rating of the Resource by one MW or greater in a year, changing certain components other than in-kind replacements, and modifying control settings or equipment that impact the dynamic response of the Resource at the POI and are deemed to require further study and the submission of a GIM request. [↑](#footnote-ref-6)
7. See Sections 2.9.1(1)(a)(ii) (defining applicability of Preferred Voltage Ride-Through requirements), 2.9.1(4) (defining applicability of IEEE 2800-2022 requirements), and 2.6.2.1(7) and 2.9.1.2(9) (requiring IBRs to have an SGIA executed prior to August 1, 2024, in order to qualify to submit an extension or an exemption request from frequency or voltage ride-through requirements). [↑](#footnote-ref-7)