



**Date:** December 1, 2025  
**To:** Board of Directors  
**From:** Chad V. Seely, ERCOT Senior Vice President Regulatory Policy, General Counsel, and Chief Compliance Officer  
**Subject:** Application for Permanent Site-Specific Exemption from Compliance with Paragraphs (5)-(6) of Protocol Section 10.3.2.3, Generation Netting for ERCOT-Polled Settlement Meters – Request of BHER Power Resources, Inc.

## **Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors Meeting Date: December 8-9, 2025**

**Item No.:** 13.3

**Issue:** Whether the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) should approve the permanent exemption request of BHER Power Resources, Inc from ERCOT Nodal Protocols 10.3.2.3(5)-(6)

### **Background/History:**

ERCOT Protocol Section 10.3.2.3(5) explains that all Loads included in the netting arrangement for an EPS Metering Facility shall only be electrically connected to the ERCOT Transmission Grid through the EPS metering points for such Facility and shall not be electrically connected to the ERCOT Transmission Grid through electrical connections that are not metered by the EPS metering points for the Facility, with one exception being that under ERCOT Protocol Section 10.3.2.3(6), auxiliary Load connected to the station service transformer not to exceed 500 kW in aggregate are allowed to have additional electrical connection to a Transmission and/or Distribution Service Provider (TDSP) Facilities through a separately metered TDSP read metering point. This exception to 10.3.2.3(5) for auxiliary load under the 500 kW limit was added in NPRR 1144, Station Service Backup Power Metering, which was approved by the Public Utility Commission in 2023.

BHER Power Resources (BHER) is registered with ERCOT as a Resource Entity and a Qualified Scheduling Entity. BHER has explained that their Falcon Seaboard Generation Facility in Big Spring, Texas, which has been in operation for roughly 35 years, exceeds

the 500 kW limit under ERCOT Protocol Section 10.3.2.3(6). Specifically, the facility has three connections to the Oncor Electric Delivery, LLC (Oncor) system, two of which are 250MVA Step-Up transmission transformers, noted as AT-1 and AT-2, which deliver power to the grid at 345kV, and which exceed the 500 kW limit under Section 10.3.2.3(6). The third connection is a 5000kVA distribution transformer, noted as SST-1, which delivers power to the facility at 4.16kV for startup from a dead-end distribution line. BHER has explained that to reconfigure the facility to meet the 500 kW limit would be impractical.

Under ERCOT Protocol Section 10.14.1, Authority to Grant Exemptions, any permanent exemption to this Section requires approval by the Technical Advisory Committee (TAC) and the ERCOT Board, and any permanent exemption shall be subject to periodic review and revocation by the ERCOT Board. Further, under ERCOT Protocol Section 10.14.3, Procedure for Applying for Exemptions, all applications to ERCOT for exemptions must be submitted in writing, and for permanent exemptions, ERCOT shall forward the application to TAC for review at the next scheduled meeting for which appropriate Notice can be made.

ERCOT received BHER's request on October 28, 2025, and the application was placed on the November 19, 2025 TAC meeting. At the TAC meeting, Oncor expressed support for the permanent exemption request, and TAC voted to approve the exemption, noting that the existence of the configuration at issue preceded the applicable Protocol requirements.

#### **Key Factors Influencing Issue:**

- The applicant's facility has auxiliary Load connected to the station service transformer in excess of 500 kW through a separately metered TDSP read metering point, contrary to the requirements of ERCOT Protocols 10.3.2.3(5) and (6).
- Under ERCOT Protocol Sections 10.14.1 and 10.14.3, permanent exemptions from compliance to metering Protocols can be requested and approved by the Technical Advisory Committee (TAC) and the ERCOT Board.
- TAC voted to approve the request for permanent exemption at the November 19, 2025 meeting.

#### **Conclusion/Recommendation:**

ERCOT staff recommends that the Board approve BHER's request for an exemption from ERCOT Nodal Protocols 10.3.2.3(5)-(6).



## **ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

### **BOARD OF DIRECTORS RESOLUTION**

WHEREAS, under ERCOT Protocol Section 10.3.2.3(6), auxiliary Load connected to the station service transformer of less than and equal to 500 kW in aggregate are allowed to have additional electrical connection to a Transmission and/or Distribution Service Provider Facilities through a separately metered TDSP read metering point;

WHEREAS, BHER Power Resources, Inc. (BHER) currently has auxiliary Load at its Falcon Seaboard Generation Facility connected to the station service transformer in excess of the 500 kW limit laid out by ERCOT Protocol Section 10.3.2.3(6), and BHER explains a reconfiguration to comply with the metering requirements under the Protocols would be impractical;

WHEREAS, the Technical Advisory Committee voted at its November 19, 2025 meeting to approve the permanent exemption request;

WHEREAS, ERCOT Protocol Section 10.14.3 allows the ERCOT Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) to grant a permanent exemption to the ERCOT metering compliance Protocols;

WHEREAS, after due consideration of the alternatives, the Board of ERCOT deems it desirable and in the best interest of ERCOT to approve the exemption request of BHER Power Resources, Inc; and

THEREFORE, BE IT RESOLVED, that BHER Power Resources, Inc's exemption request to ERCOT Protocol Section 10.3.2.3(5) and (6) is granted.

### **CORPORATE SECRETARY'S CERTIFICATE**

I, Brandon Gleason, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its December 8-9, 2025 meeting, the Board passed a motion approving the above Resolution by \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2025.

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Brandon Gleason

Assistant Corporate Secretary