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| NPRR Number | [1278](https://www.ercot.com/mktrules/issues/NPRR1278) | NPRR Title | Establishing Advanced Grid Support Service as an Ancillary Service |

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| Date | May 9, 2025 |

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| Submitter’s Information | |
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| Market Segment | Not applicable |

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| Comments |

The Lone Star Energy Storage Alliance (LESA) appreciates the opportunity to provide comments on Nodal Protocol Revision Request (NPRR) 1278. LESA member companies are current owners and operators of Energy Storage Resources (ESRs) in ERCOT and have a vested interest in maintaining a reliable and efficient power market in Texas. We appreciate the ongoing dialogue regarding ERCOT’s evolving package of ancillary and grid forming services.

First and foremost, we support NPRR1278 as a framework for ERCOT to procure and compensate market participants for providing advanced grid support services, recognizing that this capability does not come for free. The reliability benefits ERCOT has indicated it seeks in its Justification of Reason for Revision and Market Impacts to Nodal Operating Guide Revision Request (NOGRR) 272 are not achievable by the mere capability to provide advanced grid support services, but through the actual provision of the services. As discussed in Plus Power’s January 15, 2025, comments on NOGRR272, Spearmint Renewable Development Company’s January 16, 2025, Comments on NOGRR272, and Fluence’s presentation to the Inverter Based Resource Working Group on January 17, 2025, titled “ERCOT’s Advanced Grid Support Proposal”, the provision of these advanced grid support services imposes actual operational and lost opportunity costs on Resources as well. As a result, establishing a market structure that ensures compensation for grid-forming services is essential to maintaining long-term system reliability.

Additionally, while ERCOT and the stakeholder process work through the compensatory framework, we emphasize the importance of clearly defined compliance requirements. As Jupiter Power LLC pointed out in its December 4, 2025, comments on NOGRR272, there are performance standards that would be applicable to a Resource providing advanced grid support services that must be clarified so that a Resource can know exactly what specific performance would constitute compliance with the service requirements. This is an issue that applied to NOGRR272 and stakeholders need to ensure that the draft testing and qualification requirements proposed by NPRR1278 adequately address that need. It is critical that compliance obligations are unambiguous, enforceable, and aligned with broader market planning and operations. A well-defined compliance framework will ensure that Market Participants understand their roles and responsibilities, mitigating uncertainty and enhancing system reliability.

We appreciate that ERCOT must respond to evolving reliability needs. However, over the past few years, it appears that a patchwork quilt of Revision Requests has been forming to address ad hoc needs for ancillary and other services. It is critical that NPRR1278 and related revision requests are aligned with the broader Ancillary Service landscape. ERCOT should ensure that any new service framework complements existing and future market structures, avoiding unintended consequences and misaligned market incentives.

To ensure a durable and effective Ancillary Service framework, ERCOT must take a more strategic approach. Rather than implementing Ancillary Services in isolation, ERCOT should integrate these efforts into a broader Ancillary Service strategy that considers all critical elements—including inertia—and align them with ongoing stakeholder discussions and regulatory directives. ERCOT previously conducted a similar effort with the Future Ancillary Service Team (FAST) starting in 2014 that led to the filing and consideration of NPRR667, Ancillary Service Redesign. We recommend ERCOT take a renewed comprehensive, transparent approach to achieve long-term market stability and reliability.

In summary, we support NPRR1278 as a framework for a paid service but emphasize the need for clear compliance requirements and proper alignment with other ancillary and grid-forming services. We urge ERCOT to take a holistic approach to Ancillary Service reforms to ensure sustainable, effective, and equitable market outcomes. We look forward to continued engagement with ERCOT and other stakeholders to build a robust and forward-looking market structure.

Thank you for your consideration.

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| Revised Cover Page Language |

None

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| Revised Proposed Guide Language |

None