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| NPRR Number | [1309](https://www.ercot.com/mktrules/issues/NPRR1309) | NPRR Title | Board Priority - Dispatchable Reliability Reserve Service Ancillary Service |
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| Date | | January 28, 2026 | |
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| Market Segment | | Cooperative | |

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| Comments |

LCRA submits these comments in support of Nodal Protocol Revision Request (NPRR) 1309 which creates a new Ancillary Service to assist ERCOT in managing Real-Time operational challenges while mitigating the use of non-competitive dispatch through the Reliability Unit Commitment (RUC) process. Though undoubtedly useful to grid operators, NPRR1309 alone fails to address ERCOT’s structural resource adequacy challenges. To that end, ERCOT must continue its work with stakeholders to develop new market design options that are sufficient to meet the PUC-approved reliability standard. This may require implementing concepts from NPRR1310, Dispatchable Reliability Reserve Service Plus Energy Storage Resource Participation and Release Factor, recalibrating the shortage pricing of the current Ancillary Service demand curves (ASDCs), or other recommendations resulting from ERCOT’s triennial reliability standard assessment.

LCRA is supportive of efforts to implement Public Utility Regulatory Act (PURA) §39.159 which requires ERCOT to develop a new Dispatchable Reliability Reserve Service (DRRS). As PURA §39.159(d) makes clear, DRRS is intended to support both “a targeted reliability standard or goal including intermittency of non-dispatchable generation facilities and forced outage[s][[1]](#footnote-1)” and “inter-hour operational challenges[[2]](#footnote-2)”. If “reliability standard or goal” is interpreted narrowly to refer to multi-hour net-load forecast errors occurring during Real-Time operations, then NPRR1309 will help ERCOT to meet its statutory requirement. If instead “reliability standard” is interpreted to mean the PUC-approved reliability standard, then it is worth emphasizing that the market design within NPRR1309 is *insufficient* to solve ERCOT’s resource adequacy challenges.

PURA §39.159(d) and (e) include requirements for both market design and eligibility requirements for participation in the new service. PURA §39.159(d)(2) specifies that DRRS awards must be limited to resources with at least two-hour ramping capability and the ability to generate at the Resource’s High Sustained Limit (HSL) for a *minimum[[3]](#footnote-3)* of four hours. Section 3.17.5(1) in NPRR1309 and Section 2.3.4.1(1) in NOGRR283 clearly meet these statutory requirements and establish a set of technology-neutral minimum attributes for participating resources. It is worth emphasizing that PURA §39.159(e) also provides ERCOT sole discretion to *increase* the duration requirements of this service based on its determination of a reliability need. While LCRA supports the initial duration and ramping requirements established by NPRR1309 and NOGRR283, Board Priority - Related to NPRR1309, Dispatchable Reliability Reserve Service Ancillary Service, LCRA also encourages ERCOT to re-evaluate the duration requirement annually as a part of its Ancillary Service methodology review. Numerous resource adequacy studies[[4]](#footnote-4),[[5]](#footnote-5) have indicated that ERCOT lacks sufficient long-duration capacity to meet the PUC-adopted Reliability Standard in the absence of market design improvements. It is important to recognize that this scarcity of long-duration capacity negatively impacts not just resource adequacy on system peak days but also affects Real-Time operations in a system that is increasingly dependent on intermittent resources buffered by short-duration batteries. The best way to competitively procure long-duration capacity for use in Real-Time operations is to design an Ancillary Service which uniquely values and procures this long-duration attribute.

PURA §39.159(d) requires DRRS awards to be procured in both the Day-Ahead Market (DAM) and Real-Time Market (RTM) while PURA §39.159(d)(3) requires DRRS awards to directly displace Off-Line capacity deployed non-competitively through the RUC process. NPRR1309 appropriately meets the first statutory requirement by co-optimizing DRRS procurement with energy and other Ancillary Services in both DAM and RTM. Section 5.5.2(20) of NPRR1309 meets the second statutory requirement by ensuring that Off-Line Resources awarded DRRS are prioritized appropriately in the RUC optimization by scaling applicable Resource Generic Startup Offer Costs and Generic Minimum-Energy Offer Cost of DRRS by 20%. Following implementation, LCRA requests that ERCOT reevaluate this parameter if it is determined that DRRS resources fail to be prioritized appropriately through the RUC optimization.

In summary, NPRR1309 meets the statutory requirements of PURA §39.159(d) by designing a product that can be deployed by grid operators to more reliably address inter-hour operational challenges. However, this design alone is a half-measure. The Commission has signaled the need to leverage DRRS design to provide an option to address imminent resource adequacy concerns, so stakeholders must collaborate to shape NPRR1310 into a workable solution.

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| Revised Cover Page Language |

None at this time.

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| Revised Proposed Protocol Language |

None at this time.

1. PURA§39.159(d)(1) [↑](#footnote-ref-1)
2. PURA §39.159(d)(2)(C) [↑](#footnote-ref-2)
3. Importantly, PURA §39.159(e) clarifies that “***Notwithstanding Subsection (d)(2)(A)****, the independent organization certified under Section 39.151 for the ERCOT power region may require a resource to be capable of running for more than four hours as the organization determines is needed.”* [↑](#footnote-ref-3)
4. *See* Assessment of Resource Adequacy Needs in ERCOT and Impact of Market Design Changes (Aurora Energy’s analysis of ERCOT’s current wholesale market design indicates a reasonable probably of long-duration (i.e., >12 hours) load shed events in both winter and summer peak seasons of 2030), *available at* https://www.ercot.com/files/docs/2025/12/10/Aurora-Assessment-of-Resource-Adequacy-Needs-in-ERCOT-Region-and-Impact-of-Market-Design-Changes-2025.11.10-.pdf [↑](#footnote-ref-4)
5. *See* Staff’s Review of the ERCOT and E3 PCM Assessments and Staff’s Final Recommendation on the PCM (PUC Staff acknowledge “The long-term equilibrium of the ERCOT market design is well below the frequency criterion of the Commission's reliability standard”), *available at* https://interchange.puc.texas.gov/Documents/55000\_47\_1449541.PDF [↑](#footnote-ref-5)