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| NPRR Number | [1317](https://www.ercot.com/mktrules/issues/NPRR1317) | NPRR Title | Creation of Non-Settled Generator (NSG) and Clarification of the Types, Usage, and Registration of Distributed Generation |
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| Date | | January 27, 2026 | |
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| Market Segment | | Independent Retail Electric Provider (IREP) | |

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| Comments |

Priority Power Management LLC (Priority Power) appreciates the opportunity to submit these comments on Nodal Protocol Revision Request (NPRR) 1317 which is intended to provide clarity regarding the interconnection and treatment of Non-Settled Generators (NSGs), in addition to other issues. Priority Power develops and owns projects and supports customers that have installed and are planning to install co-located generation facilities that have an aggregate nameplate capacity of less than ten MW and that are or will be configured to ensure that they do not inject energy into the ERCOT System. As a result, the proposed changes in NPRR1317 coupled with ERCOT’s related Planning Guide Revision Request (PGRR) 140, Related to NPRR1317, Creation of Non-Settled Generator (NSG) and Clarification of the Types, Usage, and Registration of Distributed Generation, could have a direct impact on Priority Power and its customers.

The approach NPRR1317 / PGRR140 propose for treatment of some NSGs and Non-Settled Transmission Generators (NSTGs) is unusually broad and appears to be inconsistent with the treatment of other resources that have the same nameplate capacity as these facilities. Moreover, NPRR1317 / PGRR140 propose to apply requirements applicable to facilities that inject power into the ERCOT System to NSGs that do not and will not inject power into the ERCOT System. Additionally, these requirements are not required of large consumers that can have just as much impact on the ERCOT System through their normal variations in consumption as an NSG that does not inject power into the ERCOT System. At a time when ERCOT is pursuing multiple strategies to reduce demand on the ERCOT System, the approach reflected in NPRR1317 / PGRR140 likely would deter the development of these resources, especially those that will not inject power onto the grid but are intended to reduce a load’s demand on the ERCOT System.

At the outset, it is important to note the breadth of NPRR1317 as proposed. For example, in Section 1.6.5, Interconnection of New or Existing Generation, NPRR1317 proposes to add paragraph (4) that would require all existing and future NSTGs that are greater than one MW and all Distributed Generators regardless of size to comply with all applicable requirements in the ERCOT Protocols, the Planning Guide, the Nodal Operating Guide, and Other Binding Documents. Read in conjunction with Section 2.1, Definitions, the broad definition of “Distributed Generator” would lead to NPRR1317 requiring every homeowner with a rooftop solar and/or battery installation to be required to comply with all applicable requirements in the ERCOT Protocols, the Planning Guide, the Nodal Operating Guide, and Other Binding Documents. NPRR1317 would require on-site generation facilities co-located with loads that are transmission level customers that are not registered with ERCOT as a Generation Resource, Settlement Only Generator (SOG), Energy Storage Resource (ESR), or Settlement Only Energy Storage System (SOESS) to suddenly be subject to these requirements, even if they are not connected in parallel operation to the ERCOT System or even if they do not inject energy into the ERCOT System. Absent a demonstrated reliability nexus, the application of these requirements to non-injecting facilities raises questions under Utilities Code §39.151 and the Commission’s regulations[[1]](#footnote-1) regarding the scope of ERCOT’s role.

As proposed, NPRR1317 in conjunction with PGRR140 would subject NSTGs with a capacity of less than ten MW to greater review and analysis than small generators that are the same size and that intend to inject power into the ERCOT grid and be settled. For several years, ERCOT has had an interconnection review process that differentiates between small generators that have an aggregate nameplate capacity of less than ten MW or have a Self-Limiting Facility value of less than ten MW of injection, and large generators that will have an aggregate nameplate capacity of ten MW or more. This is reflected in Planning Guide Section 5.2.1, Applicability, paragraphs 3-5. Under ERCOT’s current rules, a small generator is defined as a generator that has or is proposed to have an aggregate nameplate capacity of less than ten MW. A small generator that has a nameplate capacity of less than one MW is not subject to the review process set forth in Planning Guide Section 5, Generator Interconnection or Modification. A small generator that has a nameplate capacity of one to less than ten MW is subject to a limited interconnection review process that is eight to ten months. A large generator, though, with a capacity of ten MW or more is subject to a longer review process that has a timeline of 20 months.

In sharp contrast to this established approach, NPRR1317 would add Section 3.8.9, Interconnection of a Non-Settled Generator, to require any NSG with a nameplate capacity greater than one MW to comply with the requirements of Planning Guide Section 5. Coupled with the amendments PGRR140 proposes to that Section, an NSTG that has a nameplate capacity of one MW or more, even if it does not inject power onto the ERCOT grid, would be required to be reviewed as a large generator. See NPRR1317 proposed paragraph (4) of Section 1.6.5 and PGRR140 proposed paragraphs (8) and (9) to Planning Guide Section 5.2.1*.* This higher degree of review applied to an NSTG that has an aggregate nameplate capacity of less than ten MW is inconsistent with ERCOT’s requirements applied to similarly sized generators that are intended to have more impact on the electric grid by injecting energy rather than reducing demand by a co-located load.

In general, an NSG is not settled with ERCOT because most, if not all, of its energy produced is consumed by a co-located load. The benefit of the NSG is that it reduces a customer’s demand on the ERCOT System. It is unclear why a small generator that reduces a customer’s demand should be studied to the same extent as a large generator that will be injecting energy. It is also unclear why an NSG with a capacity of less than ten MW and that does not inject power into the ERCOT System should be studied to the same extent as a small generator that injects power into the ERCOT System and is settled for that energy. If the concern is that the customer’s demand may increase if the NSG stops operation, then that would tend to indicate that ERCOT is concerned about reliability of the ERCOT grid whenever a load has a shift of less than ten MW in its demand. Yet this is a common occurrence with customers with large motors, refrigeration units, etc. that turn on and off without similar scrutiny, and ERCOT handles these variations in demand as a normal course of business.

In proposed paragraphs (3) and (4) of Section 3.8.9, Interconnection of a Non-Settled Generator, NPRR1317 would require an NSG with an installed capacity greater than one MW and no more than ten MW to provide certain data to ERCOT. Yet paragraph (4) requires an NSTG with an installed capacity of more than one MW to provide significantly more information regardless of whether the NSTG will inject power into the ERCOT System. At a minimum, the requirement in paragraph (4) to provide this additional data should be limited to NSTGs that inject power onto the ERCOT System. As an alternative, the requirement to provide this additional data should be limited to NSTGs that would be analogous to a “large generator” with a nameplate capacity of ten MW or more.

In proposed paragraph (5) of Section 3.10.7.2, Modeling of Generators, Energy Storage Systems, and Transmission Loads, NPRR1317 would require any NSG to provide certain information to ERCOT, its interconnecting DSP, if applicable, and interconnecting TSP. This paragraph also would require ERCOT to represent the NSG at their appropriate electrical bus in the Network Operations Model. While this requirement could be appropriate for an NSG that injects energy into the ERCOT System or a large NSG that could qualify as a large generator, as noted previously, an NSG generally is co-located with a customer so that its output reduces the customer’s demand on the ERCOT grid. For smaller NSTGs, especially those that do not inject energy into the ERCOT System, the impact of these facilities should be reflected in the transmission Load connections reported pursuant to paragraph (8).

In proposed paragraph (1)(c) of Section 10.2.2, TSP and DSP Metered Entities, NPRR1317 would require all NSGs to be metered even if the NSG is not injecting energy into the ERCOT System. Since the impact of the operation of these facilities will already be captured in the meter data associated with the co-located load and the data is not required to settle any sale of energy to the ERCOT System, there does not appear to be a need for this additional metering, especially when the proposed requirements of paragraph (23) of Section 6.5.5.2, Operational Data Requirements, would require the Qualified Scheduling Entity (QSE) for an NSG greater than ten MW to provide ERCOT Real-Time telemetry.

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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. For example, these entities would not be “market entities” pursuant to 16 TAC §25.503(c)(5) and therefore not “Market Participants” pursuant to 16 TAC §503(c)(6) that are subject to that rule which provides requirements applicable to market entities and ERCOT’s role in enforcing operating standards. [↑](#footnote-ref-1)