



Item 15.1.1.3: ERCOT Comments on NOGRR282 and NPRR1308

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Analysis

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Purpose

Provide background information on NOGRR282 and
NPRR1308

Voting Items

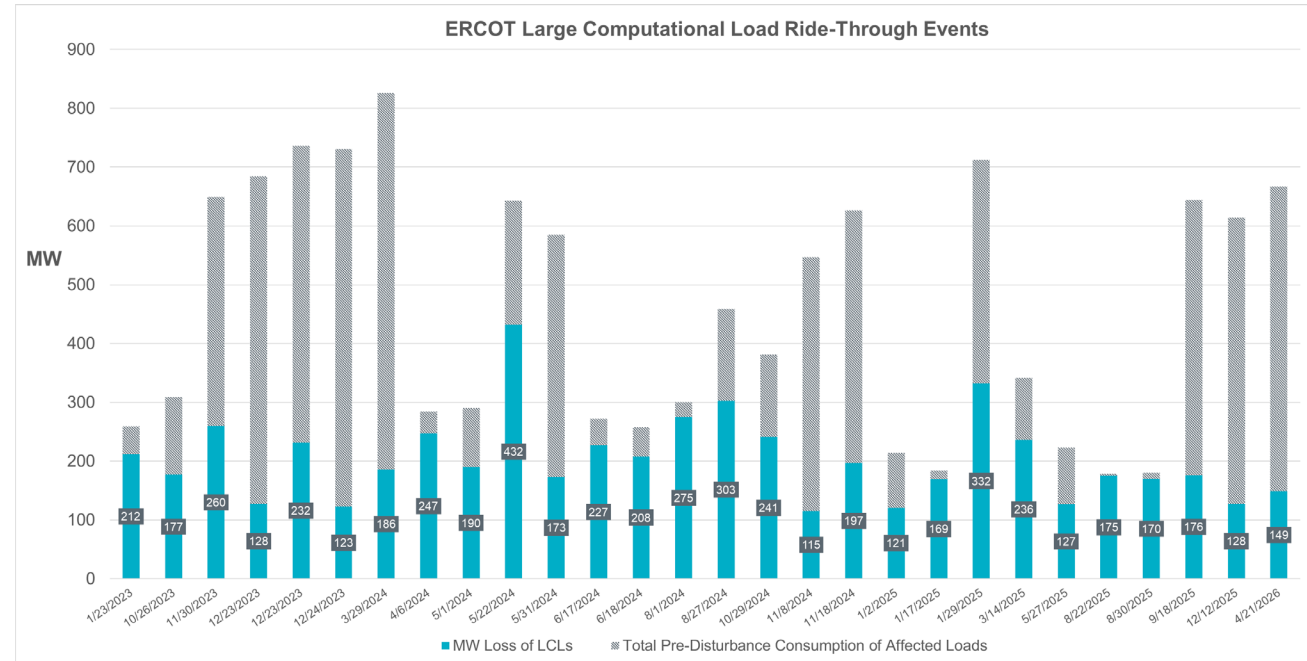
Current voting items: NOGRR282 and NPRR1308

Key Takeaways

- NOGRR282 and NPRR1308 set forth critical reliability requirements for Large Computational Loads.
- ERCOT's broad statutory authority to ensure system reliability provides sufficient justification for these requirements.

NOGRR282 and NPPR1308, Large Computational Load Ride-Through Requirements

- NOGRR282 and NPPR1308 establish technical requirements for the frequency and voltage ride-through performance of Large Computational Load (LCL) facilities
 - Requirements placed on Customers of LCL facilities
 - NOGRR282 also defines exemption criteria for legacy LCLs
- System reliability need for LCL ride-through requirements
 - Without ride-through requirements, as load growth from LCLs continues, the magnitude and frequency of Large Load loss events will also increase, potentially leading to frequency and voltage instability issues
 - Transmission and market improvements alone cannot mitigate this risk



Key Takeaway: NOGRR282 and NPPR1308 set forth critical reliability requirements for Large Computational Loads.

Legal Justification for NOGRR282 and NPRR1308

Texas Industrial Energy Consumers (TIEC) and Texas Blockchain Council (TBC) have challenged ERCOT's authority to impose reliability requirements on customers.

The proposed LCL ride-through requirements are a valid exercise of ERCOT's broad reliability authority under the Public Utility Regulatory Act (PURA):

- PURA § 39.151(a) requires ERCOT to “ensure the reliability and adequacy of the regional electrical network”.
 - LCL ride-through failures present a significant, well-documented reliability risk.
- Authorities cited by TIEC do not restrict ERCOT's authority to require these standards.
 - PURA § 39.151(j):
 - Requires various types of market participants to comply with ERCOT rules
 - Does not foreclose ERCOT's regulation of other entities whose actions impact reliability
 - PURA § 39.151(l):
 - Prohibits requirements that “adversely affect or impede any manufacturing or other internal process operation associated with an industrial generation facility, *except to the minimum extent necessary to assure reliability of the transmission network*”
 - Only confirms ERCOT's reliability authority

TIEC's alternative solution to convert ride-through requirements to non-binding “guidelines” does not adequately address reliability concern.

Key Takeaway: ERCOT's duty under PURA to ensure system reliability adequately justifies requiring LCLs to ride through voltage and frequency excursions.