



Item 4: High-Impact Policy Discussions in the Stakeholder Process

Rebecca Zerwas
Director of State Policy and PUC
Relations, Board Liaison

Board of Directors Meeting

June 1-2, 2026

Purpose

Provide an update on key policy issues currently in the stakeholder process

For information

No action is requested; for discussion only.

Key Takeaways

- Several key issues are in front of the Board for consideration in June and we anticipate moving to the next phase of discussion for these items.
- New key initiatives regarding Ancillary Services and Emergency Response Service have been added this cycle.
- ERCOT continues to work on highlighting key revision requests to the Board earlier and provide visibility on the evolution of issues through the stakeholder process.



Key Commission Priorities for 2026-2027

ERCOT and PUC Staff worked to develop [performance measures](#) for each key Commission priority, including milestones and target completion dates for each measure. ERCOT will file quarterly updates at the Commission.

Real-Time Co-optimization + Batteries (RTC+B)

- Implementation and stabilization of RTC+B, including any improvements needed for Ancillary Service Demand Curves (ASDCs)

Senate Bill (SB) 6 (89R)

- Implementation of SB 6 provisions relating to the planning for, interconnection and operation of, and costs related to providing service for certain electrical loads

Dispatchable Reliability Reserve Service (DRRS)

- Implementation of a new DRRS Ancillary Service as required by House Bill (HB) 1500 (88R)

Implementation of Ancillary Service Study Findings

- Address the findings and next steps from Commission's [2024 Ancillary Services Study](#) required by SB 3 (87R)

Large Load Interconnection

- Improving processes and timelines for the interconnection of large loads in the ERCOT power region.



Dispatchable Reliability Reserve Service (DRRS)

HB 1500 (88R) requires ERCOT to develop and implement an Ancillary Service program to procure dispatchable reliability reserve services on a Day-Ahead and Real-Time basis to account for market uncertainty.



NPRR1309

Dispatchable Reliability Reserve Service Ancillary Service

Board Priority - Primary revision request to establish DRRS as an Ancillary Service that addresses supply and demand forecast uncertainty and reduces the volume of Reliability Unit Commitments (RUCs). Intended to deliver all aspects of DRRS required by PURA § 39.159(d)

- **Posted:** November 2, 2025
- **Current Status:** at Board for consideration in June



NPRR1310

Dispatchable Reliability Reserve Service Plus Energy Storage Resource Participation and Release Factor

- **Urgent** - Revision request proposes an Energy Storage Resource (ESR) participation model in DRRS and a Release Factor concept that provides optionality for DRRS to also be used as a mechanism to support resource adequacy.
- **Posted:** November 20, 2025
- **Current Status:** tabled at PRS pending revisions to remove ESR functionality and is expected to remain tabled pending progress on the Triennial Reliability Assessment per 16 TAC §25.508



New NPRR

Dispatchable Reliability Reserve Service Ancillary Service with Energy Storage Resource Participation

ERCOT worked with PUC Staff to develop a separate NPRR in line with [recommendations](#) to limit participation to Energy Storage Resources (ESRs) with sufficient storage capacity (MWh) to discharge at their maximum sustained discharging capability (MW) for at least four hours.

Key Takeaways:

- The new NPRR to enable ESR participation in DRRS is expected for consideration by the December Board in order to implement the functionality at launch.



Large Load Issues - Senate Bill (SB) 6 (89R) Implementation

Net Metering Arrangements Involving a Large Load Co-Located with an Existing Generation Resource
(PURA §39.169)

- PUC Project No. 58479, **new 16 TAC §25.205 adopted in March 2026**
- Rule codifies the process for the Commission's evaluation of a net metering arrangement involving a Large Load and co-located with an existing Generation Resource along with the criteria used to evaluate the arrangement.

Large Load Forecasting Criteria
(PURA §37.0561)

- PUC Project No. 58480, **new 16 TAC § 25.370 adopted in February 2026**
- Rule establishes criteria for ERCOT to include Large Loads in the forecasts that Transmission Service Providers (TSPs) submit to ERCOT for purposes of developing transmission planning and resource adequacy models and reports.
- Rule also establishes criteria for TSPs to reasonably determine existing and forecasted load (see *HB 5066 (88R)*).
- The Commission also approved an ERCOT compliance plan to ensure the 2026 Regional Transmission Plan (RTP) complies with rule.

Large Load Interconnection Standards (PURA §37.0561)

- PUC Project No. 58481, **expected September 2026**
- Rulemaking will establish standards for the interconnection of Large Load customers in ERCOT that support business development while minimizing the potential for stranded infrastructure costs and maintaining system reliability.

Reliability Service to Competitively Procure Demand Reductions from Large Loads (PURA §39.170)

- PUC Project No. 58482, **expected November 2026**
- Rulemaking will codify requirements for ERCOT to develop a new reliability service that competitively procures demand reductions from loads with a demand of ≥ 75 MWs to be deployed in the event of an anticipated emergency condition.

Evaluation of Transmission Cost Recovery (SB 6 Section 6 (a)-(c))

- PUC Project No. 58484, **Staff report filed May 2026, rule expected December 2026**
- Project will evaluate whether the existing 4CP methodology continues to appropriately assign costs for transmission investment or if an alternative methodology would more appropriately assign the costs of providing access and codify any recommendations in a subsequent rulemaking.




Large Load Issues – Batch Study Process

The volume and changing characteristics of Large Loads seeking ERCOT interconnections have uncovered new challenges which require planning processes to evolve to effectively connect Load.

Growing demand necessitates an evolution of Large Load Interconnection in ERCOT from ad hoc to batch-based planning.

June 2026 Board

- [PGRR145](#), Batch Zero Process for Large Load Interconnections 
- [NPRR1325](#), Related to PGRR145, Batch Zero Process for Large Load Interconnections

- PUC adoption of new 16 TAC § 25.194, Large Load Interconnection Standards.
- Discussion in the stakeholder process of additional revision requests for ongoing Batch Study process

February 2027 Board

- ERCOT Board consideration of ongoing Batch Study revision requests and comprehensive transmission planning.

Key Issues for Next Phase :

- Continuing Batch Study process while transitioning to an integrated comprehensive transmission planning framework
- Development of portal to provide visibility to Large Load interconnection process





Ancillary Services (AS)

ERCOT will be requesting stakeholder feedback on several key items related to Ancillary Services through the end of the year and continuing to address the findings and next steps from Commission's [2024 Ancillary Services Study](#).

2027 AS Methodology



Key Policy Issue: what are the appropriate criterion for AS procurement quantities.

- Protocol Section 3.16, requires ERCOT to review the AS Methodology annually. The AS methodology process and Triennial Reliability Assessment per 16 TAC §25.508 are key to implementing the findings from the PUC's AS Study.
- Stakeholders will start discussion in June before consideration at the September Board.
- **In 2026, ERCOT implemented probabilistic modeling and will refine the model to test alternative procurement criteria in 2027. Discussion is expected to focus on Non-Spinning Reserve Service (Non-Spin) and ERCOT Contingency Reserve Service (ECRS).**

Ancillary and Reliability Services Cost Allocation Study



Key Policy Issue: whether alternative cost allocation methods produce net savings to consumers compared with the current method.

- [HB 1500](#) (88R) requires the PUC to direct ERCOT to evaluate, with input from TAC, the cost allocation of AS and reliability services. The PUC has outlined the alternative methods, historical data period, and analytical areas ERCOT should evaluate in the [study scope](#)
- The PUC must submit a report to the Legislature by December 1, 2026.
- **ERCOT is evaluating the base case and three alternative AS/RS cost allocation methods as identified in the PUC study scope through primary and secondary-effect analysis. Stakeholder feedback requested by end of May.**

Reliability Procurement Process Improvements

Following recent experiences with Reliability Must-Run (RMR), Must-Run Alternative (MRA) and Contract for Capacity (C4C) proposals, ERCOT has reviewed lessons learned and proposed potential process improvements.

NPRR1315, Changes to Process of Evaluating the Potential Needs for Additional Capacity

Adds notification requirements for ERCOT to notify the Commission when it determines that additional capacity is needed to prevent an imminent Emergency Condition and prior to entering into any contract for additional capacity.

Revision request would also extend the study horizon for evaluating and potentially contracting for capacity to prevent anticipated load shed events and expand the set of eligible Resources that can respond to the Requests for Proposal (RFPs) to include new Resources.

•**Posted: December 19, 2025**

•**Current Status: at Board for consideration in June**

NPRR1316, Implement an Annual ERCOT RFI Process to Gather Information Related to Retirement and Mothballing Plans of Select Resources

Adds an annual requirement for any Resource Entity that owns or operates a thermal generating unit that is identified by ERCOT to be at risk of being retired or mothballed to respond to a Request for Information (RFI) regarding public or non-public retirement or mothball plans, as well as likelihood of retirement or mothballing if there are no such public or non-public plans.

•**Posted: December 19, 2025**

•**Current Status: at Board for consideration in June**

NPRR1319, Modifications to Seasonal Mothball Periods and Clarification to Evaluation Process

Expands the prohibition for placing a Generation Resource on a seasonal mothball status to include the winter season, (December, January, and February) and clarifies ERCOT's next steps after a proposal to be placed on seasonal mothball status has been evaluated.

•**Posted: December 29, 2025**

•**Current Status: tabled at PRS, referred issue to WMS (endorsed) and ROS (under discussion)**

Based on stakeholder feedback, ERCOT is proposing to keep only the existing summer seasonal mothball prohibition and continue to evaluate the effects of seasonal mothballing on winter reliability.

Key Takeaway: NPRR1319 remains in consideration in the stakeholder process. ERCOT has worked to address concerns regarding the winter prohibition and remains focused on the MRA RFP language.

Generation Firming Requirements

[HB 1500 \(88R\)](#) requires the PUC to implement performance requirements for certain Generation Resources with interconnection agreements signed on or after January 1, 2027. Per [16 TAC §25.65](#), ERCOT must develop protocols to implement the rule and identify how performance will be validated for a Distribution Generation Resource, an Energy Storage Resource (ESR), and a Load Resource that assumes a firming obligation

NPRR1328

Establishment of Generation Firming Program

Incorporates new Generation Firming Program requirements for all Generation Resources with an original Standard Generation Interconnection Agreement (SGIA) executed on or after January 1, 2027, beginning one year after the Generation Resource's Commissioning Date.

Provides details on the administration of the Generation Firming Program, including definitions, timing requirements, processes for submitting Firming Transfers to ERCOT, specific calculations for measuring performance and applying exemptions, and associated market-facing reporting.

- **Posted: April 2, 2026**
- **Next Steps: PRS granted Urgent status; tabled at PRS and referred the issue to WMS**

ERCOT is working on comments to address stakeholder feedback for consideration at June meetings. Expected for Board consideration in September.

Key Takeaways:

- NPRR1328 creates new Protocol Section 28, Generation Firming Program.
- The Generation Firming Program must be implemented no later than December 1, 2027.
- The earliest the first firming compliance season would begin March 1, 2028.

Standard Form Agreement (SFA)

The Standard Form Market Participant Agreement outlines the terms and conditions under which ERCOT and the participant will fulfill their respective duties and responsibilities.

- The SFA includes definitions and sections regarding key provisions such as Notice, Transfers Breach and Default that more appropriately belong in the Protocols.
- Revisions to the SFA are also needed to reflect the Texas Supreme Court's determination in *CPS Energy v. ERCOT* that ERCOT is an arm of government that has sovereign immunity and is subject to the Public Utility Commission of Texas' exclusive jurisdiction.

NPRR1312

Revisions to the Standard Form Agreement (SFA)

Amends the SFA and transfers certain sections to the Protocols, including establishing a new section regarding Notice and modernizing the Notice language, transferring Breach and Default, and amending the definition of a Force Majeure.

The revision request also amends Standard Form Black Start Agreement and Standard Form Must Run Agreement to align with revisions to the SFA.

- **Posted: November 26, 2025**
- **Current Status: tabled at PRS**

Next Steps Regarding Key Policy Issues:

- ERCOT is working to address concerns raised by stakeholders regarding what is better addressed through an agreement vs moved to the Protocols. Comments and further discussion expected in June.



Renewable Energy Credit (REC) Program

PURA § 39.9113 as adopted by HB 1500 (88R) requires ERCOT to maintain an accreditation and banking system to award and track RECs on a voluntary basis.

- ERCOT sponsored [NPRR1218](#) to codify the regulatory changes.
- Trading program requirements established in [16 TAC § 25.173](#), *Renewable Energy Credit Program*. The rule provides ERCOT the option to assign additional attributes to RECs, but the PUC determined that creating new types of credits, or authorizing ERCOT to do so, was beyond the scope of the rulemaking proceeding.

NPRR1264, Creation of a New Energy Attribute Certificate Program



Introduces the concept of Energy Attribute Certificates (EACs) that could be earned by any generator, regardless of fuel type, and makes RECs a subcategory of EACs. Creates a certification program that would allow Resources to provide documentation to ERCOT regarding how they met certain operational characteristics.

Posted: December 19, 2024 (Texas Energy Buyers Alliance (TEBA)/Goff Policy)

Current Status: at Board for consideration in June

As recommended by TAC, would facilitate ERCOT functioning as a data provider to a third-party administrator.

Revision Requests related to NPRR1264



[COPMGRR051](#)

[NOGRR273](#)

[PGRR123](#)

[RRGRR038](#)

[RMGRR182](#)

[SMOGRR031](#)

[VCMRR043](#)

[LPGRR076](#)

Posted: December 19, 2024 (Texas Energy Buyers Alliance (TEBA)/Goff Policy)

Current Status: tabled and referred to various subcommittees

ERCOT expects these pending revision requests to be reviewed in the stakeholder process for consideration at the September Board.

Key Takeaway: Following Board and PUC approval of NPRR1264, ERCOT will move forward with an RFP process to select a third-party administrator. A Board update is expected in December.

Emergency Response Service (ERS)

ERCOT procures ERS by selecting qualified Loads and Generators (including aggregations of Loads and Generators) to make themselves available for deployment in an electric grid emergency.

The ERS program has recently experienced significant growth in participation from Loads that have a high proclivity to independently modify their energy consumption in response to pricing signals. This behavior prior to an ERS deployment instruction is likely to result in most of the contracted ERS capacity to be self-deployed in advance of the deployment instruction from ERCOT and therefore providing minimal incremental benefit to the system when called for by ERCOT.

NPRR1337

ERS Enhancements

Revision request makes two primary changes to how Qualified Scheduling Entities (QSEs) and their Resources are evaluated for both event availability and deployments with the goal of reducing the amount of ERS payments for deployments that were likely to independently occur absent the ERS payment.

Implements an Alternate Baseline Test to determine if an ERS Resource can qualify to have its performance based on the alternate baseline and changes the availability performance metric from a QSE Portfolio Factor combining all ERS Time Periods to having an individual QSE Portfolio Factor for each ERS Time.

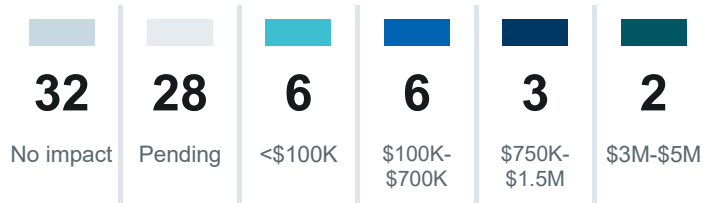
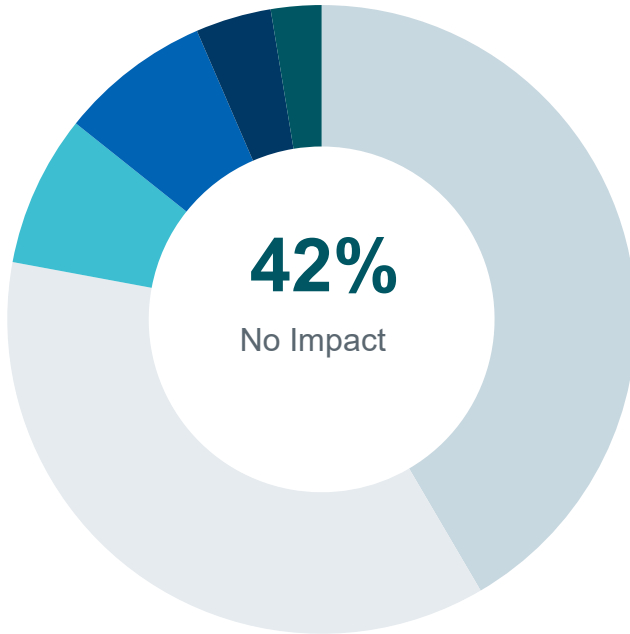
- **Posted: May 26, 2026**
- **Current Status: pending at PRS**

Appendix

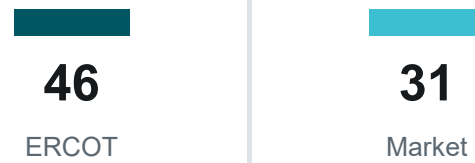
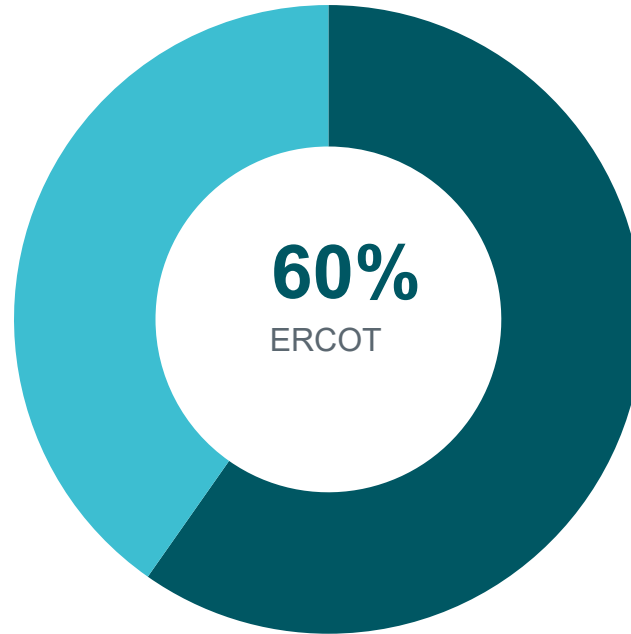
- Appendix A: 77 Revision Requests in Process
- Appendix B: Aging Revision Requests
- Appendix C: Statistics – New Revision Requests Submitted
- Appendix D: Acronyms

Appendix A: 77 Revision Requests in Process

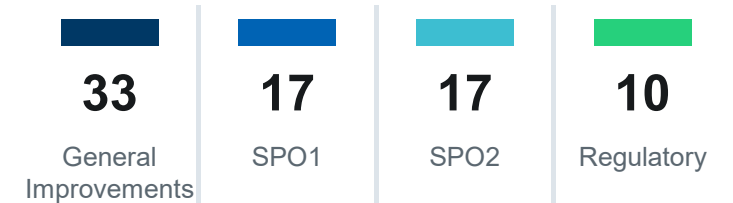
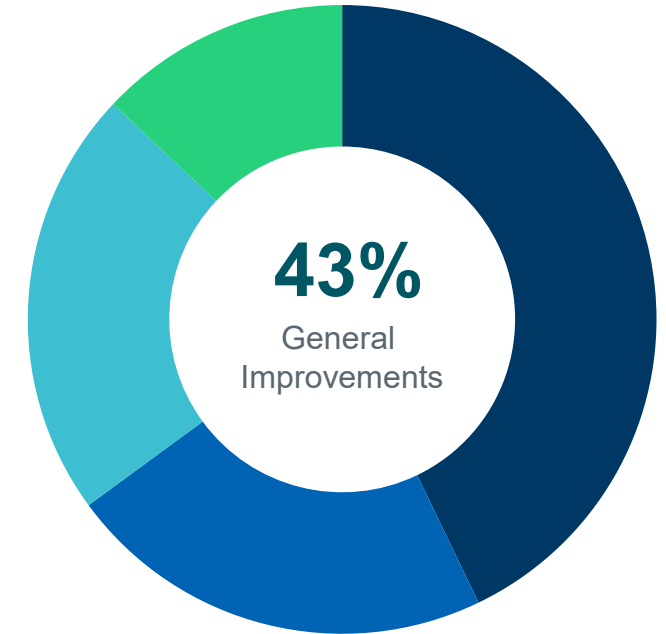
BUDGETARY IMPACT



SPONSORSHIP



REASON FOR REVISION

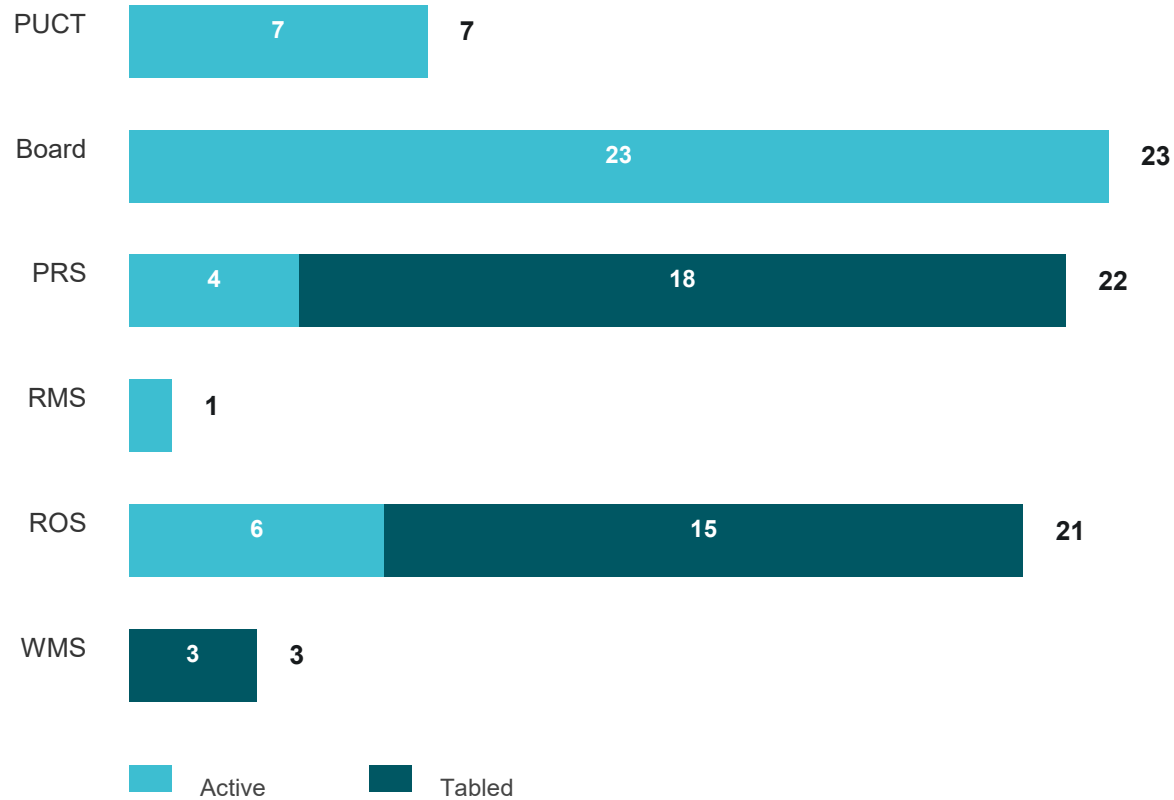


Appendix A: 77 Revision Requests in Process



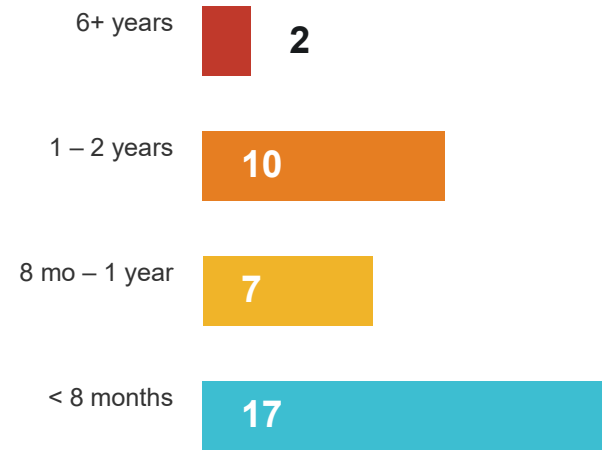
LOCATION OF REVISION REQUESTS

Active (teal) · Tabled (dark)



HOW LONG HAVE THEY BEEN TABLED?

Aging of the 36 tabled revision requests



2 Revision Requests tabled 6+ years; 12 tabled over 1 year

Appendix B: Aging Revision Requests

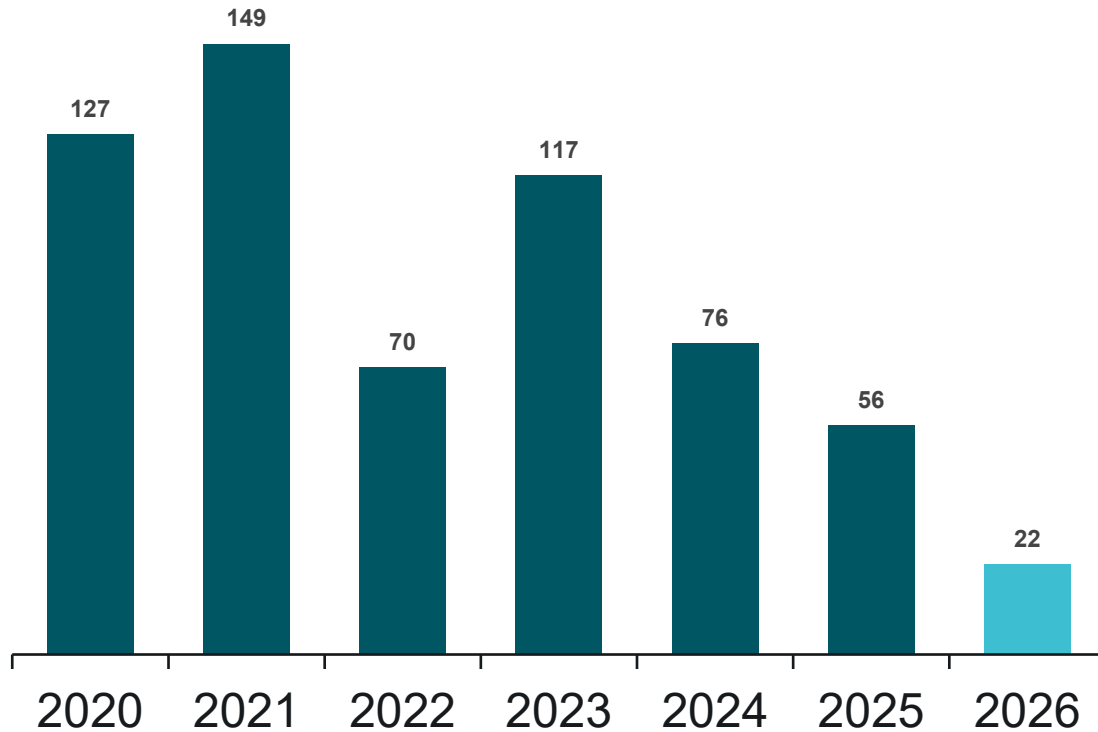
Revision Request	Length Tabled	Notes
🕒 Tabled 6+ Years		
NPRR956 & PGRR073 Designation of Providers of Transmission Additions	6+ years	Tabled at PRS. Entities filed suit challenging Senate Bill 1938. District issued verdict against SB 1938 — likely to be appealed. ERCOT Legal reviewing comments to restart discussions. ERCOT Staff preparing Revision Requests to revamp planning processes; will reassess NPRR956 once further developed.
🕒 Tabled 1–2 Years		
NPRR1214 Reliability Deployment Price Adder Fix to Provide Locational Price Signals, Reduce Uplift and Risk	1–2 years	Tabled at PRS. ERCOT Staff committed to filing comments to June PRS to restart discussions.
COPMGRR051 / VCMRR043 / SMOGRR031 / NOGRR273 Related to NPRR1264, Creation of a New Energy Attribute Certificate Program	1–2 years	Tabled at WMS. Expecting to be considered at June WMS.
PGRR122 Reliability Performance Criteria for Loss of Load	1–2 years	Tabled at ROS. Referred to DWG and PLWG; LLWG also discussing. ERCOT has conducted studies on supporting more than 1,000 MW of Load loss and will keep LLWG updated.
PGRR124 ESR Maintenance Exception to Modifications	1–2 years	Tabled at ROS. Referred to PLWG. Discussions inactive since February 2026 at sponsor's request.
NPRR1255 Introduction of Mitigation of ESRs	1–2 years	Tabled at PRS. ERCOT has no immediate plans to advance and will reevaluate later this year.
NPRR1272 Voltage Support at Private Use Networks	1–2 years	Tabled at PRS. ERCOT waits for Oxy to propose edits it supports.
NPRR1278 Establishing Advanced Grid Support Service as an Ancillary Service	1–2 years	Tabled at PRS. Sponsor noted recent PUCT discussions on ESRs and plans to renew NPRR1278 discussions at WMWG.

Appendix B: Aging Revision Requests

Revision Request	Length Tabled	Notes
🕒 Tabled 8 Months – 1 Year		
NPRR1284 & PGRR126 Guaranteed Reliability Load Process	8 months – 1 yr	Tabled at PRS/ROS. Both tabled while the market focuses on the 'Batch Zero' study process within PGRR145/NPRR1325.
NPRR1286 Establish Multi-Value Criteria for Resiliency-Related Transmission Project Evaluation	8 months – 1 yr	Tabled at PRS, referred to ROS. After months of PLWG discussion and recent comments, ROS anticipating a vote at the June meeting.
PGRR128 Regional Transmission Plan Review of Grid Enhancing Technologies	8 months – 1 yr	Tabled at ROS. 5/12/26 PLWG comments filed; expected to be considered at the June 4, 2026 ROS meeting.
NPRR1295 & PGRR130 Related to NPRR1295, GTC Exit Solutions	8 months – 1 yr	Tabled at PRS/ROS. Sponsors previewed comments reducing scope of NPRR1295 and withdrawing PGRR130. ERCOT generally supports with suggested tweaks.
NPRR1296 Residential Demand Response Program	8 months – 1 yr	Tabled at PRS. Continued discussions at RMS/WMS.

Appendix C: Statistics – New Revision Requests Submitted

22
New in 2026 YTD



NEW REVISION REQUESTS SINCE APRIL BOARD

NPRR1329	Resource Entity Requirements for Self-Limiting Facilities
NPRR1330	Mitigated Offer Caps for RMR Units
NPRR1331	Unannounced Generation Capacity Testing
NPRR1332	Related to PGRR146, Rename Quarterly Stability Assessment and Modify the Assessment Schedule
NOGRR287	Load Shed Provisions to Identify and Minimize Overlap of Essential Loads
PGRR146	Rename Quarterly Stability Assessment and Modify the Assessment Schedule
PGRR147	Allowable Non-Consequential Load Loss Alignment

Appendix D: Acronyms

Acronyms	Term
4CP	Four Coincident Peak
AS	Ancillary Services
ASDC	Ancillary Services Demand Curve
C4C	Contract for Capacity
CMWG	Congestion Management Working Group
COPMGRR	Commercial Operations Market Guide Revision Request
DRRS	Dispatchable Reliability Reserve Service
DWG	Dynamics Working Group
EAC	Energy Attribute Credit
ECRS	ERCOT Contingency Reserve Service
ESR	Energy Storage Resource
LLWG	Large Load Working Group
LPGRR	Load Profiling Guide Revision Request
MRA	Must-Run Alternative
MW	Megawatt
MWh	Megawatt-hour
NOGRR	Nodal Operating Guide Revision Request
Non-Spin	Non-Spinning Reserve Service
NPRR	Nodal Protocol Revision Request
OBDRR	Other Binding Document Revision Request
OWG	Operations Working Group
PGRR	Planning Guide Revision Request
PLWG	Planning Working Group
PRS	Protocol Revision Subcommittee
QSE	Qualified Scheduling Entity
REC	Renewable Energy Credit

Appendix D: Acronyms

Acronym	Term
REP	Retail Electric Provider
RFI	Request for Information
RFP	Request for Proposal
RMGRR	Retail Market Guide Revision Request
RMR	Reliability Must Run
RMS	Retail Market Subcommittee
ROS	Reliability and Operations Working Group
RPG	Regional Planning Group
RRGRR	Resource Registration Glossary Revision Request
RS	Reliability Service
RTC+B	Real-Time Co-optimization plus Batteries
RTP	Regional Transmission Plan
RUC	Reliability Unit Commitment
SFA	Standard Form Agreement
SGIA	Standard Generation Interconnection Agreement
SMOGRR	Settlement Metering Operating Guide Revision Request
SPWG	System Protection Working Group
TAC	Technical Advisory Committee
TSP	Transmission Service Provider
VCMRR	Verifiable Cost Manual Revision Request
VPWG	Voltage Profile Working Group
WMS	Wholesale Market Subcommittee
WMWG	Wholesale Market Working Group