

PUBLIC



ERCOT Updates:

Good Cause Exceptions for PGRR 145

**Batch Zero Verification and Audit
Process**

Community Impact Review Process

PUC Open Meeting

August 20, 2026

ERCOT's response to Governor Abbott's August 3 directive

☐ Detail to follow

August 3, 2026 Directive

Governor Abbott directed the Commission and ERCOT to complete “a comprehensive verification and audit” of all data centers advancing through the interconnection process before allowing those loads to proceed

Actions taken by ERCOT

- August 3, 2026 – Issued a Market Notice pausing the Batch Zero study process and delaying final classification of all large loads
- Paused approvals to energize data centers or virtual currency mining facilities (crypto facilities) that are 75 MW or greater
- August 10, 2026 – Filed with Commission a request for three good cause exceptions for PGRR 145 along with a status update on related matters
- Planned activities to address the August 3rd directive

Key definitions

Batch Zero: ERCOT's one-time transitional study of the reliability impacts of large loads that seek to interconnect to the ERCOT system and meet certain eligibility criteria under Planning Guide Revision Request (PGRR) 145

Large loads: 75 MW or greater

Medium loads: At least 25 MW and less than 75 MW

Summary of ERCOT's Good Cause Exceptions and Process Updates

Good Cause Exception requests for PGRR 145

- 1 Delay of Batch Zero Classification Deadline
- 2 Inclusion of certain large loads in the Quarterly Stability Assessment before final classification
- 3 Dynamic data review and cure period extension

Process updates

- 4 Energization pause on large load data centers and crypto facilities
- 5 Pending large load developer requests for an exception of Batch Zero eligibility criteria for PGRR 145

1 Delay of Batch Zero Classification Deadline

Relief request

To excuse ERCOT from the **August 7, 2026 classification deadline** in Planning Guide § 9.3.1(2)(a) and instead allow ERCOT to conditionally classify large loads by August 31, 2026. The conditional classification will initiate the dispute and reconciliation process set forth in Planning Guide § 9.3.1(2)(i)-(iii)

- **Need:** Allow ERCOT time to conduct the eligibility verification before final classification of large loads included in the Batch Zero interconnection process
- **What ERCOT is not asking:** Adjust the **April 9, 2027 deadline** to deliver the Batch Zero Interconnection Study results because ERCOT does not yet know how the delay will impact the study timeline. If necessary, ERCOT will address that deadline with another good cause exception request or through the stakeholder process
- **Downstream impacts:** The final classification delay will delay ERCOT's Long-Term Load Forecast (LTLF), which in turn delays the Reliability Assessment and could delay the December 2026 Capacity, Demand, and Reserves (CDR) Report. ERCOT recommends delaying LTLF publication until final base load classification is set, because incorporating verified Batch Zero base loads produces a more accurate forecast than the alternatives. ERCOT is not seeking a change to the LTLF methodology

Key definition

Classification:

Classification determines how a load is treated in Batch Zero. Under the Batch Zero rules, ERCOT classifies each large load into one of three categories: base load, studied load, or load that does not qualify for Batch Zero. Classification feeds into ERCOT's load forecast and reliability planning

2 Inclusion of certain large loads in the Quarterly Stability Assessment (QSA) before final classification

Relief request

Allow large loads that ERCOT conditionally classifies as base load to be included in the August 1 and November 1, 2026 Quarterly Stability Assessments (QSAs) before final classification as base load under Planning Guide § 5.3.5(5)(1)(a)(ii)

- **Need:** Classification as base load is a gate to inclusion in the QSA. Because ERCOT postponed final classification, no large load could meet that requirement while the verification is underway. Without relief, loads would be dropped from the August 1 and November 1 QSAs and could not energize on their projected dates, solely because final classification is not yet complete
- **What the request does not do:** Exempt a large load included in the QSA from final base-load classification before moving forward. Inclusion in the QSA also does not by itself authorize energization
- **Scope:**
 - **6 large loads** representing approximately **1,959 MW** are expected in the August 1 QSA (projected energization Q1 2027)
 - **17 large loads** representing approximately **6,874 MW** are potentially eligible for the November 1 QSA (projected energization Q2 2027)

Key definition

Quarterly Stability Assessment (QSA):

ERCOT study that evaluates whether the grid remains stable as new generators and large loads come online. A large load must be in the applicable QSA before it can energize. QSAs run on a fixed calendar, with prerequisite deadlines of August 1, November 1, February 1, and May 1

3 Dynamic Data Review and Cure Period Extension

Relief request

Allow ERCOT to notify large load developers of deficiencies in their dynamic data after the August 7, 2026 deadline in Planning Guide § 9.2.2(3)(a), and to give any developer notified late the same 24-day period to fix the deficiency that the Planning Guide already provides in the same paragraph

- **Need:** Due to internal processing constraints and wide variation in how developers submitted their data, ERCOT could not finish reviewing every submission by the August 7 deadline. Without relief, developers whose data ERCOT has not yet reviewed could be treated inconsistently, some notified on time, others not
- **What the request does not do:** Change the substance of the review or the cure standard. Every developer still must fix any deficiency within the same 24-day window; the request only shifts when the late notifications go out

Key context

What dynamic data does ERCOT require?

Technical modeling data each large load developer must submit so ERCOT can study how the load will behave on the grid. ERCOT reviews the data, and if it is deficient, notifies the developer, who then has a set time to cure it or be removed from Batch Zero

ERCOT has reviewed 290 dynamic models and approximately 18% were acceptable on first review

4 Energization pause on large load data centers and crypto facilities

Update

ERCOT has paused approvals to energize large load data centers and crypto facilities until the Batch Zero eligibility verification is complete

- **What the update does not do:** ERCOT may approve energization for non-data center large loads. The pause does not impact medium loads because they are not verified as part of the Batch Zero interconnection process. They will continue to interconnect consistent with TDSPs' approval to energize processes

Key context

Data centers and crypto facilities large load impact through end of 2026:

17 large loads (6,608 MW total peak demand over 5 years)

These large loads have finished all ERCOT processes except have not received ERCOT's approval to energize.

5 Pending large load developer requests for an exception of Batch Zero eligibility criteria for PGRR 145

Update

On July 23, 2026, ERCOT received **41 requests**.

- **Requests ERCOT does not plan to advance:**
 - Exception to the qualifying-interconnection-study requirement – 21
 - Exception to the deadline to submit dynamic models – 2
 - Submitted after July 24 or by the ILLE – 3
 - Full exception from security requirement – 1
- **Requests ERCOT plans to consider as possible good cause exceptions:**
 - Related to the financial security deadline – 9
 - To the Form W (Provisional Controllable Load Resource) submission deadline – 2

ERCOT plans to submit any good cause exceptions no later than December 2026.

Key context

July 23, 2026 Market Notice:

ERCOT established a process for developers to seek a good cause exception where they could not show strict compliance with an eligibility criterion. The developer had to submit a letter and supporting documentation explaining the basis for the exception and showing it would not compromise Batch Zero's objectives. The developer's Interconnecting TSP or DSP had to submit the materials to ERCOT by July 24, 2026

ERCOT's planned activities to carry out the Governor's August 3rd Directive

Activity

Detail

A Batch Zero Eligibility Verification

ERCOT will confirm that all large loads conditionally included in Batch Zero that have yet to energize satisfy the applicable eligibility criteria under PGRR 145

B Community Impact Review

ERCOT will request information from data center and crypto facilities that have requested 25 MW or more and have yet to energize

A Batch Zero Eligibility Verification

Core activities

Information gathering:

- Send requests for information (RFI) to Interconnecting TSPs and DSPs for each large load that has not yet energized
 - RFI designed to confirm the large load developer satisfies the criteria that applies to its eligibility path under PGRR 145
- ERCOT will conduct site verifications of certain eligible base loads with upcoming requested energization dates

Cure opportunity:

- ERCOT must notify the large load developer of any inconsistency and provide the Interconnecting Large Load Entity (ILLE) a reasonable opportunity to explain the inconsistency

Compile data and prepare report:

- ERCOT will prepare a report, the Batch Zero Eligibility Verification Report, summarizing the results
- Large loads that do not pass verification, or do not respond, will be disqualified from Batch Zero

Timing

August - September	Send RFI and gather information
October - November	Complete information gathering through additional RFIs and opportunity to cure as necessary
December 10	File Batch Zero Eligibility Verification Report
December 17	Commission Open Meeting

A Batch Zero Eligibility Verification Requirements under PGRR 145

Requirement	Base load under § 9.2.1.1(1) – ILLE submission to TSP/DSP by end of day July 10					Studied load under § 9.2.1.2(1) – ILLE submission to TSP/DSP by end of day July 24
	(c) QSA or IVRT assess. by 5/1	(d) 2024 Permian Basin	(e) Not yet energized – Adv. LL	(f) Not yet energized – Committed LL	(g) PURA § 39.169	
Section 9.7 disclosures ^{A D}			✓	✓	✓	✓
Site control + evidence ^{A E}			✓	✓		✓
Long-lead equipment (≥18 mo.) ^A			✓			
Notice to Proceed ^A			✓			
End-use customer confirmation ^A			✓			
Site approvals / no-approval statement ^A				✓		
Binding General Contractor contract ^A				✓		
Binding substation contractor contract ^A				✓		
Affiliate Form (if applicable) ^F			✓	✓	✓	✓
Financial security (TSP/DSP-confirmed) ^T			✓	✓	✓	✓
CIAC satisfaction (TSP/DSP-confirmed) ^T			✓	✓		
Site Verification ^I	✓	✓	✓	✓		

1. TSP/DSPs are separately required to confirm whether a load is energized or has a qualifying interconnection study **A = Attestation** (developer's legal declaration that it satisfies the requirement); **D = Disclosure** (information that the developer must provide); **E = Evidence** (supporting documentation required as part of the eligibility package); **F = Form** (signed by representatives of both the developer and its affiliate); **T = TSP/DSP sign-off** (confirmed by the transmission/distribution provider as part of the eligibility package); **I = Inspection** (ERCOT may conduct site verification of loads with a requested Initial Energization date before April 1, 2027)

A Batch Zero Eligibility Verification Supporting Documents

Eligibility requirement	Evidence submitted with the eligibility package	Examples of additional evidence
Section 9.7 disclosures	Information about substantially similar interconnection requests, permitting and site development milestones and progress, backup generation, and power procurement	N/A
Site control	Documents demonstrating ownership interest such as a deed, lease, purchase and sale agreement, or option agreement	Site design
Long-lead equipment	Attestation	- Purchase orders - Delivery schedules
Notice to proceed	Attestation	Document showing the developer ordered the DSP and TSP to construct all required interconnection facilities
End-use customer confirmation	Attestation	- If the developer is the end-use customer: retail electric service agreement or similar proof it will take power at the site - If not: a binding contract with the end-use customer
Site approvals / no approval statement	Attestation; if no approvals are required, a supporting statement	Discretionary approvals such as orders, permits, resolutions, and statements
Binding GC contract	Attestation	Contract
Binding substation contractor contract	Attestation	- Contract - Substation contractor's electrical contractor license
Affiliate form	Attestation	- Organizational chart - Corporate formation documents - Ownership documents
Financial security	TSP or DSP confirmation	- Interconnection agreement - Letter of credit - Certified board resolution proving authorization - Bank statement confirming security provided
CIAC satisfaction	TSP or DSP confirmation	- Interconnection agreement - Wire transfer or escrow disbursement confirmation
Site verification	N/A	- Site inspection - ERCOT may request information ahead of inspection

B Community Impact Review

Core activities

Two-step information gathering effort:

- Refresh information about medium loads
 - April snapshot had **157 medium data center and crypto loads** totaling approximately **8,766 MW**
 - Request updated information from Interconnecting DSPs
- Send the Community Impact RFI to Interconnecting TSPs and DSPs to collect information from data center and crypto developers with loads that have not energized, in these categories:
 - Medium loads
 - Large loads with a conditional classification in Batch Zero

Compile data and prepare report:

- ERCOT will analyze data and prepare a separate report, Community Impact Review Report, with key takeaways
- A confidential version of the report will identify non-responding loads

Timing

August - September	Send RFIs and gather information
October - November	Complete information gathering through additional RFIs as necessary
December 10	File Community Impact Review Report
December 17	Commission Open Meeting
