Item 6.1: ERCOT Analysis of Environmental Protection Agency (EPA) Federal Implementation Plan (FIP) Regional Ozone Transport Rule

Woody Rickerson
Vice President of System Planning and Weatherization

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Cross-State Air Pollution Rule (CSAPR) Federal Implementation Plan (FIP)

The EPA proposes that emission reductions for 26 states, including Texas, are necessary to address upwind states' interstate transport obligations. Under the proposed rule, the FIP would establish nitrogen oxides (NOx) emissions budgets beginning in ozone season (May 1- September 30) 2023 for Electric Generating Units sources.

ERCOT has performed a preliminary analysis of the potential effect the adoption of this rule would have on the ERCOT grid in 2026. The analysis assumed the retirement of 10,803 MW (installed capacity) of thermal generation, which included 8,203 MW of coal-fired generation at 7 locations, and 2,600 MW of gas-fired generation at 4 locations.

The analysis included the addition of future generation (20,035 MW, only 4% representing thermal generation) that currently meets ERCOT Planning Guide Section 6.9 requirements but did not consider any generation that might be built as a direct result of the loss of the 10,803 MW leaving the market.

In this preliminary analysis, ERCOT looked at four areas of concern for maintaining reliability.

Cross-State Air Pollution Rule (CSAPR) Federal Implementation Plan (FIP)

The results of the preliminary analysis in 2026 include:

1. Steady-State Transmission Analysis showed significant impacts to the reliability of the transmission system resulting in $1.2 to $1.5 billion to resolve the local reliability issues. The study did not include ERCOT wide regional analysis, however based on the recent studies, there could be an accelerated need for an additional $2.7 to $5.2 billion of transmission improvements to improve the ERCOT regional transfer capability after the retirement of the CSAPR-affected generation.

2. If the CSAPR-affected generation is retired, the probability of load shed for summer 2026 increases by almost nine times at 8pm when solar generation becomes unavailable.

3. The ERCOT Outage Approval process will only be able to approve approximately 1/3 of the expected maintenance outages required by the remaining thermal units in 2026 after the removal of the CSAPR-affected generation.

4. The loss of the CSAPR-affected generation will reduce the gross inertia capacity of the system by 13%. This will likely result in increased out of market instruction by ERCOT to maintain minimum amounts of inertia needed to maintain reliability.

Generation Removed from Service in 2026 for ERCOT Analysis

UNIT NAME	UNIT CODE	COUNTY	FUEL	ZONE	IN SERVICE	INSTALLED CAPACITY RATING (MW)	SUMMER CAPACITY (MW)
COLETO CREEK	COLETO_COLETOG1	GOLIAD	COAL	SOUTH	1980	650.0	655.0
FAYETTE POWER U1	FPPYD1_FPP_G1	FAYETTE	COAL	SOUTH	1979	615.0	604.0
FAYETTE POWER U2	FPPYD1_FPP_G2	FAYETTE	COAL	SOUTH	1980	615.0	599.0
FAYETTE POWER U3	FPPYD2_FPP_G3	FAYETTE	COAL	SOUTH	1988	460.0	437.0
J K SPRUCE U1	CALAVERS_JKS1	BEXAR	COAL	SOUTH	1992	555.0	560.0
LIMESTONE U1	LEG_LEG_G1	LIMESTONE	COAL	NORTH	1985	893.0	824.0
LIMESTONE U2	LEG_LEG_G2	LIMESTONE	COAL	NORTH	1986	956.8	836.0
MARTIN LAKE U1	MLSES_UNIT1	RUSK	COAL	NORTH	1977	893.0	800.0
MARTIN LAKE U2	MLSES_UNIT2	RUSK	COAL	NORTH	1978	893.0	805.0
MARTIN LAKE U3	MLSES_UNIT3	RUSK	COAL	NORTH	1979	893.0	805.0
SAN MIGUEL U1	SANMIGL_G1	ATASCOSA	COAL	SOUTH	1982	430.0	391.0
TWIN OAKS U1	TNP_ONE_TNP_O_1	ROBERTSON	COAL	NORTH	1990	174.6	155.0
TWIN OAKS U2	TNP_ONE_TNP_O_2	ROBERTSON	COAL	NORTH	1991	174.6	155.0
GRAHAM STG 2	GRSES_UNIT2	YOUNG	GAS-ST	WEST	1969	387.0	390.0
GREENS BAYOU CTG 73	GBY_GBYGT73	HARRIS	GAS-GT	HOUSTON	1976	72.0	56.0
GREENS BAYOU CTG 74	GBY_GBYGT74	HARRIS	GAS-GT	HOUSTON	1976	72.0	56.0
GREENS BAYOU CTG 81	GBY_GBYGT81	HARRIS	GAS-GT	HOUSTON	1976	72.0	56.0
GREENS BAYOU CTG 82	GBY_GBYGT82	HARRIS	GAS-GT	HOUSTON	1976	72.0	50.0
GREENS BAYOU CTG 83	GBY_GBYGT83	HARRIS	GAS-GT	HOUSTON	1976	72.0	56.0
GREENS BAYOU CTG 84	GBY_GBYGT84	HARRIS	GAS-GT	HOUSTON	1976	72.0	56.0
T H WHARTON POWER CTG 51	THW_THWGT51	HARRIS	GAS-GT	HOUSTON	1975	85.0	56.0
T H WHARTON POWER CTG 52	THW_THWGT52	HARRIS	GAS-GT	HOUSTON	1975	85.0	56.0
T H WHARTON POWER CTG 53	THW_THWGT53	HARRIS	GAS-GT	HOUSTON	1975	85.0	56.0
T H WHARTON POWER CTG 54	THW_THWGT54	HARRIS	GAS-GT	HOUSTON	1975	85.0	56.0
T H WHARTON POWER CTG 55	THW_THWGT55	HARRIS	GAS-GT	HOUSTON	1975	85.0	56.0
T H WHARTON POWER CTG 56	THW_THWGT56	HARRIS	GAS-GT	HOUSTON	1975	85.0	56.0
W A PARISH CTG 1	WAP_WAPGT_1	FORT BEND	GAS-GT	HOUSTON	1967	16.3	13.0
W A PARISH STG 1	WAP_WAP_G1	FORT BEND	GAS-ST	HOUSTON	1958	187.9	169.0
W A PARISH STG 2	WAP_WAP_G2	FORT BEND	GAS-ST	HOUSTON	1958	187.9	169.0
W A PARISH STG 3	WAP_WAP_G3	FORT BEND	GAS-ST	HOUSTON	1961	299.2	240.0
W A PARISH STG 4	WAP_WAP_G4	FORT BEND	GAS-ST	HOUSTON	1968	580.5	527.0
					Totals	10,803.7	9,800.0

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