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| NPRR Number | [1203](https://www.ercot.com/mktrules/issues/NPRR1203) | NPRR Title | Implementation of Dispatchable Reliability Reserve Service |
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| Date | | October 12, 2023 | |
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| Submitter’s Information | | | |
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| Phone Number | | 512-248-6707 | |
| Market Segment | | Not applicable | |

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| Comments |

ERCOT submits these comments in response to comments submitted by Texas Industrial Energy Consumers (TIEC) on October 9, 2023, regarding Nodal Protocol Revision Request (NPRR) 1203. TIEC’s comments propose adding a new Section 3.17.4 to NPRR1203, which would require ERCOT to file an NPRR by June 1, 2024, to create a standalone Dispatchable Reliability Reserve Service (DRRS) product and that includes an implementation timeline.

ERCOT is committed to moving forward with NPRR1203 as originally proposed because that is the only identified means to timely comply with the requirements of Public Utility Regulatory Act § 39.159(d) and the implementation deadline of § 51 of House Bill No. 1500. However, ERCOT agrees that the ideal design for DRRS is as a standalone product. In order to provide greater certainty and transparency in this regard, ERCOT proposes to add language to the preamble of NPRR1203 that memorializes a commitment to develop a standalone DRRS Ancillary Service at a time that aligns with the delivery of Real-Time Co-optimization (RTC). In addition to this memorialization in the preamble, ERCOT will propose an Objective and Key Result (OKR) to capture this commitment. OKRs are company-wide strategic initiatives that are public and regularly reported to and overseen by the ERCOT Board of Directors. ERCOT prefers this approach to that proposed in other’s comments because it provides flexibility to deliver DRRS as a standalone Ancillary Service in a public and accountable manner without re-prioritizing resources in a manner that may risk jeopardizing other priority projects such as RTC. ERCOT has coordinated with TIEC and understands that they support this path forward.

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| Revised Cover Page Language |

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| **Revision Description** | This Nodal Protocol Revision Request (NPRR) establishes DRRS within the suite of Ancillary Services procured by ERCOT. DRRS is created in alignment with the requirements of House Bill No. 1500 (HB1500) approved by the 88th Texas Legislature earlier this year. To meet the delivery requirements of DRRS, established in HB1500 with an implementation deadline of December 1, 2024, this NPRR makes DRRS a sub-category of the existing Non-Spinning Reserve (Non-Spin) product.  For Resources to be qualified and provide DRRS, the Resource must:   * Be dispatchable; * Be Off-Line and able to come On-Line within two hours of being instructed to do so by ERCOT. This two-hour requirement is based on the Resource’s cold start time; and * Be capable of operating at its High Sustained Limit (HSL) for at least four hours.   With the requirement that these Resources be Off-Line prior to deployment and be dispatchable, this NPRR limits participation to Generation Resources.  Because DRRS will be a sub-category of the existing Non-Spin product, this NPRR proposes to establish a maximum amount of Non-Spin that can be provided as DRRS. This limit would be included in ERCOT’s methodology for determining the minimum Ancillary Service requirements, which is reviewed and approved on a regular basis.  To meet the requirement of HB1500 that the amount of Reliability Unit Commitment (RUC) activity be reduced by the amount of DRRS procured, this NPRR makes changes to the RUC process. Specifically, RUC will be changed such that a subset of Non-Spin being provided by Resources will be treated as “available” for the RUC Study Period. This will allow the optimization to utilize this Resource capacity when solving for the forecasted amount of Load and projected transmission congestion. The amount of Non-Spin treated as “available” will be equal to the maximum amount of Non-Spin that can be provided as DRRS, as established in ERCOT’s Ancillary Services methodology, and will include the Resources assigned to provide Non-Spin as DRRS as communicated in the Resource’s Current Operating Plan (COP). Additional Resource capability will be made “available” to RUC, as needed, to ensure that the total amount is equal to the maximum amount of Non-Spin that can be provided as DRRS.  With DRRS as an Ancillary Service product that may take up to two hours to provide, this NPRR excludes DRRS from the reserve calculations in the Ancillary Service imbalance calculations. This exclusion is for both the Ancillary Service Supply Responsibility and Real-Time Off-Line reserve capacity calculations for each Qualified Scheduling Entity (QSE).  Finally, additional language on related to Non-Spin, including Resource Status expectations, Ancillary Service self-arrangement rules, Ancillary Trade allowance, Non-Spin qualification and performance measures, and Real-Time reporting requirements, is also updated to account for this new Non-Spin sub-type.  With respect to a future phase of DRRS distinct from this NPRR, ERCOT commits to deliver DRRS as a standalone Ancillary Service at a time that aligns with the delivery of RTC. For transparency and to further support accountability, ERCOT will propose an Objective and Key Result (OKR) for a standalone DRRS. As is the case for all ERCOT OKRs, this OKR would be publicly reported to the ERCOT Board of Directors on a quarterly basis and would include milestones to track progress toward delivery of standalone DRRS functionality. |

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| Revised Proposed Protocol Language |

None