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| NPRR Number | [1231](https://www.ercot.com/mktrules/issues/NPRR1231) | NPRR Title | FFSS Program Communication Improvements and Additional Clarifications |
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| Date | June 10, 2024 |
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| Submitter’s Information |
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| Cell Number |  |
| Market Segment | Not applicable |

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| Comments |

ERCOT appreciates the opportunity to provide comments to Nodal Protocol Revision Request (NPRR) 1231 and provides these comments in response to the comments submitted by Luminant on June 6, 2024.

ERCOT’s intention, in submitting NPRR1231, is to provide clarifications and process improvements to Firm Fuel Supply Service (FFSS). Those include specifying an ERCOT email account for communications regarding fuel restocking, extending the deadline for a report ERCOT must make to TAC, and clarifying when an FFSS Resource (FFSSR) is excused from being available for FFSS deployment during the remainder of a Watch after the FFSSR was deployed. ERCOT considers the changes it proposed to be minor changes to the service and unlikely to invite controversy.

In its June 6, 2024 comments, Luminant proposes three changes to FFSS that are, in ERCOT’s opinion, more substantive. ERCOT has initial concerns with two of the changes proposed by Luminant.

The first is Luminant’s proposed language that would allow a Qualified Scheduling Entity (QSE) to restock an FFSSR’s fuel reserves after an FFSS deployment without approval from ERCOT. Currently, such restocking requires ERCOT preapproval because such restocking costs are uplifted to Qualified Scheduling Entities (QSEs) representing Load Serving Entities (LSEs) based on hourly Load Ratio Share (LRS) and restocking might not be reasonable for reasons which could include (but are not limited to): nearing the end of the FFSS obligation period or an extended time required to schedule a restocking. Additionally, the costs of FFSS reserved fuel restocking are not included in the annual procurement budgets set by the Public Utility Commission of Texas (PUCT), and ERCOT preapproval acts as a check on potentially unnecessary costs being uplifted to LSEs.

Luminant also proposes a change to allow existing, non-FFSS fuel inventory to be loaned for FFSS fuel restocking. The reimbursed costs for this fuel would be the replacement cost of the loaned fuel (whether higher or lower than the costs that were incurred for the loaned fuel). Luminant noted that such loans would facilitate faster restoration of FFSSR availability. However, such a cost-recovery process could also invite gaming, seeking recovery for the highest-cost fuel purchases regardless of whether the associated fuel is reserved for providing FFSS. ERCOT supports this proposal, but feels additional discussion is needed to provide rules around such submissions.

Finally, Luminant proposed a requirement that fuel restocking must be complete within 30 days. ERCOT supports this requirement to the extent it sets a maximum amount of restocking time, but it should not be construed to imply that any restocking timeline of 30 days or less is reasonable and must be approved.

ERCOT respectfully requests that, at the June 12, 2024 PRS meeting, PRS consider and endorse NPRR1231 as originally submitted by ERCOT. Such would keep NPRR1231 on track to receive approval with an effective before the 2024/2025 FFSS obligation period begins. ERCOT encourages Luminant to submit a separate NPRR to address the concepts introduced in Luminant’s June 6, 2024 comments.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None