

To: Notice_Contracts@lists.ercot.com

Sent: 6/21/24 10:52 AM

Subject: M-A050324-04 ERCOT is Canceling the Request for Proposals for Contracts for Capacity for Summer 2024

NOTICE DATE: June 21, 2024

NOTICE TYPE: M-A050324-04 Contracts / RFP

SHORT DESCRIPTION: ERCOT is Canceling the Request for Proposals for Contracts for Capacity for Summer 2024

INTENDED AUDIENCE: All Market Participants

DAYS AFFECTED: June 21, 2024

LONG DESCRIPTION: Effective today, ERCOT is canceling its Request for Proposals for Contracts for Capacity for Summer 2024 (RFP) and will not move forward with the proposed procurement.

On May 8, 2024, ERCOT issued the RFP, seeking to procure Demand response capacity during July through September 2024 to provide up to 500 MW of relief on specific transmission facilities that were made subject to Interconnection Reliability Operating Limits (IROLs), as required by the North American Electric Reliability Corporation (NERC) Reliability Standards, earlier this year. ERCOT sought proposals from Qualified Scheduling Entities (QSEs) representing Customers at individual sites – or aggregations of Customer sites – in locations beneficial to providing relief on the relevant transmission facilities, with peak Demand response capability equal to or greater than 1 MW (including Customers with one or more Settlement Only Generators, unregistered generators, or unregistered energy storage systems that may offset Load) that have not exhibited price-responsive behavior after January 1, 2023, and are not currently a participant of any Transmission and Distribution Utility load management program or Emergency Response Service (ERS) with an obligation in ERS Time Periods 3, 4, 5 or 7.

The deadline for offers in response to the RFP was Thursday, June 13, 2024. ERCOT received submissions from two QSEs totaling 21.5 MW. However, after initial evaluation, ERCOT has determined that only 6.5 MW of offered capacity was potentially qualified, subject to further validation of Demand response eligibility as described in the Revised Summer 2024 Contracts for Capacity Governing Document. Furthermore, the amount of relief on the relevant transmission facilities that could have been provided by the potentially qualified capacity would have been less than 6.5 MW, given the offered site locations.

In making the decision to cancel the RFP, ERCOT weighed factors such as the costs of the RFP, including costs of administration, and the incremental additional complexity for the Control Room operators against the very small amount of capacity that could be provided and the associated minimal reliability benefits.

ERCOT looks forward to working with the Public Utility Commission of Texas (PUCT), its Staff, and stakeholders to implement lessons learned from this RFP into the ERCOT Protocols.

CONTACT: If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Services phone number at (512) 248-3900 or contact ERCOT Client Services via email at ClientServices@ercot.com.

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