



Question 1	What eligibility requirements will apply to DR resources?
Answer 1	Eligibility requirements that apply to Demand Response (DR) resources are provided in Sections 1 and 4 of the Governing Document.
Question 2	Can price responsive DR resources participate?
Answer 2	Yes. Price-responsive DR Must-Run Alternatives (MRAs) may participate. However, reductions in Load during the contracted time periods will be reflected in the calculation of a DR MRA's availability. These calculations may affect the standby, event, and variable payments to the QSE.
Question 3	Can aggregations of customers participate as a DR resource?
Answer 3	Yes. Please refer to Section 2.3.1 of the Request for Proposal (RFP) that states in part, "Each MRA Resource must provide at least 5 MW of capacity; assets may be aggregated to create an MRA Resource."
Question 4	Can ERS or LR customers participate as a DR resource?
Answer 4	<p>A customer who has provided ERS or another DR service may participate as a DR MRA. However, if a customer is contracted to provide MRA service, it may not commit to provide ERS during any time periods that overlap with any hours for which the associated site has an MRA obligation. Please see Public Utility Commission of Texas rule 16 Tex. Admin. Code § 25.507(d)(4).</p> <p>Additionally, a DR MRA that is a Load Resources may not offer to provide AS during any hours for which the associated site has an MRA obligation.</p>
Question 5	<p>I had a question on these numbers (below). Is this based on a set number of hours per year like the hours in the MRA RFP or something? What is the expected total cost of RMRing the units?</p> <p>CPS Energy's NSO Part III submissions indicate that the standby cost for the Braunig Resources are as follows:</p> <ul style="list-style-type: none">• BRAUNIG_VHB1: \$3,330 per hour for one year, \$2,263 per hour for two years;• BRAUNIG_VHB2: \$3,222 per hour for one year, \$2,203 per hour for two years; and• BRAUNIG_VHB3: \$4,171 per hour for one year, \$2,904 per hour for two years.



	<p>This standby cost must be based on CPS Energy’s initial estimated budget.</p>
Answer 5	<p>Yes, this is based on the total number of hours per year during the contract period.</p> <p>Based on the information provided in the initial estimated budget and NSO Part III submitted by CPS Energy, and assuming the units were contracted to provide Reliability Must-Run (RMR) service for two years,</p> <ul style="list-style-type: none"> • BRAUNIG VHB1 estimated standby cost is \$39,647,760; • BRAUNIG VHB2 estimated standby cost is \$38,596,560; • BRAUNIG VHB3 estimated standby cost is \$50,878,080. <p>Totaling an estimated standby cost of \$129,122,400.</p> <p>ERCOT has informed CPS Energy that they must provide a revised NSO Part III to reflect more accurate costs as estimated Eligible Costs are revised. ERCOT will post any updated NSO Parts III after they are received. .</p>
Question 6	<p>XXXXXX is a supplier of active air emissions filter system’s that could be added to an existing diesel driven engine generator system.</p> <p>The addition of the filter would bring the GenSet into conformance with latest air effluent guidelines.</p> <p>Typical sizes in this retrofit range from 1-2 MW. Others can be reviewed.</p> <ol style="list-style-type: none"> 1. Are there GenSets available that we could review to assess cost for retrofit, and allow for an evaluation of number of GenSets, size of units, and total MW that could be offered?
Answer 6	<p>ERCOT does not know of any publicly available list.</p>
Question 7	<p>XXXXXX is a supplier of active air emissions filter system’s that could be added to an existing diesel driven engine generator system.</p> <p>The addition of the filter would bring the GenSet into conformance with latest air effluent guidelines.</p> <p>Typical sizes in this retrofit range from 1-2 MW. Others can be reviewed.</p> <ol style="list-style-type: none"> 2. Is there direction on the parties “QSE”, that could work with us on this retrofit solution?



	a. We would expect to offer the product/conversion to the QSE, and have the QSE supply the services to complete the conversion.
Answer 7	<u>The list of QSE's is available on ERCOT.com</u>