
Electric Reliability Council of Texas, Inc. (ERCOT)



**Request for Proposal
For
Must-Run Alternative to
Braunig Reliability Must-Run Agreements**

Version 1.01

Date of Release: ~~July 25~~August 21, 2024
Proposal Deadline: ~~September 9~~October 7, 2024

Revision History

| Date | Author | Version | Change reference |
|---------|--------------|------------|------------------------|
| 7/25/24 | ERCOT | 1.0 | Initial Version |
| 8/21/24 | <u>ERCOT</u> | <u>1.1</u> | <u>Amended Version</u> |

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GENERAL INFORMATION

1.1 RFP Objective

On March 13, 2024, Electric Reliability Council of Texas, Inc. (ERCOT) received Parts I and II of Notifications of Suspension of Operations (NSOs) from CPS Energy regarding the planned retirement of three Generation Resources on March 31, 2025.¹ The three Generation Resources and their summer Seasonal Net Maximum Sustainable Ratings are

- BRAUNIG_VHB 1 (217 megawatts (MW));
- BRAUNIG_VHB2 (230 MW); and
- BRAUNIG_VHB3 (412 MW).

Hereinafter, these Generation Resources are referred to as "the Braunig Resources" in this Request for Proposal (RFP).

Under paragraph (1) of ERCOT Protocols § 3.14.1.2, ERCOT followed the processes for providing notice and opportunity for comment on the NSOs for the Braunig Resources.² As required under Public Utility Commission of Texas (PUC) rule 16 Texas Administrative Code (TAC) § 25.502(e) and ERCOT Protocols § 3.14.1.2, ERCOT also timely conducted its reliability analysis of whether the Braunig Resources would be needed to support ERCOT System reliability.

On April 22, 2024, ERCOT issued a public Market Notice on the results of ERCOT's reliability analysis. The reliability analysis identified ERCOT System performance deficiencies that are materially impacted by the retirement of the Braunig Resources. In summary, without the Braunig Resources, there were

- transmission facilities loaded above their normal rating under pre-contingency conditions for which the Braunig Resources had an unloading Shift Factor of more than 2% and an unloading impact of more than 5%,
- transmission facilities that were above 110% emergency loading for which the Braunig Resources had an unloading Shift Factor of more than 2% and an unloading impact of more than 5%, and
- cascading under studied conditions identified in paragraph (3)(c)(ii) of ERCOT Protocols § 3.14.1.2.

¹ See ERCOT Protocols § 22 Attachment E, Notification of Suspension of Operations. The current version of the ERCOT Protocols may be accessed on ERCOT's website at <http://www.ercot.com/mktrules/nprotocols/current>.

² See ERCOT Market Notice, *M-C031324-01 Notifications of Suspension of Operations (NSOs) for CPS Energy (BRAUNIG_VHB1, BRAUNIG_VHB2, BRAUNIG_VHB3)*, March 13, 2024, available at https://www.ercot.com/services/comm/mkt_notices/M-C031324-01.

Section 1 – General Information

Therefore, the Braunig Resources are needed to support ERCOT System reliability.

In an order issued on May 2, 2024, the PUC granted ERCOT's request for a limited good cause exception to permit variance from the deadlines in the ERCOT Protocols for the Reliability Must-Run (RMR) and Must-Run Alternative (MRA) processes that must occur when a Generation Resource proposed for retirement is needed for reliability, including the deadlines in ERCOT Protocols § 3.14.1.2.³ Thereafter, ERCOT filed with the PUCT a schedule for conducting the required RMR and MRA processes.⁴

Under ERCOT Protocols § 3.14.1.2(6), ERCOT issues this RFP to solicit from Qualified Scheduling Entities (QSE) proposals for one or more MRA Resources that would provide a more cost-effective alternative to the provision of RMR service by one or more of the Braunig Resources. This RFP and the Must-Run Alternative Governing Document attached to this RFP as Attachment A (the MRA Governing Document) (incorporated herein by reference) identify, *inter alia*, the known minimum technical requirements or operational characteristics required to eliminate the identified performance deficiencies. The table below provides, by season during the period of April 1, 2025, through March 31, 2027, the expected hours that an MRA Resource would be needed and the hours of the day that the MRA Resource is required to be available. A QSE's proposal should include provision of MRA Service during at least one of the seasons in the table below. Proposed service seasons do not have to be contiguous; ERCOT reserves the right to make awards that include some, but not all of the proposed service seasons.

³ PUC Project No. 55999, *Reports of the Electric Reliability Council of Texas*, Order Granting Good Cause Exception (May 2, 2024).

⁴ PUC Project No. 55999, ERCOT's Update Regarding a Timeline for Reliability-Must Run and Must-Run Alternative Activities (July 9, 2024).

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|---------------------------------------------------|----------|----------------------------------------------------------------------------------|---------|----|
| Part of Spring 2027 (March 1 – March 31, 2027) | 74 hours | Hours Ending 06:17:00 - 08:00 and 16:00 - 19:20:00 Central Prevailing Time | 3 hours | 10 |
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ERCOT intends to provide, in a future amendment to this MRA RFP, the MRA Governing Document, and the applicable Offer Submission Form a maximum amount of megawatt hours (MWh) or a maximum duration for each deployment of an Energy Storage Resources (ESR) MRA Resource or a Demand Response (DR) MRA Resource. A maximum number of deployments for a DR MRA Resource may also be provided. All MRA Resources providing MRA service during a season must be available to be deployed during all of the hours specified in the table above for that season. Generation Resource MRAs and Other Generation MRAs must be able to sustain the awarded capacity response for all of the hours of the day that the MRA Resource is required to be available. Demand Response MRAs and Energy Storage Resource MRAs must be able to sustain the awarded capacity response for at least 3 hours. ERCOT may commit or Dispatch an MRA during the term of the MRA Agreement at any time during the contracted hours in the MRA Agreement. However, in each season, ERCOT may not commit or Dispatch a Demand Response MRA more than the maximum number of deployments specified in the table above for that season.

Proposals must be submitted by a QSE as defined in the ERCOT Protocols and the QSE must meet all registration and qualifications criteria in ERCOT Protocols Section 16.2, *Registration and Qualification of Qualified Scheduling Entities*, at the time of submission proposal deadline. ERCOT will **ONLY** execute an MRA Agreement with an Entity that is a QSE in accordance with the ERCOT Protocols.

ERCOT may award multiple offers, in any combination, in order to acquire the equivalent reliability benefit of the Braunig Resources (up to 859 MW of capacity), so long as the offers collectively are a more cost-effective solution than the provision of RMR Service by one or more of the Braunig Resources that might otherwise provide RMR Service. ERCOT may also award one or more offers in combination with the provision of RMR service by one or more of the Braunig Resources, if such is a more cost-effective solution. If multiple MRA Agreements are executed, all accepted offers will be paid as-offered; there will not be a clearing price mechanism. The deadline for RFP proposals is as shown in the Procurement Timeline in Section 1.6.

1.2 ERCOT Background

Section 1 – General Information

ERCOT manages the flow of electric power to more than 27 million Texas customers, representing approximately 90 percent of the state's electric load. As the Independent System Operator for the region, ERCOT schedules power on an electric grid that connects more than 54,100 miles of transmission lines and 1,250 generation units, including Private Use Networks. ERCOT also performs financial settlement for the competitive wholesale bulk-power market and administers retail switching for approximately 8 million premises in competitive choice areas. ERCOT is a membership-based 501(c)(4) nonprofit corporation governed by a board of directors and subject to oversight by the PUC and the Texas Legislature. Its members include consumers, cooperatives, generators, power marketers, retail electric providers, investor-owned electric utilities, transmission and distribution providers, and municipally owned electric utilities. Additional information about ERCOT can be found at <http://www.ercot.com/>.

1.3 Legal Framework

ERCOT's procurement of any MRA is governed by this RFP. ERCOT's administration of the MRA service is governed by the PUC rule 16 Texas Administrative Code (TAC) § 25.502, *Pricing Safeguards in Markets Operated by the Electric Reliability Council of Texas*; the ERCOT Nodal Protocols; this RFP; the MRA Governing Document; and the applicable executed Standard Form Must-Run Alternative Agreement ("MRA Agreement") between ERCOT and the awarded QSE(s). The form for the MRA Agreement is ERCOT Nodal Protocols Section 22, Attachment N and is also provided as an attachment to this RFP. In the event of any conflict between these documents, 16 TAC § 25.502 shall control, followed by the ERCOT Protocols or any Other Binding Document, the MRA Governing Document, the MRA Agreement, and this RFP, in that order of priority.

1.4 Interpretation of Terms

In this RFP, capitalized terms are given the meaning assigned by the ERCOT Protocols, unless otherwise noted herein.

1.5 ERCOT Point of Contact

The sole point of contact for inquiries concerning this RFP and the MRA Governing Document is:

Jason Terrell

e-Manager, Procurement and Contract Administration

ERCOT

2705 West Lake Drive

Taylor, Texas 76574

jason.terrell@ercot.com

Section 1 – General Information

All communications relating to this RFP and its attachments, including the MRA Governing Document, must be directed in writing to the specified ERCOT contact person noted herein. An actual or prospective QSE shall not discuss with the ERCOT contact person any matter concerning this MRA RFP and its attachments before the proposal deadline, except as permitted through the question-and-answer process described below. Failure to comply with this section may result in ERCOT’s disqualification of the proposal.

1.6 Procurement Timeline

| Procurement Timeline ⁵ | |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| CPS NSO Part III and Budget Due and MRA RFP Release Date | Thursday, July 25, 2024 |
| CPS and ERCOT RMR Negotiation Begins | Friday, July 26, 2024 |
| Questions on MRA RFP Due by QSEs | Monday, Aug. 5, 2024 (3:00 PM CPT) |
| Questions Answered by ERCOT | Monday, Aug. 12, 2024 |
| ERCOT Workshop on the MRA RFP | Thursday, Aug. 15, 2024 (afternoon) ⁶ |
| ERCOT Notice of Amendments to MRA RFP and Other Related Documents | Wednesday, Aug. 21, 2024 |
| Optional Statements of Intent Due | Friday, Aug. 30 <u>September 27</u> , 2024 |
| QSE MRA Proposals Due | Monday, Sep. 9 <u>Oct. 7</u> , 2024 (3:00 PM CPT) |
| QSE Presentations and Answers (if requested by ERCOT) | Tuesday, Sep. 10 <u>Oct. 8</u> through Monday, Sep. 23 <u>Friday, November 1</u> , 2024 |
| MRA Contract(s) Negotiation | Tuesday, Sep. 10 <u>Oct. 8</u> through Tuesday, Sep. 24 <u>Friday, November 1</u> , 2024 |
| QSE Deadline to Withdraw a Proposal | Tuesday, October <u>Friday, November 1</u> , 2024 |
| Consideration and Possible Action at ERCOT Board Reliability & Markets (R&M) Committee Meeting | Wednesday, Oct. 9 <u>Monday, December 2</u> , 2024 |
| Consideration and Possible Action at ERCOT Board Meeting | Thursday, Oct. 10 <u>Tuesday, December 3</u> , 2024 |
| Contract execution | As soon as feasible after Board approval ⁷ |
| Market Notice | Within 24 hours of signing agreement ⁸ |

1.7 Questions and Comments Concerning this RFP and any Other Related Documents

QSEs shall submit any questions concerning this RFP and other related documents, including recommended changes to the standard form MRA Agreement, to the ERCOT contact person described

⁵ All deadlines are at 5:00 PM Central Prevailing Time (CPT), unless otherwise specified. ERCOT Board and R&M Committee dates are not deadlines.

⁶ The Commission has an open meeting scheduled for the morning of Thursday, Aug. 15.

⁷ ERCOT Protocols § 3.14.1.3(2).

⁸ ERCOT Protocols § 3.14.1.2(8).

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above by **3:00 PM Central Prevailing Time (CPT) on Monday, August 5, 2024**. ERCOT will post written responses to all questions and comments by no later than Monday, August 12, 2024 on the ERCOT website at <http://www.ercot.com/about/procurement/rfp/index>.

1.8 Amendments to RFP

ERCOT reserves the right to amend this RFP and other related documents. ERCOT will provide notice of any amendments to this RFP and other related documents by no later than Wednesday, August 21, 2024 and post any such amendments on the ERCOT website at <http://www.ercot.com/about/procurement/rfp/index>.

1.9 Optional Statements of Intent

A QSE is encouraged, but not required, to provide the ERCOT contact person by no later than Friday, ~~August 30~~ September 27, 2024 with a statement that the QSE intends to submit a proposal. Such statements may be in any emailed format, providing estimates of the amount of MWs that might be offered, MRA Resource type, and MRA Service start and end dates. Such statements are not binding.

1.10 RFP Cancellation/Non-Award

ERCOT reserves the right to cancel this RFP or to make no award pursuant to this RFP.

1.11 No Reimbursement for Costs of Proposals

ERCOT will not reimburse any entity for costs of developing a proposal in response to this RFP.

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SCOPE AND REQUIREMENTS

2.1 Project Scope Overview

The purpose of this RFP is to solicit proposals for alternatives that are capable of providing an acceptable solution to the reliability concerns that would otherwise be solved by the provision of RMR service by one or more of the Braunig Resources. The service that would be provided by the Braunig Resources and/or MRA Resources is the reduction in pre-contingency and post-contingency loading, during a simultaneous outage of a major transmission line and one or more large generation units in the constrained area, on the 345-kV transmission lines that are subject to the South Texas Export Interconnection Reliability Operating Limits (IROLs).

ERCOT's planning studies indicate that the Tier 1 San Antonio South Reliability Project and the Tier 1 San Antonio South Reliability Project II will eliminate the need for the RMR Agreements for the Braunig Resources. These projects, to be operated by CPS Energy and other Transmission Service Providers, include a new 50-mile, double-circuit 345-kV transmission line; rebuilds of existing single-circuit 345-kV transmission lines to become double-circuit 345-kV transmission lines; additions of other, new transmission facilities, such as a 138/345-kV station and autotransformers; and were endorsed by the ERCOT Board of Directors in August 2023 and April 2024, respectively. However, those projects are not expected to be in service until June 2027 through May 2029. Consistent with Protocols Section 3.14.1.4, ERCOT shall report to the ERCOT Board of Directors, and post on the MIS Secure Area, a list of feasible alternatives that may, at a future time, be more cost-effective than the renewal of an executed RMR or MRA Agreement.

The Braunig Resources have an approximate Shift Factor of negative 7% to 8.5% on the transmission lines subject to the South Texas Export IROLs. Procured MRA Resource(s) must be available to provide the power injection or Load reduction solution(s) during the MRA Contracted Month(s), for the hours specified for the applicable season(s) in the table provided in Section 1.1 of this RFP. Attachment C to this RFP contains a list of Shift Factors for Electrical Buses to the South Texas Export constraints, computed under N-1 + G-1 conditions, consistent with the RMR analysis.

Since ERCOT operationally plans for an N-1 contingency outage, the detection by ERCOT's Day-Ahead Reliability Unit Commitment (DRUC) or Hourly RUC (HRUC) process will anticipate the presence of any two of the three conditions (Peak Load, G-1, and N-1). MRA Resource(s) with a start-up time (or Demand Response ramp period) of greater than 10 minutes will be committed in pre-contingency conditions; for example, when two of the three conditions are in place. MRA Resources with a start-up time (or Demand

Section 2 – Scope and Requirements

Response ramp period) of 10 minutes or less will be dispatched in Real-Time upon the occurrence of all three conditions.

Prospective MRA Resource(s) will be evaluated by ERCOT based on offer price and the cumulative effectiveness in reducing post-contingency overloads in comparison to the RMR Unit, as described in Section 4.2, Evaluation Criteria. Accordingly, the impact of a prospective MRA Resource to the South Texas Export constraints is an important factor in ERCOT's determination of a prospective MRA Resource's ability to contribute to an acceptable reliability alternative.

The MRA Agreement(s) will obligate the awarded QSE to make the MRA Resource(s) available to provide MRA Service during the MRA Contracted Month(s), for the hours specified for the applicable season(s) in the table provided in Section 1.1 of this RFP, for a time period beginning no earlier than April 1, 2025, and ending no later than March 31, 2027~~XX~~. ERCOT will consider offers from QSEs with a service start date of later than April 1, 2025 or a service end date of earlier than March 31, 2027.

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A QSE's proposal shall provide pricing for provision of the MRA, consistent with the MRA Offer Submission Forms attached to this RFP as Attachments B, numbers 1-34.

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For any proposal, and consistent with ERCOT Protocols Section 3.14.1.8, ERCOT retains an option to extend the MRA Agreement if, in ERCOT's sole discretion, such an extension is necessary. Further, consistent with the terms of the MRA Agreement, ERCOT retains an option to end the MRA agreement with 90 days' notice if, in ERCOT's sole discretion, ERCOT determines that the MRA Service provided by the MRA is no longer necessary.

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2.2 Proposal Requirements

The following information is required in the QSE's proposal (Please provide responses to each item with the corresponding number for each requirement listed):

- 2.2.1. QSEs must describe in detail the methodology and approach to meeting the requirements of this RFP and other related documents. Such description should include (at a minimum) the following:
 - 2.2.1.1. A description of the QSE's ability to deploy the proposed MRA Resource(s) to serve the needs of ERCOT as described in Section 2 (Scope and Requirements) above. The QSE must address all requirements set forth therein.

Section 2 – Scope and Requirements

- 2.2.1.2. A description of the proposed MRA Resource(s), including the expected in-service date(s). All operational parameters (see the MRA Offer Submission Forms that are attached to this RFP as Attachments B, numbers 1-3 - 4) that are relevant to the availability of the MRA Resource(s) and ERCOT's ability to Dispatch the MRA Resource(s) must be specified, as well as any operational, contractual, and offer parameters that might affect the ultimate cost of any MRA Agreement.
- 2.2.1.3. Comprehensive information demonstrating the feasibility of the project development plan, including identification of and plan for obtaining all necessary permits, approvals and interconnections, and evidence of the ability of the QSE to obtain financing for the project.
- 2.2.1.4. Any additional information the QSE believes may assist ERCOT in its selection process.

2.2.2. QSEs must include a Gantt chart or project schedule for completing each set of deliverables, key milestones, or scope requirement described herein and other related documents.

2.2.3. A QSE awarded an MRA Agreement must provide the name and contact information of at least one authorized representative who will have decision-making authority and will assume responsibility for coordination, control, and performance of the MRA(s)' provision of service.

2.2.4. Any changes to key personnel associated with any subsequent MRA Agreement must be submitted in writing and approved in writing by ERCOT.

2.3 Capabilities

2.3.1 ___ QSEs may submit proposals to provide MRA service from ~~supply side or demand side~~ capacity that was not included in ERCOT's RMR analysis or in the Load forecasts from the Steady State Working Group base cases used as the basis for the RMR analysis. (These forecast data are available to Market Participants in the Steady State Working Group cases at the ERCOT Market Information System). Each MRA Resource must provide at least 5 MW of capacity; assets may be aggregated to create an MRA Resource. Eligible MRA Resource types are identified in Sections 2 and 3 ~~through 4~~ of the MRA Governing Document.

2.3.2 ___ The proposed MRA Resource(s) must be available to provide an increase in injection or a decrease in Demand to the ERCOT System at ERCOT's discretion during the MRA Contracted Months for the hours specified for the applicable season(s) in the table provided in Section 1.1 of

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Section 2 – Scope and Requirements

this RFP. QSE proposals must include detailed information about the MRA Resource's temporal constraints (e.g., ramp period, minimum run time, etc.), as described in the applicable MRA Resource Offer Template (See Attachment B to this RFP).

- MRA Resources with a start-up time (or Demand response ramp period) greater than 10 minutes will need to be committed by ERCOT in advance of an N-1 + G-1 contingency in order to ensure performance in post-contingency conditions.
- MRA Resources with a start-up time (or Demand response ramp period) of 10 minutes or less may be dispatched in Real-Time to address post-contingency conditions, and therefore can expect to be deployed less often.

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2.3.3 ___ The QSE for each proposed ~~MRA~~Generation Resource ~~MRA or Energy Storage Resource~~ MRA must ~~have the capability of providing~~provide a Real-Time telemetry signal to ERCOT, consistent with Inter-Control Center Communications Protocol (ICCP) standards as documented in the ERCOT Nodal ICCP Communications Handbook, including relevant data points for the MRA Resource as described in the MRA Governing Document. The ICCP Handbook may be accessed on ERCOT's website at <http://www.ercot.com/services/mdt/userguides/>.

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2.3.4 ___ All planned outages of an MRA must be approved by ERCOT. A planned outage of an MRA is governed by the ERCOT Protocols, including Section 3.1.7, Reliability Resource Outages.

2.3.5 ___ Any new transmission-connected generator proposed as an MRA Resource must adhere to the requirements of Planning Guide Section 5, *Generator Interconnection or Modification*, and obtain an executed standard ERCOT generation interconnection agreement (SGIA). The current version of the Planning Guide may be accessed on ERCOT's website at <http://www.ercot.com/mktrules/guides/planning/current>.

2.3.6 ___ Telemetry requirements, dispatch procedures, availability requirements, event and test performance criteria, and communications requirements for MRA Resources are described in the MRA Governing Document.

2.3.7 ___ Proposals must use established ERCOT market mechanisms to enable ERCOT dispatch of the proposed MRA Resource(s) and settle with the QSE. Proposals must not require significant changes to ERCOT systems and should not impose a new significant burden on ERCOT processes.

Section 2 – Scope and Requirements

2.3.8 ___ QSEs submitting proposals for new, intermittent renewable generation units shall provide capacity values based on their projected ~~effective load carrying capability~~ average capacity contribution during the obligated hours (MRA Contracted Hours).

2.3.9 ___ An MRA for which the MRA, or every MRA Site, is metered with either an Advanced Meter or an ERCOT-Polled Settlement (EPS) Meter must be available for qualification testing no later than 10 days prior to the first day of the contracted MRA Service. All other MRAs must be available for qualification testing no later than 45 days prior to the first day of the contracted MRA Service.

2.4 Qualified Scheduling Entity (QSE) Requirement

As indicated above, ERCOT will accept proposals **ONLY** from current QSEs at the time of the proposal submission deadline. Any MRA Agreement(s) will be executed between ERCOT and the QSE.

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2.5 Payments

A QSE representing a MRA Resource will be compensated based on the Standby Price (in \$ per MW per hour) as defined in the QSE's MRA Agreement, adjusted by availability metrics. If ERCOT issues the MRA a commitment instruction during the Contracted Hours, the QSE for the committed MRA Resource shall also be compensated through Deployment Event Payments and Variable Payments for Deployment. Such compensation will be manually settled and, in a method, substantially similar to that described in gray-boxed Protocols Sections 6.6.6.7, MRA Standby Payment; 6.6.6.9, MRA Payment for Deployment Event; and 6.6.6.10, MRA Variable Payment for Deployment, and in the MRA Governing Document. For operations outside of the MRA Contracted Hours, a Generation Resource MRA shall be treated in Settlements in the same manner as any Generation Resource registered with ERCOT.

ERCOT will charge a QSE representing an MRA for unexcused Misconduct Events as specified in the gray-boxed Section 6.6.6.11, MRA Charge for Unexcused Misconduct.

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With respect to MRA Service, a "Misconduct Event" means any MRA Contracted Hour during which the MRA, in a deployment event, is directed to but does not make available to ERCOT the power injection or Demand response instructed by ERCOT.

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ERCOT will assess a single charge to the QSE for each Operating Day on which one or more Misconduct Event occurs.

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Section 2 – Scope and Requirements

The QSE may be excused by ERCOT from a Misconduct Event charge if ERCOT determines, in its discretion, that the Misconduct Event was not due to intentionally incomplete or inaccurate reporting to ERCOT regarding the availability of the MRA.

ERCOT shall inform the QSE in writing of its determination if a Misconduct Event is deemed unexcused.

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Failure by a QSE to meet the performance or availability requirements for the MRA service shall result in a reduction in payment(s) of all or part of the QSE's payments, in a method substantially similar to that described in gray-boxed Protocols Sections 6.6.6.7, 6.6.6.9, and 6.6.6.10. A Misconduct Event, as described in gray-boxed Protocols Section 3.14.4.8, may result in a charge to the MRA's QSE's, in a method substantially similar to that described in gray-boxed Protocols Section 6.6.6.11, MRA Charge for Unexcused Misconduct. An Automatic Default or Other Default Event may result in termination of the applicable MRA Agreement, as specified in the MRA Agreement, and referral for an enforcement action by the Public Utility Commission of Texas which may include administrative penalties, among other remedies that may be provided in the MRA Agreement, the MRA Governing Document, and this RFP.

GENERAL INSTRUCTIONS AND RESPONSE REQUIREMENTS

3.1 Questions and Comments

All questions and comments regarding this RFP and other related documents must be submitted electronically to the email address contained in Section 1.6, ERCOT Point of Contact. All questions must reference the appropriate RFP or related document page and section number. In order to receive a response, questions and comments must be received no later than **3:00 PM CPT on the deadline set forth in Section 1.6, Procurement Timeline**. Questions in anonymized form and ERCOT's responses will be posted to the ERCOT RFP Index web page at <http://www.ercot.com/about/procurement/rfp/index>. Questions received after the due date may be reviewed by ERCOT, but might not receive a response. A QSE must inquire in writing as to any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error in this RFP or related document prior to submitting a proposal.

ERCOT reserves the right to amend its responses to questions prior to the proposal submission deadline.

3.2 Modification or Withdrawal of Proposal

Proposals may be withdrawn from consideration at any time prior to ~~Wednesday, October~~Friday, November 1, 2024. (see Section 1.6, Procurement Timeline). A request for withdrawal must be submitted via email from the QSE's authorized representative made to the ERCOT Point of Contact.

A QSE has the right to amend its proposal at any time and to any degree by amendment delivered via email from the QSE's authorized representative to the ERCOT Point of Contact prior to the proposal submission deadline (see Section 1.6, Procurement Timeline).

3.3 Incomplete Proposals

ERCOT may reject without further consideration any incomplete proposal.

3.4 Consent to Obtain Information

By submitting a proposal, the QSE grants ERCOT the right to obtain information from any lawful source regarding: (i) the past business history, practices, conduct and ability of a QSE to supply goods, services, and deliverables; and (ii) the past business history, practices, conduct, and ability of the QSE's directors, officers, and employees.

3.5 Instructions for Submitting Proposals

3.5.1. Submission

Submit all copies of the proposal to the ERCOT Point of Contact no later than **3:00 PM CPT on the submission deadline** (see Sections 1.5 & 1.6). The proposal must be signed by an authorized representative of the QSE and submitted via email. The file must not exceed ~~20MB~~20 megabytes (MB). If this size restriction cannot be met, multiple emails may be sent, but the QSE must indicate how many emails ERCOT should anticipate (e.g., email 1 of 3). QSE must submit its proposal electronically, using the applicable Offer Submission Form(s) from Attachment B. The submitting QSE may include any additional proposal-related information in an appendix. All offers, whether accepted or rejected, will become the property of ERCOT. ERCOT will treat RFP proposals and any associated presentations or other information associated with a proposal as confidential. However, any MRA Contracts will be publicly available. Late submissions will not be considered. After the deadline for proposals, ERCOT may request a resubmission of any proposal that ERCOT determines requires correction.

3.5.2. Additional Requirements

All proposals must be:

- Clearly legible;
- Sequentially page-numbered;
- Organized in the sequence outlined in Section 3.5.3;
- Limited to 50 pages (excluding ERCOT required forms);
- Responsive to the requirements of this RFP and the related documents;
- Proposals should include the QSE's name at the top of each page and shall not include unrequested materials or pamphlets.

3.5.3. Format and Content

The proposal must consist of two separate parts, each in a separate attachment:

- (1) Part 1 – Business Proposal; and
- (2) Part 2 – Cost Proposal.

Part 1 -- Business Proposal

The Business Proposal must include:

- Section 1 – Executive Summary;
- Section 2 – Corporate Background and Experience;

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Section 3 – General Instructions and Response Requirements

Section 3 – Assumptions;

Section 4 – Appendices;

Section 1 -- Executive Summary

In this section, the QSE shall condense and highlight the content of the Business Proposal to provide ERCOT with a broad understanding of the QSE's approach to meeting ERCOT's objectives for this procurement.

Section 2 -- Corporate Background and Experience

QSE Background and Experience

This section details the QSE's corporate background and experience. If the QSE proposes to use subcontractor(s), it must describe any existing ongoing relationships with such subcontractor(s), including project descriptions. The section shall include the following information:

- QSE's full organization, company, or corporate name;
- Headquarter address;
- Type of ownership (e.g. partnership, corporation);
- If QSE is a subsidiary or affiliate and the name of the parent organization;
- State where the QSE is incorporated or otherwise organized to do business;
- Federal taxpayer identification;
- Name and title of person who will sign the MRA Agreement; and
- Name and title of person responsible for responding to questions regarding the proposal, with telephone number, facsimile number, and email address.

Section 3 – Assumptions

State any business, economic, legal, or practical assumptions that underlie the QSE's Business Proposal. State the ramp period of each proposed MRA Site.

Section 4 – Appendices

Include any appendices to the QSE's Business Proposal.

Part 2 – Cost Proposal

QSE's proposal shall provide pricing for the provision of the MRA Resource, consistent with the applicable Offer Submission Forms in Attachment B to this RFP.

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Section 3 – General Instructions and Response Requirements

3.6 Multiple Responses

A QSE may submit more than one proposal.

Evaluation

EVALUATION

4.1 Evaluation of Proposals

ERCOT ~~will~~may select one or more proposals from QSEs through an internal evaluation process. ERCOT will consider capabilities or advantages that are clearly described in each proposal, which may be confirmed by presentations, site visits, or demonstrations if required, and verified by information from reference sources contacted by ERCOT. ERCOT reserves the right to contact individuals, entities, or organizations that have had dealings with the QSE, or staff proposed for this effort, whether or not identified in the proposal.

4.2 Evaluation Criteria

ERCOT may accept the least expensive offer or combination of offers that provide at least the equivalent reliability benefit of one or more of the RMR Units, so long as the offer or offers provides ~~annual~~ savings over the projected ~~net-annualized~~ costs of the corresponding Braunig Resource(s). The primary criteria for evaluating the proposals as related to this RFP are as follows:

1. The QSE's ability to meet the requirements set forth in Section 2.
2. The QSE's total offer price and, ultimately, the expected cost of the MRA.

Furthermore, ERCOT will evaluate each proposal based upon the following factors:

- Ability to provide the required reliability support, individually or in combination with other proposals, as determined by ERCOT, based on the MRA Resource's capacity and its location(s) on the ERCOT Transmission Grid and corresponding impact to the South Texas Export constraints.
- ERCOT will only consider prospective MRA Resource(s) with beneficial shift factors on the South Texas Export constraints; -Attachment C to this RFP contains a list of Shift Factors for Electrical Buses to the South Texas Export constraints.
- Ability of the QSE to satisfy objective financial criteria;
- Relative certainty that the proposed MRA Resource(s) will meet the expected in-service date;
- ERCOT shall evaluate prospective Demand Response MRAs -for purposes of ESI ID verification and Measurement & Verification methodology.
- ERCOT will independently evaluate offered capacity from intermittent renewable generation units. If ERCOT's evaluation produces a lower projected ~~effective load carrying capability~~average capacity contribution for these units during the hours of peak Load conditions, ERCOT shall advise

Section 4 – Evaluation

the QSE of the discrepancy and may, with the approval of the QSE, de-rate the capacity offer. In such a case, the price per MW associated with the offer will not be changed.

- ERCOT shall evaluate the operational characteristics of each proposed MRA Resource, based on its anticipated overall value to grid reliability.
- ~~Distribution-connected, supply-side~~ Other Generation MRA Resource(s) Resources and distribution-connected DR MRAs will be evaluated with ~~their avoided~~ adjustments for Distribution Loss Factors ~~taken into account~~.

4.3 Presentations and Site Visits

ERCOT may, at its sole discretion, request presentations, site visits, and/or demonstrations from one or more QSEs. ERCOT will notify selected QSEs of the time and location for these activities and may supply agendas or topics for discussion. ERCOT reserves the right to ask additional clarifying questions during presentations, site visits, and/or demonstrations.

Section 5 – Attachments

LIST OF ATTACHMENTS TO THE MRA RFP

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Attachment A: The Must-Run Alternative Governing Document

Attachment B: Must Run Alternative (MRA) Offer Submission Forms

1. ~~Generation Resource or Other Generation~~ MRA Offer Submission Forms
2. Energy Storage Resource MRA Offer Submission Forms
3. Other Generation Offer Submission Forms
- ~~3-4.~~ Demand Response MRA Offer Submission Forms

Attachment C: List of Helping Shift Factors (County and Bus Levels)

Attachment D: Must-Run Alternative Agreement Form, found at ERCOT Protocols Section 22, Attachment N

~~5.4~~

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