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| NPRR Number | [1180](http://www.ercot.com/mktrules/issues/NPRR1180) | NPRR Title | Inclusion of Forecasted Load in Planning Analyses |
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| Date | | December 13, 2023 | |
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| Submitter’s Information | | | |
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| Market Segment | | Not Applicable | |

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| Comments |

ERCOT submits these comments to the version of this Nodal Protocol Revision Request (NPRR) 1180 endorsed by the Reliability and Operations Subcommittee (ROS) to revise the language addressing ERCOT’s independent review and endorsement of Tier 1, 2, and 3 projects. The language as revised by this comment provides that ERCOT will not issue an endorsement of any project that is proposed by a Transmission Service Provider (TSP) based on Load values that are not supported by interconnection agreements or other quantifiable evidence of Load growth.

ERCOT is not inclined to read Public Utility Regulatory Act (PURA) section 37.056(c-1), as amended by House Bill 5066,[[1]](#footnote-1) to *require* the Public Utility Commission of Texas (PUCT) to grant an application for a Certificate of Convenience and Necessity (CCN) based on “load for which the electric utility has yet to sign an interconnection agreement,” but instead to require only that the PUCT “consider” such Load “in considering the need for additional service.” This provision, moreover, says nothing about ERCOT’s assessment of need in service of this provision. At the same time, the PUCT’s CCN rule continues to require that, for purposes of a CCN application for a reliability project, “forecasted load growth and additional load currently seeking interconnection must be substantiated by quantifiable evidence of projected load growth.” 16 Tex. Admin. Code § 25.101(b)(3)(A)(ii)(II). Absent different direction from the PUCT, ERCOT assumes this requirement is not affected by HB 5066. Because ERCOT does not read section 37.056(c-1) or the PUCT’s rules to require a CCN that is based on an unsupported Load forecast, ERCOT sees no reason that its Protocols—which are not addressed by the statute—should require an endorsement of such a project in the absence of any quantifiable evidence that the Load will materialize.

Nevertheless, because section 37.056(c-1) contemplates that the PUCT may consider such a project for a CCN, these revisions provide that ERCOT’s independent review of any Tier 1 or Tier 2 project will still conduct an assessment of transmission needs even if the TSP’s project submission is based in part on Load that is not supported by quantifiable evidence. In that situation, if the TSP’s submitted Load would result in the identification of a need, ERCOT’s independent review will identify whether the need would exist even without the unsupported Load; if not, no endorsement of that solution will be provided. If the need would still exist without the unsupported Load value, ERCOT will endorse the project. This approach will allow a TSP, if it is so inclined, to seek a CCN for any project that is not based on quantifiable evidence of Load growth and to include in its CCN application an ERCOT study that confirms a need would exist under the assumed Load condition, even while the application would not include an ERCOT endorsement of the project. In such a CCN proceeding, the PUCT would have the authority, as the ultimate finder of fact, to adjudicate the credibility of any Load value used by the TSP.

For Tier 3 projects that are based on Load growth that is not supported by an interconnection agreement or other quantifiable evidence, these comments propose that, if ERCOT and the Regional Planning Group (RPG) otherwise accept the project, ERCOT’s acceptance letter will indicate that the asserted need is based on Load values provided by the TSP that are not supported by an interconnection agreement or other quantifiable evidence of Load growth.

Additionally, ERCOT proposes to remove the addition to Paragraph (4) of Section 3.11.4.1, Project Submission, because the content of project submissions is governed more specifically by Planning Guide Section 3.1.2.1, All Projects, and Planning Guide Revision Request (PGRR) 107, Related to NPRR1180, Inclusion of Forecasted Load in Planning Analyses, proposes to revise those requirements to capture the Load information described by amended section 37.056(c-1).

Finally, ERCOT proposes to remove revisions to Sections 3.11.4.6, Processing of Tier 2 Projects, and Section 3.11.4.7, Processing of Tier 1 Projects, proposed in this NPRR, as any determination of need should still be based solely on an identified performance deficiency.

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| Revised Cover Page Language |

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| Business Case | The inclusion of historical Load, forecasted Load growth, and additional Load seeking interconnection in transmission project reviews conducted by ERCOT is required by Public Utility Commission of Texas (PUCT) Rule for Certificates of Convenience and Necessity (CCNs). Including that information in ERCOT’s independent reviews of RPG projects will help ensure ERCOT’s transmission project recommendations support long-term system and Customer needs. |

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| Revised Proposed Protocol Language |

***3.11.4 Regional Planning Group Project Review Process***

3.11.4.1 Project Submission

(1) Any stakeholder may initiate an RPG Project Review through the submission of a document describing the scope of the proposed transmission project to ERCOT. Projects should be submitted with sufficient lead-time to allow the RPG Project Review to be completed prior to the date on which the project must be initiated by the designated TSP.

(2) Stakeholders may submit projects for RPG Project Review within any project Tier. All transmission projects in Tiers 1, 2 and 3 shall be submitted. TSPs are not required to submit Tier 4 projects for RPG Project Review, but shall include any Tier 4 projects in the cases used for development of the Regional Transmission Plan.

(3) All system improvements that are necessary for the project to achieve the system performance improvement, or to correct the system performance deficiency, for which the project is intended should be included into a single project submission.

(4) Facility ratings updates are not considered a project and are not subject to RPG Project Review.

3.11.4.6 Processing of Tier 2 Projects

(1) ERCOT shall conduct an independent review of a submitted Tier 2 project as follows:

(a) ERCOT’s independent review shall consist of studies and analyses necessary for ERCOT to make its assessment of whether the proposed project is needed and whether the proposed project is the preferred solution to the identified system performance deficiency that the project is intended to resolve;

(b) ERCOT shall consider all comments received during the project comment process and factor reasonable comments into its independent review of the project;

(c) ERCOT will attempt to complete its independent review for a project in 120 days or less. If ERCOT is unable to complete its independent review based on RPG input within 120 days, ERCOT shall notify the RPG of the expected completion time;

(d) ERCOT may, at its discretion, discuss submitted transmission projects at meetings of the RPG in order to obtain additional input into its independent review; and

(e) ERCOT shall prepare a written report documenting the results of its independent review and recommendation on the project and shall distribute this report to the RPG.

3.11.4.7 Processing of Tier 1 Projects

(1) ERCOT shall conduct an independent review of a submitted Tier 1 project as follows:

(a) ERCOT’s independent review will consist of studies and analyses necessary for ERCOT to make its assessment of whether the proposed project is needed and whether the proposed project is the preferred solution to the identified system performance deficiency that the project is intended to resolve;

(b) ERCOT will consider all comments received during the project comment process and factor reasonable comments into its independent review of the project;

(c) ERCOT will attempt to complete its independent review for a project in 150 days or less. If ERCOT is unable to complete its independent review based on RPG input within 150 days, ERCOT shall notify the RPG of the expected completion time;

(d) ERCOT may, at its discretion, discuss submitted transmission projects at meetings of the RPG in order to obtain additional input into its independent review; and

(e) ERCOT shall prepare a written report documenting the results of its independent review and recommendation on the project and shall distribute this report to the RPG.

(2) Tier 1 projects require ERCOT Board endorsement.

3.11.4.9 Regional Planning Group Acceptance and ERCOT Endorsement

(1) For Tier 3 projects, successful resolution of all comments received from ERCOT and stakeholders during the project comment process will result in RPG acceptance of the proposed project. An RPG acceptance letter shall be sent to the TSP(s) for the project, the project submitter (if different from the TSP(s)), and posted on the MIS Secure Area. For Tier 2 projects, ERCOT’s recommendation as a result of its independent review of the proposed project will constitute ERCOT endorsement of the need for a project except as noted in paragraph (4) below. For Tier 1 projects, ERCOT’s endorsement is obtained upon affirmative vote of the ERCOT Board except as noted in paragraph (4) below. An ERCOT endorsement letter shall be sent to the TSP(s) for the project, the project submitter (if different from the TSP(s)), and the PUCT, and posted on the MIS Secure Area upon receipt of ERCOT’s endorsement for Tier 1 and Tier 2 projects except as noted in paragraph (4) below.

(2) Following the completion of its independent review, ERCOT shall present all Tier 1 projects for which it finds a need to the ERCOT Board and shall provide a report to the ERCOT Board explaining the basis for its determination of need. Prior to presenting the project to the ERCOT Board, ERCOT shall present the project to the Technical Advisory Committee (TAC) for review and comment. Comments from TAC shall be included in the presentation to the ERCOT Board. ERCOT will make a reasonable effort to make these presentations to TAC and the ERCOT Board at the next regularly scheduled meetings following completion of its independent review of the project.

(3) If the asserted need for a Tier 1, Tier 2, or Tier 3 project is based in part or in whole on a service request or inquiry from one or more Customers that have not signed an interconnection agreement and for which the TSP has provided no other quantifiable evidence that credibly substantiates the forecasted Load growth, as described in Planning Guide Section 3.1.3, Project Evaluation, and Planning Guide Section 3.1.7, Steady State Transmission Planning Load Forecast (“unsupported Load”):

1. ERCOT shall notify the submitting TSP and the RPG of its determination whether the TSP’s submitted Load is not based on an interconnection agreement or other quantifiable evidence of Load growth that ERCOT has deemed credible. If ERCOT has determined that the Load is not based on an interconnection agreement or other credible evidence, then within 15 days of such notification, the TSP shall notify ERCOT whether it wishes to proceed with review of the project. If the TSP notifies ERCOT that it wishes to proceed with review of the project, ERCOT shall notify the RPG, and the required RPG or ERCOT independent review process shall proceed using the submitted Load.
2. If a TSP elects to proceed with review:
   1. For a Tier 1 or Tier 2 project, if ERCOT’s independent review identifies a need for the project, ERCOT’s independent review shall identify whether the unsupported Load is essential to the determination of need for the project or any portion thereof, and

(A) If the unsupported Load is essential to the determination of need for the project or any portion thereof, ERCOT’s independent review shall not provide or recommend an endorsement for the project or portion that is attributable to the unsupported Load; and

1. If the unsupported Load is not essential to the determination of need for the project or any portion thereof, then for a Tier 1 project, ERCOT’s independent review shall recommend an endorsement of that project, and, for a Tier 2 project, ERCOT’s independent review shall endorse the project.
   1. For a Tier 3 project, if the RPG process results in an acceptance of the project, ERCOT’s acceptance letter for the project shall indicate that the asserted need for the project is based on the unsupported Load provided by the TSP.

(4) If a TSP asserts a need for a proposed Tier 1 or Tier 2 project based in part or in whole on its own planning criteria, then ERCOT’s independent review shall also consider whether a reliability need exists under the TSP’s criteria.  If ERCOT identifies a reliability need under the TSP’s criteria, then ERCOT shall recommend a project that would address that need as well as any reliability need identified under NERC or ERCOT criteria, but shall explicitly state in the independent review report that ERCOT has assumed the TSP’s criteria are valid and that an assessment of the validity of the TSP’s criteria is beyond the scope of ERCOT’s responsibility.  ERCOT or the ERCOT Board may provide a qualified endorsement of such a project if ERCOT determines that it is justified in part under ERCOT or NERC criteria, as described in paragraph (1) above.  However, neither ERCOT nor the ERCOT Board shall endorse a project that is determined to be needed solely to meet a TSP’s criteria.

1. Tex. H.B. 5066, 88th Leg., R.S. (2023). [↑](#footnote-ref-1)