|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1180](http://www.ercot.com/mktrules/issues/NPRR1180) | NPRR Title | Inclusion of Forecasted Load in Planning Analyses |
| Date of Decision | | November 20, 2024 | |
| **Action** | | Recommended Approval | |
| Timeline | | Normal | |
| Estimated Impacts | | Cost/Budgetary: None  Project Duration: Not applicable | |
| Proposed Effective Date | | First of the month following Public Utility Commission of Texas (PUCT) approval | |
| Priority and Rank Assigned | | Not applicable | |
| Nodal Protocol Sections Requiring Revision | | 2.1, Definitions  3.11.4.1, Project Submission  3.11.4.1.1, Project Submissions Based on Unsubstantiated Load (new) 3.11.4.6, Processing of Tier 2 Projects  3.11.4.7, Processing of Tier 1 Projects 3.11.4.9, Regional Planning Group Acceptance and ERCOT Endorsement | |
| Related Documents Requiring Revision/Related Revision Requests | | Planning Guide Revision Request (PGRR) 107, Related to NPRR1180, Inclusion of Forecasted Load in Planning Analyses | |
| Revision Description | | This Nodal Protocol Revision Request (NPRR) revises the Protocols to address recent amendments to P.U.C. Subst. R. 25.101, Certification Criteria, which became effective on December 20, 2022.  Specifically, NPRR1180 incorporates the requirement in P.U.C. Subst. R. 25.101(b)(3)(A)(ii)(II) for any reliability-driven transmission project review conducted by ERCOT to incorporate the historical load, forecasted load growth, and additional load seeking interconnection, in the ERCOT independent review. | |
| Reason for Revision | | [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 1 – Be an industry leader for grid reliability and resilience  [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 2 - Enhance the ERCOT region’s economic competitiveness with respect to trends in wholesale power rates and retail electricity prices to consumers  [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 3 - Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission  General system and/or process improvement(s)  Regulatory requirements  ERCOT Board/PUCT Directive  *(please select ONLY ONE – if more than one apply, please select the ONE that is most relevant)* | |
| Justification of Reason for Revision and Market Impacts | | The inclusion of historical load, forecasted load growth, and additional load seeking interconnection in transmission project reviews conducted by ERCOT is required by PUCT Rule for Certificates of Convenience and Necessity (CCNs). Including that information in ERCOT’s independent reviews of Regional Planning Group (RPG) projects will help ensure ERCOT’s transmission project recommendations support long-term system and Customer needs. | |
| PRS Decision | | On 6/14/23, PRS voted unanimously to table NPRR1180 and refer the issue to ROS. All Market Segments participated in the vote.  On 9/12/24, PRS voted to recommend approval of NPRR1180 as amended by the 8/28/24 ERCOT comments. There were two abstentions from the Independent Generator (Calpine, Constellation) Market Segment. All Market Segments participated in the vote.  On 10/17/24, PRS voted unanimously to endorse and forward to TAC the 9/12/24 PRS Report and 10/16/24 Impact Analysis for NPRR1180. All Market Segments participated in the vote. | |
| Summary of PRS Discussion | | On 6/14/23, Oncor reviewed NPRR1180 and participants requested further discussion at ROS.  On 9/12/24, participants reviewed the 8/28/24 ERCOT comments.  On 10/17/24, participants reviewed the 10/16/24 Impact Analysis and 10/16/24 ERCOT comments. Some participants expressed concern the 10/16/24 Impact Analysis is too broad and exceeds the scope of NPRR1180. | |
| TAC Decision | | On 10/30/24, TAC voted unanimously to table NPRR1180. All Market Segments participated in the vote.  On 11/20/24, TAC voted to recommend approval of NPRR1180 as recommended by PRS in the 10/17/24 PRS Report and the 10/28/24 Revised Impact Analysis. There were four abstentions from the Consumer (2) (Residential Consumer, OPUC), Cooperative (GSEC) and Independent Power Marketer (IPM) (SENA) Market Segments. All Market Segments participated in the vote. | |
| Summary of TAC Discussion | | On 10/30/24, TAC reviewed the 10/28/24 Revised Impact Analysis and participants requested tabling NPRR1180 so it could be considered with PGRR107. Participants raised concerns with the lack of transparency and standardization for incorporating anticipated load into planning studies and discussed paths forward for potential future refinements to address these concerns.  On 11/20/24, participants expressed concern that estimated load values used in planning studies may not materialize as predicted and stressed the importance of using quality data to calculate load forecasts so that they are as accurate as possible. | |
| TAC Review/Justification of Recommendation | | Revision Request ties to Reason for Revision as explained in Justification  Impact Analysis reviewed and impacts are justified as explained in Justification  Opinions were reviewed and discussed  Comments were reviewed and discussed (if applicable)  Other: (explain) | |
|  | |  | |
| **Opinions** | | | |
| Credit Review | | ERCOT Credit Staff and the Credit Finance Sub Group (CFSG) have reviewed NPRR1180 and do not believe that it requires changes to credit monitoring activity or the calculation of liability. | |
| Independent Market Monitor Opinion | | The IMM conditionally supports NPRR1180 in concept however the details of the robustness and use of data in developing inputs to the planning analysis are important. IMM support is contingent upon ERCOT's ability to apply reasonable methods to the data they are provided in order to produce the most accurate forecast for use in planning analysis. | |
| ERCOT Opinion | | ERCOT supports approval of NPRR1180. | |
| ERCOT Market Impact Statement | | ERCOT Staff has reviewed NPRR1180 and believes it appropriately incorporates the requirement in P.U.C. Subst. R.25.101(b)(3)(A)(ii)(II) for any reliability-driven transmission project review conducted by ERCOT to account for historical Load, forecasted Load growth, and additional Load seeking interconnection. | |

|  |  |
| --- | --- |
| **Sponsor** | |
| Name | Martha Henson |
| E-mail Address | [martha.henson@oncor.com](mailto:martha.henson@oncor.com) |
| Company | Oncor Electric Delivery Company LLC |
| Phone Number | 214-536-9004 |
| Cell Number |  |
| Market Segment | Investor Owned Utility (IOU) |
|  |  |
| **Market Rules Staff Contact** | |
| Name | Erin Wasik-Gutierrez |
| E-Mail Address | [Erin.Wasik-Gutierrez@ercot.com](mailto:Erin.Wasik-Gutierrez@ercot.com) |
| Phone Number | 413-886-2474 |

|  |  |
| --- | --- |
| **Comments Received** | |
| **Comment Author** | **Comment Summary** |
| ROS 070723 | Requested PRS continue to table NPRR1180 for further review by the Planning Working Group (PLWG) |
| AEP Texas and ETT 081523 | Supported the inclusion of forecasted Load growth and proposed additional revisions requiring acceptance or endorsement to carry the same weight as it would if a project were justified by other needs |
| ROS 110323 | Endorsed NPRR1180 as amended by the 8/15/24 AEP Texas and ETT comments |
| ERCOT 121323 | Revised the 8/15/24 AEP Texas and ETT comments to provide 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 071524 | Revised the 12/13/23 ERCOT comments to ensure that transmission needs identified by ERCOT are based on evidence of Load that meets a minimum threshold of facial credibility |
| ERCOT 082824 | Replaced various instances of the term “Load” with the uncapitalized term “load” |
| ERCOT 101624 | Provided additional detail to support the 10/16/24 Impact Analysis |
| TCPA 102924 | Requested NPRR1180 be tabled so stakeholders can work to develop a more standardized process for qualifying load for inclusion in planning studies |
| OPUC 111824 | Recommended that ERCOT and stakeholders collaborate to more thoroughly validate forecasted load growth before proceeding with this NPRR |
| Oncor 111824 | Indicated Oncor is committed to an effort to create public transparency for the contents of TSP officer letters and encouraged TAC members to support the passage of NPRR1180 and PGRR107 |
| OPUC 111924 | Reiterated that a transparent and well-defined approach to including load forecasts in the ERCOT transmission planning process is crucial and recommended ERCOT and stakeholders collaborate to more thoroughly validate forecasted load growth before proceeding with this NPRR |

|  |
| --- |
| **Market Rules Notes** |

Please note that the following NPRR(s) also propose revisions to the following section(s):

* NPRR956, Designation of Providers of Transmission Additions
  + Section 3.11.4.1
  + Section 3.11.4.9

|  |
| --- |
| Revised Proposed Protocol Language |

**2.1 DEFINITIONS**

**Substantiated Load**

Load submitted by a TDSP for planning purposes that is substantiated by any of the following:

(a) An executed interconnection or other agreement;

(b) An independent third-party load forecast that has been deemed credible by ERCOT and that may include load for which a TDSP has yet to sign an interconnection agreement; or

(c) A letter from a TDSP officer attesting to such load, which may include load for which a TDSP has yet to sign an interconnection agreement.

**Unsubstantiated Load**

Load submitted by a TDSP for planning purposes that is not Substantiated Load.

***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.

**3.11.4.1.1 Project Submissions Based on Unsubstantiated Load**

(1) Following the submission of a project by a TSP, if ERCOT determines that the asserted need for a Tier 1, Tier 2, or Tier 3 project is based in part or in whole on Unsubstantiated Load, ERCOT shall notify the submitting TSP and the RPG, and neither ERCOT nor the RPG will conduct any further review of the project.

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 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.