|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1202](https://www.ercot.com/mktrules/issues/NPRR1202) | NPRR Title | Refundable Deposits for Large Load Interconnection Studies |
|  | |  | |
| Date | | November 1, 2024 | |
|  | |  | |
| Submitter’s Information | | | |
| Name | | Katie Coleman, John Russ Hubbard | |
| E-mail Address | | [kcoleman@omm.com](mailto:kcoleman@omm.com), [jhubbard@omm.com](mailto:jhubbard@omm.com) | |
| Company | | Texas Industrial Energy Consumers (TIEC) | |
| Cell Number | | 512-773-0394 (Katie Coleman), 512-964-0415 (John Russ Hubbard) | |
| Market Segment | | Industrial Consumer | |

|  |
| --- |
| Comments |

Although TIEC is sympathetic with the sentiment that the interconnection queue for large loads is unmanageable because of the influx of speculative interconnection requests, TIEC has concerns with the suggestions by Longhorn Power and Texas Competitive Power Advocates (TCPA). Specifically, Longhorn Power’s proposal is contrary to cost-causation principles, and TCPA’s suggestion unfairly prioritizes interconnections based on independent commercial arrangements.

Longhorn Power’s comments create a one-time $25,000 fee for Large Loads and an ongoing $5,000 fee each quarter until energization. Importantly, Longhorn Power’s proposed fees are arbitrary and unrelated to the costs ERCOT incurs to perform the interconnection-study work. As ERCOT explained in its comments, the Large Load Interconnection Study (LLIS) fee in Nodal Protocol Revision Request (NPRR) 1234, Interconnection Requirements for Large Loads and Modeling Standards for Loads 25 MW or Greater, of $14,000 was originally based on cost-causation data.[[1]](#footnote-2) Longhorn Power has provided no evidence that either of its fees are correlated to the costs needed to serve Large Loads, and the quarterly fee creates implementation issues for ERCOT.[[2]](#footnote-3) Further, Longhorn Power’s presentation at PRS seemed to suggest that the fees would offset “grandma” and other consumers’ system costs. Without more information, Longhorn Power’s proposed fees appear to arbitrarily shift costs onto industrial customers in violation of cost-causation principles. To the extent that Longhorn Power’s proposal is designed to reduce speculative interconnection requests for planning purposes, TIEC shares this objective but notes that discussions on that issue are underway at the Legislature and at the Commission, and this NPRR is not the right vehicle for trying to address this broader policy issue. Specifically, there have been ongoing discussions about requiring additional security earlier, and holding onto it longer, to try to deter this behavior. TIEC submits that these are better avenues than this NPRR.

In addition to supporting Longhorn Power’s increased fees, TCPA suggests prioritizing the interconnection of Large Loads that have a signed PPA, co-locate with a Generation Resource, or demonstrate an “enhanced intent to energize.” Notably, TCPA’s suggestion would result in prioritizing customers based on their commercial arrangements, which may slow down the interconnection requests of other industrial or manufacturing facilities. Regulated utilities are required to provide open, non-discriminatory access, and this type of proposal would discriminate based on judgment around whether and how loads intend to hedge their future energy needs. Again, TIEC shares TCPA’s objective to encourage efficient hedging by large loads, which supports new generation investment, but this NPRR is not the appropriate vehicle. The result of TCPA’s proposal would discriminate based on judgments about a load’s commercial arrangements and business model, which is inappropriate.

|  |
| --- |
| Revised Cover Page Language |

None

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

None

1. NPRR1202, ERCOT Comments 101524 (Oct. 15, 2024). [↑](#footnote-ref-2)
2. *Id.* [↑](#footnote-ref-3)