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PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST FOR COMMENTS

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PUC PROJECT NO. 48540

PUBLIC UTILITY COMMISSION
FILING CLERK

REVIEW OF REAL-TIME CO-OPTIMIZATION IN THE ERCOT MARKET

The staff of the Public Utility Commission of Texas (commission) requests comments on a number of issues relating to the implementation of Real-Time Co-Optimization (RTC) in the ERCOT wholesale electricity market. The commission requests that interested persons file written comments to the questions listed below.

1. Upon implementation of real-time co-optimization (RTC) in the ERCOT region, what value should the commission establish as the system-wide offer cap (SWOC)? Why?
2. Upon implementation of RTC in the ERCOT region, what value should the commission establish as the value of lost load (VOLL)? Why?
3. What parameters, if any, should the commission consider when determining the SWOC and VOLL?
4. Should the values for SWOC and VOLL be codified in the commission's rules, set by commission order, or established through some other method?
5. What set of ancillary services should be used in developing ancillary service demand curves for use in the implementation of RTC? Please consider the implementation of Nodal Protocol Revision Request (NPRR) 863, *Creation of ERCOT Contingency Reserve Service and Revisions to Responsive Reserve*, in your response.

6. Should the demand curves for each of the ancillary services be developed independently, based on the reliability benefit provided by each service for any given level of available operating reserves? Why or why not?
7. If the answer to Question 6 is no, what methodology or parameters should be used to develop the demand curves for each of the ancillary services?
8. Should offers for the provision of ancillary services in the Day-Ahead Market continue to be physically binding after implementation of RTC, or should the trading of ancillary services in the Day-Ahead Market become financial-only? Why or why not?
9. Which market rules established in the commission's rules and in ERCOT protocols, such as prohibitions on withholding of capacity or the "small fish" rule, should apply to the offer of ancillary services in the Real-Time Market? Why or why not?
10. Should other market rules specific to ancillary services be established?
11. Should all online capacity be required to have an offer curve for each ancillary service for which a resource is qualified? Why or why not?
12. How should ancillary service performance be monitored following the adoption of RTC?
13. Are there any other policy issues which the commission should decide before the process of RTC implementation may commence? If so, please describe the issue or issues in detail.

Written comments on the above questions may be filed by submitting 16 copies of such comments to the commission's Filing Clerk, Public Utility Commission of Texas, 1701 North Congress

Avenue, P.O. Box 13326, Austin, Texas 78711-3326 within 21 days of the date of publication of this notice. Comments longer than ten (10) pages or any comments that include color figures or illustrations should also be filed in digital native format via the commission's electronic filer at: <http://interchange.puc.texas.gov/filer>. Reply comments may be filed within 31 days after publication of this notice. All responses should reference Project Number 48540.

Questions concerning this notice should be referred to Mark Bryant at (512) 936-7279 or mark.bryant@puc.texas.gov. Hearing and speech-impaired individuals with text telephones (TTY) may contact the commission through Relay Texas by dialing 7-1-1.

**ISSUED IN AUSTIN, TEXAS ON THE 28th DAY OF FEBRUARY 2019 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA A. GONZALES**