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PROJECT NO. 52287

**POWER OUTAGE ALERT
CRITERIA**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMENTS OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas, Inc. (ERCOT) respectfully submits these comments concerning the proposed new rule, 16 Texas Administrative Code (TAC) § 25.57 relating to Power Outage Alert Criteria. The Public Utility Commission of Texas (Commission) approved publication of the proposed rule at an open meeting on December 16, 2021, and the proposed rule was published in the *Texas Register* on December 31, 2021. ERCOT's comments are timely filed by the deadline, January 11, 2022.

I. INTRODUCTION

The 87th Legislature, through Senate Bill 3, has directed the Department of Public Safety of the State of Texas (DPS), with the cooperation of other agencies including the Commission, to develop a power outage alert system to be activated when the power supply in Texas may be inadequate to meet demand. The Commission's authority regarding the power outage alert system includes adopting the criteria for the content, activation, and termination of this alert system; these criteria are addressed in the Commission's proposed new rule, 16 TAC 25.57. ERCOT supports the mandate to establish a system that informs the public, appreciates the Commission's and Commission Staff's thoughtful work in this project, and offers the following comments on the proposed new rule.

II. COMMENTS

Throughout proposed rule 25.57, references are made to the Commission. For example, under paragraph 25.57(d)(1) ERCOT must provide notice to the Commission under specified circumstances, and paragraph (d)(5) states the Commission may take actions such as requesting additional information from ERCOT and recommending issuance, updates, or termination of a power outage alert. The Commission may wish to consider whether certain references to the

Commission should be expanded to include the Commission's Executive Director or a Commission designee. Such addition would provide more flexibility to the Commission in developing its power outage alert processes, including permitting the implementation of "lessons learned" without the necessity of future rulemaking.

Additionally, proscribing that certain actions may only be given to or taken by the Commission results in practical and legal limitations on the ability to rapidly respond to a dynamic situation. To provide an example scenario, if ERCOT operators rescinded firm load-shed instructions at 1 a.m. on a Saturday night in response to system recovery, it would likely be desirable to soon thereafter recommend to DPS that the power outage alert be terminated. However, as the rule is currently drafted, the Commission may be required to convene a plurality of Commissioners in an emergency open meeting, subject to the specific legal requirements of such meetings including audio, visual, and internet-broadcast requirements and the posting of an agenda at least one hour in advance of the meeting. Timely satisfying such requirements after 1 a.m. on a Saturday night may be difficult or impossible.

16 T.A.C. § 25.57(b)(1)

In paragraph 25.57(b)(1) of the proposed new rule, "load shed instructions" are defined. ERCOT proposes this definition be modified as follows to avoid ambiguity:

(b)(1) **Load shed instructions** -- Directions given by a reliability coordinator to a transmission service provider or its agents to shed firm load~~along its systems~~ by a described amount to prevent longer and larger outages for an entire power region.

The addition of a reference to an agent of a Transmission Service Provider (TSP) is proposed for Commission consideration because a TSP may designate an agent to receive firm load-shed instructions from ERCOT. Additionally, ERCOT proposes a revision to the description of the instructions because other actions that ERCOT may instruct a TSP or its agent to take may result in reduced electricity usage, but not warrant a power outage alert. For example, consistent with Commission and ERCOT Board guidance, ERCOT recently revised its Protocols so that ERCOT may instruct TSPs or Distribution Service Providers to deploy any available distribution voltage reduction measures prior to ERCOT declaring an Energy Emergency Alert.

16 T.A.C. § 25.57(c)

ERCOT proposes the following edit to proposed subsection 25.57(c) so that the Commission may recommend issuance of an alert in the ERCOT region even if other balancing areas may not be at risk of or subject to load shed:

- (c) **Issuance of a POA.** The commission may recommend the Texas Department of Public Safety issue a POA based on information received from ERCOT ~~and/or~~ transmission service providers in power regions other than ERCOT.

16 T.A.C. § 25.57(d)(1)

Proposed paragraph 25.57(d)(1) requires ERCOT to provide the Commission notice under two circumstances: when (1) ERCOT's forecasts indicate system-wide generation supply may be insufficient to meet demand within the next 48 hours or (2) ERCOT issues or is preparing to issue load-shed instructions. Based on discussion with Commission Staff, ERCOT understands that the intent is not for ERCOT to provide multiple notices regarding the same event. For example, if a sudden grid event necessitated ERCOT providing notice that it is preparing to issue firm load-shed instructions within 5 minutes, a separate notice would not be required when those firm load-shed instructions were issued within the reported time frame. To ensure this clarification is codified, ERCOT proposes subparagraph 25.57(d)(1)(B) be edited as follows:

- (d)(1)(B) ERCOT issues ~~or is preparing to issue~~ load shed instructions.

ERCOT will endeavor to provide the Commission and its Staff with as much advanced notice as possible whenever ERCOT anticipates firm load-shed instructions may be forthcoming. Indeed, the notice process addressed in this proposed rule is one aspect of the many forms of communication ERCOT engages in to keep the Commission and its Staff informed of grid operations. Additionally, as further discussed below, ERCOT proposes to codify a requirement to provide updates, such that multiple notices under paragraph 25.57(d)(1) would be unnecessary.

16 T.A.C. § 25.57(d)(3)

Consistent with the triggers for ERCOT providing the Commission with notice about a forecasted or occurring firm load-shed event, proposed paragraph 25.57(d)(3) requires ERCOT to notify the Commission when (1) ERCOT's forecasts no longer indicate system-wide generation supply may be insufficient to meet demand within the next 48 hours or (2) ERCOT no longer is

issuing or preparing to issue load-shed instructions. ERCOT proposes the following revision to this paragraph to also require ERCOT to provide updates to the Commission, Executive Director, or a Commission designee when, in ERCOT's judgment, there are material changes to either of those circumstances:

(d)(3) ERCOT must notify the commission when

(A) in ERCOT's judgment there are material changes to

(i) an ERCOT forecast that prompted ERCOT to provide the Commission with a notice under subparagraph (d)(1)(A) of this section;

(ii) its issuance of firm load shed instructions that prompted ERCOT to provide the Commission with a notice under subparagraph (d)(1)(B) of this section;

or

(B) any of the applicable conditions listed under paragraph (d)(1) of this subsection are no longer applicable. This notice must include information on any of the remaining conditions listed under paragraph (d)(1) of this subsection that are still applicable.

Regardless of whether this proposal is adopted, ERCOT anticipates it will be providing updates to Commissioners, the Commission's Executive Director, Commission Staff, and State leadership and those updates would include when the probability of load shed materially changes. Nevertheless, the Commission may wish to codify ERCOT's duty to provide such updates.

Finally, because ERCOT anticipates that under this rule ERCOT will be providing to the Commission or its Staff information that is deemed Protected Information or Critical Energy Infrastructure Information under ERCOT's Protocols, the Commission may wish to include in this rule a provision regarding the treatment of such information or a reference to subsection 25.362(e) of the Commission's Substantive Rules (regarding access to information held by ERCOT).

III. CONCLUSION

ERCOT appreciates the Commission's consideration of these comments and would be pleased to provide any additional information that may be needed.

Respectfully submitted,

/s/ Davida Dwyer

Chad V. Seely
Vice President and General Counsel
Texas Bar No. 24037466
(512) 225-7035
chad.seely@ercot.com

Brandon Gleason
Assistant General Counsel
Texas Bar No. 24038679
(512) 275-7442
brandon.gleason@ercot.com

Davida Dwyer
Senior Corporate Counsel
Texas Bar No. 24052120
(512) 225-7023
davida.dwyer@ercot.com

ERCOT
7620 Metro Center Drive
Austin, Texas 78744

ATTORNEYS FOR ELECTRIC
RELIABILITY COUNCIL OF TEXAS,
INC.

PUC Project No. 52287, *Power Outage Alert Criteria*

EXECUTIVE SUMMARY OF ERCOT COMMENTS

- The Commission may wish to consider whether certain references to the Commission in the proposed rule should be expanded to include the Commission’s Executive Director or a Commission designee.
- The definition of “load shed instructions” in proposed paragraph 25.57(b)(1) should be amended to include reference to transmission service providers’ agents and refer to firm load shed instructions.
- Proposed subsection 25.57(c) should be amended so that the Commission may recommend issuance of an alert in the ERCOT region even if other balancing areas may not be at risk of or subject to load shed.
- To avoid multiple notices regarding the same event, proposed subparagraph 25.57(d)(1)(B) should be modified to require ERCOT to provide notice when ERCOT issues load-shed instructions.
- Proposed paragraph 25.57(d)(3) should be amended to add a requirement that ERCOT provide the Commission, Executive Director, or a Commission designee with updates when, in ERCOT’s judgment, there are material changes to the conditions that prompted a notice from ERCOT under subparagraphs (d)(1)(A) or (B) of the proposed rule.
- The Commission may wish to include in this rule a provision regarding the treatment of information that is deemed Protected Information or Critical Energy Infrastructure Information under ERCOT’s Protocols or a reference to subsection 25.362(e) of the Commission’s Substantive Rules (regarding access to information held by ERCOT).