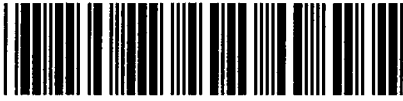


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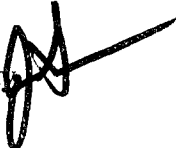
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Public Utility Commission of Texas

Memorandum

2022 MAR 30 PM 4:28

TO: Chairman Peter M. Lake
Commissioner Will McAdams
Commissioner Lori Cobos

FROM: Commissioner Jimmy Glotfelty 

DATE: 3/30/2022

RE: Interconnection and operational issues regarding distribution connected Battery Energy Storage Systems (BESS)

Open Meeting 3/31/2022, Project #52373

As of 3/28/2022, there are 36,000 MWs of utility scale Solar + energy storage systems and over 31,000 MWs of stand-alone storage in the ERCOT Interconnection Queue. This is a massive number of new megawatts that could fundamentally change how our system works in ERCOT.

Unfortunately, it is unknown how many megawatts of battery storage are seeking to interconnect to the distribution systems across ERCOT's utilities, municipal utilities and electric cooperatives. The lack of visibility into these distribution system assets is an oversight.

In my opinion, ERCOT has by far the easiest, fastest, and most effective generation interconnection process in the country for transmission voltage facilities. The standardization of this process began in the mid 1990's as new combined cycle power plants were striving to interconnect to the transmission systems of the incumbent electric utilities. No standards, no timelines and no direction became inefficient for all parties and needed to be fixed.

I believe that we are now at the same point in time for interconnections to the distribution system. The influx of battery storage systems at the distribution level and their associated interconnection issues have become a barrier to the development and interconnection of more resources that are a benefit to the ERCOT system. There is no standardization across utilities related to the costs, timing, and terms and conditions of interconnection. Rather than address these issues in a piecemeal fashion through contested cases which increase the potential for contradictory policies, I believe we are better served by addressing these important policies up front in a forum in which all market participants can participate.

Therefore, I would like to ask the Commissioners to join me in asking staff to open a new project to address distributed battery energy storage interconnection and policies.

The March 3, 2022, filing in Project #52373 by the Hunt Energy Network, Broad Reach Power and Jupiter Energy will give the staff appropriate guidance on the initial issues on which to seek comments, but at a minimum, we must clarify the timelines appropriate for the distribution interconnection process,

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treatment of interconnection costs for energy storage interconnected at distribution voltage, the terms and conditions of interconnection agreements, and whether energy storage should be subject to the utilities' wholesale distribution service tariffs.

I hope this project will move expeditiously so we can incorporate distribution interconnection modifications into the Chapter 25 Substantiative Rules modifications needed to implement SB 1281 in the coming months.