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Received - 2022-09-14 03:44:25 PM

Control Number - 53911

ItemNumber - 17



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14 September 2022

Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Ave.
Austin, Texas 78711

RE: PUCT Project No. 53911, *Aggregate Distributed Energy Resource (ADER) ERCOT Pilot Project*

Enclosed for filing in the above-referenced project are notes of the ADER Task Force meeting that took place on September 12, 2022.

Regards,

A handwritten signature in black ink that reads 'Jason M. Ryan'.

Jason M. Ryan
Chair, ADER Task Force

Enclosures

CHAIR'S NOTES FROM THE
MEETING OF THE
AGGREGATED DISTRIBUTED ENERGY RESOURCE (ADER) TASK FORCE

MONDAY, SEPTEMBER 12, 2022, 3:00 PM
COMMISSIONERS' HEARING ROOM
7TH FLOOR, WILLIAM B. TRAVIS BUILDING

1. Welcome, Antitrust Compliance Reminder and Logistics

The meeting was called to order by the Chair at 3:04 p.m. and the following antitrust admonition was given:

Section 4 of the Charter provides:

“The Commission strictly prohibits members of the Task Force and their employees and other entities or persons that may participate in Task Force activities from using their participation in Task Force activities as a forum for engaging in practices or communications that violate applicable antitrust laws.”

The Task Force representatives and their member organizations are committed to full compliance with federal and state antitrust laws and to maintaining the highest ethical standards in the way we conduct our activities.

2. Introductions and Roll Call

Each member of the Task Force introduced themselves, who they represent, and spoke briefly about their company/organization.

Attendance of the Task Force members is reflected in the chart below:

| Member | Company | Proxy | Present / Absent |
|---------------------|------------------------|----------------|------------------|
| Jason Ryan | CenterPoint Energy | | P |
| Alejandro Ramirez | AEP | | P |
| Andrew Higgins | CPS Energy | | P |
| John Padalino | Bandera Electric Co-op | | P |
| Martha Henson | Oncor | | P |
| Arushi Sharma Frank | Tesla | | P |
| James McGinnis | David Energy | Jaden Crawford | P |
| Michael Lee | Octopus Energy | Michael Jewell | P |
| Ned Bonskowski | Vistra | | P |
| Resmi Surendran | Shell | | P |

| Member | Company | Proxy | Present / Absent |
|------------------|---|-------|------------------|
| Amy Heart | SunRun | | P |
| J.T. Thompson | Generac | | P |
| Joel Yu | Enchanted Rock | | P |
| John Bonnin | AutoGrid | | P |
| Suzanne Bertin | Texas Advanced Energy Business Alliance (TAEBA) | | P |
| Carmen Best | Recurve | | P |
| Erik Ela | Electric Power Research Institute (EPRI) | | P |
| Margo Weisz | Texas Energy Poverty Research Institute (TEPRI) | | P |
| Miroslav Begovic | Texas A&M University | | P |
| Scott Hinson | Pecan Street | | P |

3. Report on Task Force Work

The Vice-Chair then reviewed in detail the attached deck outlining the Task Force’s progress to date on issues related to the Governing Document.

Following that presentation, the Chair acknowledged the need for further discussion on several parking lot issues, which will likely be the subject of workshops in October and November.

4. Review of Upcoming Dates

The Chair reported that the Task Force would continue to meet over the next two weeks to finalize the first quarterly report that will be used to assist ERCOT in developing the Governing Document. Upcoming dates and deadlines include:

- First Quarterly Report due Monday, September 26
- Next Task Force Meeting Tuesday, October 11
- ERCOT Board of Director Meeting Tuesday, October 18

5. Task Force Member Announcements

There were no Task Force member announcements.

6. Public Comment

There were no public comments.

The Vice-Chair then opened the floor to any Task Force members to comment on the work summary provided earlier in the meeting.

- Joel Yu, with Enchanted Rock, provided his company's perspectives on a number of matters related to the Governing Document.

7. Date and Topics for Next Meeting

The Chair noted that the next meeting will be held on Tuesday, October 11, 1pm – 3pm.

The Chair then recognized Commissioner McAdams for any closing thoughts. Commissioner McAdams thanked the Task Force and particularly ERCOT Staff for their hard work on this project.

8. Adjourn

The meeting adjourned at approximately, 3:43 p.m.

ADER Task Force Update September 12, 2022

Aggregated Distributed Energy Resources ERCOT Pilot Project

Jason Ryan, CenterPoint Energy
Arushi Sharma Frank, Tesla

Filed in PUC Texas Project 53911

Report on Task Force Work

- Conducted 5 Workshops from August 26 – September 2, 2022
- 13 Presentations Available in PUC Texas Project 53911
 - ERCOT Overview of Aggregate DER Participation in Phase 1 of Pilot
 - ADER Model Characteristics, Aggregate Load Resources and Energy Storage Resources, P-Watt Advisors
 - Virtual Power Plants, Shell/Sonnen
 - Aggregated DER Experiences, Sunrun
 - VPP Solutions, AutoGrid
 - Virtual Power Plants, Tesla
 - ADER Pilot, Octopus Energy
 - Delivering Grid Services, Generac
 - Review of Certain Texas PURA Provisions & Frameworks, Task Force Discussion
 - Distribution System Overview, Oncor
 - Distribution Real-Time Operations, AEP
 - Distribution System Overview: Apolloware, Bandera Electric Cooperative
 - Introduction to ERCOT's Ancillary Services, ERCOT

Report on Task Force Work

- Each Task Force segment has developed recommended objectives and structural details in the following areas:
 - Recommendations for content of ERCOT Governing Document for ADER Pilot Project
 - Principles governing the pilot for consideration in ERCOT Governing Document
 - Business rules and supplemental documentation supporting a finalized ERCOT Governing Document
 - Milestones and topics to be reported on in Task Force Quarterly Reports
 - Macro-level goals and metrics demonstrating success of the pilot
- The Task Force members have met in several working sessions in small groups and as a full Task Force to develop areas of broad consensus and itemize topics for further discussion/development
- ERCOT has developed a Draft Governing Document serving as a “straw man” for further refinement
- The Task Force will hold further meetings to develop consensus over more areas and report recommendations to the Commission on 9/26/2022

Building Blocks for ERCOT Pilot Governing Document

- Launch pilot on time with minimal impact to ERCOT systems (Nov. 2022 earliest post Oct. Board Review)
- Phase 1 Proposed Approach:
 - An ADER is a Load Resource where all metered sites are located within a single Load Zone and have the same Load Serving Entity (LSE) and Distribution Service Provider (DSP)
 - An ADER will overcome technical ERCOT system hurdles by always being seen in ERCOT system as a net consumer of energy (for telemetry, market submissions) while individual Premises in the ADER are net injectors of energy
 - The ADER must provide at least 100 kW to register
 - ADERs should have Pilot Project-specific modeling and participation limits
 - The Aggregate Load Resource Framework should be the foundational basis for Phase 1, meaning ADERs will be limited to qualifying for energy capacity and non-spinning reserves (Non-Spinning Reserves Service).
 - ADERs would qualify to participate in ERCOT SCED Per Nodal Protocols Section 3.6.1
 - During Phase 1, ERCOT would develop with advice of the Task Force, an approach to allow ADERs to qualify for additional Ancillary Services such as Primary Frequency Response and Regulation Service
 - Deployment of an ADER, either for Non-Spin or for energy through SCED, will be in accordance with ALR requirements and other ERCOT rules - this includes dispatch using Load Zone shift factors

Building Blocks for ERCOT Pilot Governing Document

- Phase 1 Proposed Approach Cont'd:
 - Known limitations relevant to the Distribution Service Provider (DSP), such as Premise injection limitations, would be reflected in the registration of the ADER.
 - Identified limitations on the distribution system would not explicitly be enforced by ERCOT's systems in awarding or dispatching the ADER
 - Population change management for the ADER would be the responsibility of the QSE and Resource Entity registering the ADER
 - ADER telemetry = accurate representation of the aggregate values of all sites in the Resource; values may be based on device-level or Premise-level conditions or a combination of both.
 - An offset value will be added to the aggregate values, if needed, to ensure the telemetry is always communicated to ERCOT as a net load. Offset value will be established between the QSE and ERCOT as part of the qualification process and as a static level that will allow for some growth in the ADER
 - Metered sites within the ADER that inject into the distribution system, that injection will be treated as negative Load and the ERCOT energy settlement will value it as negative Load in the settlement for the QSE

Key Areas for Further Discussion for Governing Document

- 1 MW Individual Premise Cap (Net 1 MW A/S and 1 MW Nameplate Capacity)
- Load Zone Definition for Competitive TDSP Areas and NOIEs
- Load Zone-Based MW Caps on Capacity Participating as ADER – and process to raise them as program shows success
- Interoperability IEEE Requirements
- Common Information Model Load Identification Process between TSPs and ERCOT
- Information Exchange between Aggregating LSE and DSP prior to ERCOT Registration (Reliability Data, Interconnection Reviews)
- 4-Hour Duration Requirement for Non-Spinning Reserves Participation
- Areas for Commission Action – simplified approach to “Power Generation Company” treatment of an ADER exporting grid services, standardized customer disclosure language in competitive retail offer plans explaining how the pilot rules will dictate eligibility for VPP credits
- ERCOT Rules requiring waivers prior to Governing Document review by ERCOT Board

Post-Governing Document Tasks

- Task Force “Parking Lot”
- Task Force Consensus on post-Governing Document deliverables
 - Agreement between an ADER Aggregating LSE and Participating DSP
 - Acknowledgement and Information Submission from DSP to ERCOT
 - Information Submissions and Registration between Resource Entity and ERCOT
 - Customer Enrollment Process Standardization (Disclosures)

Representative Long-Term Milestones – Macro View on Socioeconomic, Environmental, Reliability Impacts

- Track and measure the trend in contribution of different ADER resources - include technologies and aggregation strategies that could contribute to reliability but may be nascent in development
- Incent competition and diversity in “virtual power plant” type retail offers
- Increase payback for customers that have already adopted DERs and create value stream for future customers
- Build a program that encourages long-term market development in the MUNI, COOP and deregulated market regions and opens up Texas to more competition via third party DER aggregation services
- Provide benefits to diverse socio-economic households, and geographic areas throughout the state; allow varied business models to reach diverse customer segments with a consistent value proposition
- Model should increase or maintain grid resiliency and system reliability

.....and much more!

Upcoming Dates & Deadlines

- ~~9/12/2022 ADER Task Force Public Meeting~~
- 9/26/2022 ADER Task Force Initial Quarterly Report Due
- 9/28/2022 ERCOT Technical Advisory Committee Meeting
- 10/2/2022 ERCOT Governing Document Final Version Due
- 10/6/2022 Public Utility Commission Open Meeting
- 10/11/2022 ADER Task Force Public Meeting
- 10/18/2022 ERCOT Board of Directors Presentation of Governing Document with Request for Approval
- ↻ • 10/20/2022 Public Utility Commission Open Meeting