



Control Number: 53911



Item Number: 2

Public Utility Commission of Texas

Commissioner Memorandum

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PUBLIC UTILITY COMMISSION
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TO: Chairman Peter M. Lake
Commissioner Lori Cobos
Commissioner Kathleen Jackson

FROM: Commissioner Will McAdams
Commissioner Jimmy Glotfelty

DATE: August 12, 2022

RE: Project No. 53911 – *Aggregated Distributed Energy Resources ERCOT Pilot Project*

As previously discussed in prior Open Meetings, the Commission is forming a Task Force to launch an Aggregated Distributed Energy Resources (ADER) pilot project and to assist ERCOT in drafting the governing document. During the July 28, 2022 ADER Pilot Task Force Workshop, we took comments from multiple stakeholders on the Task Force Charter which dictates the purpose and expectations of the Task Force members. The final charter incorporates the comments submitted and is attached to this memo.

At the ADER Pilot Task Force Workshop and August 4, 2022 Open Meeting, we announced our intention to receive nominations for the first cohort of Task Force Members. We are pleased to announce our selection of the inaugural Task Force Members:

Transmission and Distribution Service Providers

- 1.) Jason Ryan, CenterPoint Energy **Chair**
- 2.) Alejandro Ramirez, AEP
- 3.) Andrew Higgins, CPS Energy
- 4.) John Padalino, Bandera Electric Cooperative
- 5.) Martha Henson, Oncor

Retail Electric Providers

- 1.) Arushi Sharma Frank, Tesla **Vice Chair**
- 2.) James McGinnis, David Energy
- 3.) Michael Lee, Octopus Energy
- 4.) Ned Bonskowski, Vistra
- 5.) Resmi Surendran, Shell

ADER Providers

- 1.) Amy Heart, SunRun
- 2.) J. T. Thompson, Generac
- 3.) Joel Yu, Enchanted Rock
- 4.) John Bonnin, AutoGrid
- 5.) Suzanne Bertin, Texas Advanced Energy Business Alliance (TAEBA)

Technical Expertise/Institutions

- 1.) Carmen Best, Recurve
- 2.) Erik Ela, Electric Power Research Institute (EPRI)
- 3.) Margo Weisz, Texas Energy Poverty Research Institute (TEPRI)
- 4.) Miroslav Begovic, Texas A&M University
- 5.) Scott Hinson, Pecan Street

We look forward to the results of the important work that the Task Force members have been tasked with to unlock distributed assets for further reliability in the ERCOT system.

Charter
ADER Pilot Task Force
Public Utility Commission of Texas

Purpose & Scope:

Commissioners Will McAdams and Jimmy Glotfelty hereby establish the Aggregated Distributed Energy Resource (ADER) Pilot Task Force (the Task Force). The Task Force will be convened by the chair and/or vice chair from time to time. The obligation of the task force to the Commission is to:

- 1.) make recommendations on the proposed and, eventually, ongoing Electric Reliability Council of Texas (ERCOT) ADER Pilot Program consistent with the McAdams/Glotfelty memo (filed July 13, 2022 in Project No. 51603) regarding principles/scope for an ADER Pilot Program;
- 2.) present a proposed ADER Pilot Program Governing Document to ERCOT staff and recommend that ERCOT issue certain temporary exceptions from ERCOT rules as necessary to effectuate the purposes of the proposed ADER Pilot Program, and support ERCOT's presentation of the proposal to the ERCOT Board of Directors (BOD) for approval;
- 3.) develop business procedures such as an ADER Pilot Program Load-Serving Entity (LSE) Enrollment Guide, template agreement(s) for LSEs and ERCOT Transmission & Distribution Service Providers (TDSPs) to exchange information related to ADER customer enrollments, and procedures for LSEs to seek grid services qualification by ERCOT for enrolled ADER customer sites;
- 4.) provide a forum for potential pilot participants to develop and discuss milestones to be included in the proposed ADER Pilot Program Governing Document and during an ongoing ADER Pilot Program, discuss emerging issues, lessons learned, and exchange necessary information for successful progress of the Pilot Program in relation to milestones established in the Governing Document; and
- 5.) provide the Commission with quarterly reports on the status of the ADER Pilot Program, including recommendations for any changes that can be implemented quickly to the ADER Pilot Program Governing Document, ERCOT Protocols, or the Commission rules that are appropriate based on the progress of the ADER Pilot Program in the prior periods.

The Task Force shall make every effort to ensure that ERCOT and the electric distribution system benefit from and are not harmed by the work of the ADER Pilot Program.

Participation:

Membership

The membership of the Task Force shall include pilot program representatives of the following:

- 1.) up to five Retail Electric Providers;
- 2.) up to five Transmission & Distribution Service Providers (including Non-Opt In Entities);
- 3.) up to five Distributed Energy Resource providers/aggregators representing a range of technologies and customer classes; and
- 4.) up to five policy/research groups/trade associations with experts in institutional infrastructure as it relates to operational and technical standards.

A chair and vice chair will be selected from the Task Force members. The members, chair, and vice chair are selected by Commissioners McAdams and Glotfelty or the Commission. In addition, the Commission Division Directors, Office of Public Utility Council (OPUC), ERCOT, and ERCOT Technical Advisory Committee (TAC) may appoint liaisons to the Task Force.

Participation on the Task Force does not provide any sort of preferential treatment for participation in the pilot program. Ability to participate in the pilot is independent of Task Force participation.

Chair and Vice Chair

The Task Force shall be led by a chair and a vice chair. The chair and vice chair are ultimately responsible for drafting and writing reports, making presentations to the Commission and ERCOT, as necessary, and scheduling and running meetings. The chair and vice chair may invite guests to Task Force meetings whom they believe are necessary or helpful to allow the Task Force to complete its work. The chair or the chair's designee is responsible for taking meeting notes and filing them in Project No. 53911.

The chair and vice chair should employ best efforts to develop at least a majority consensus on topics essential to progressing the ADER Pilot Program and must bring any topic without majority consensus to the immediate attention of the Commission for decision if it may create risk to the ADER Pilot Program from progressing. If any member of the Task Force objects to a majority consensus decision of the Task Force, then the member shall have the opportunity to provide a dissenting statement and alternative recommendation to be filed in Project No. 53911.

Meetings and Public Participation

All Task Force meetings shall be called to order by the chair or vice chair. The Task Force will convene at least one monthly, in-person meeting (Task Force Meeting) at the Commission until the month in which the ADER Pilot Program Governing Document is approved by the ERCOT BOD. Any subsequent Task Force Meetings should be conducted at least quarterly but may be called as often as needed for the task force to do its work.

Remote participation will be available for Task Force members who cannot attend a Task Force Meeting in-person due to unforeseen contingencies. Task Force members may assign a proxy in advance of any Task Force Meeting and should provide the Task Force members written notice, as soon as reasonably practicable, of such assignment. A proxy may not permanently replace a

Task Force member, and the proxy process is only intended to temporarily assist the Task Force member in performing their obligations.

All Task Force Meeting dates will be noticed with an agenda in Project No. 53911 at least three business days prior to such meetings, will be broadcast online and include a post-meeting public comment opportunity in Project No. 53911. Meeting materials will also be posted in this Project.

The chair or vice chair may convene additional closed technical working group sessions of the Task Force membership in person or virtually, as necessary to perform Task Force obligations and address action items identified at Task Force Meetings.

The Task Force chair, vice chair, and members may also request that the Commission host public virtual workshops/webinars/informational sessions to inform the work of the Task Force and educate interested stakeholders about topics and technical considerations which arise at any point during the ADER Pilot Program.

The chair or vice chair may set aside time on the agenda for any Task Force Meeting to include oral public comments in addition to the public written comment opportunity which will be provided after every Task Force Meeting.

All Task Force Meeting presentations, reports, and recommendations will be filed in Project No. 53911. Public comments may be filed on these materials at any time to enable the Commission to consider all filed comments and information prior to taking action in response to Task Force recommendations.

Reports

The Task Force will prepare written quarterly reports, with interim reports as needed to enable actions that can be taken immediately. Each report will provide policy, regulatory, and market recommendations and potential next steps for the Commission to consider for its own action, direction to ERCOT, or recommendations to the legislature. Each report will also include a preview of contents for the following reports.

The initial quarterly report to the Commission is due on or before September 26, 2022. The initial quarterly report should make recommendations on the ADER Pilot Program Governing Document, with the goal of achieving ERCOT BOD approval of the document by the BOD's Oct. 18, 2022, regular meeting. The initial quarterly report will also recommend specific milestones over the following twelve months beginning upon approval of the Governing Document that are goals that the Task Force sets forth for the ADER Pilot Program to achieve and questions the ADER Pilot Program should answer to inform future policy decisions by the Commission. For example, if the ADER Pilot Program is initially limited to allowing aggregations to participate in only certain activities or ancillary services markets, then the report should address what progress is necessary to expand the pilot program to allow aggregations to participate in additional activities or services. Similarly, if the pilot program initially includes a limit in the number of resources, the report should address what progress is necessary to increase participation of resources in the pilot program.

Duration:

The Task Force will meet during the duration of or until the completion of the ADER Pilot Program, which is currently contemplated to continue for at least three years. Prior to concluding the ADER Pilot Program and dissolving the Task Force, the Task Force will recommend next steps for the Commission to consider regarding ADER integration policies.

Membership will be reviewed every year. The Commission may request participation reports from the chair or vice chair to ensure that all Task Force members are able to fulfill their obligations under this Charter. The Commission may remove a Task Force member for lack of participation or any other reason with written notice to the member. A Task Force member may leave the Task Force at any time with written notice to the Commission. The Commission may initiate a nomination and selection process to fill any vacant member position.

Antitrust Admonition:

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.