



Filing Receipt

Received - 2023-04-04 02:30:00 PM
Control Number - 53911
ItemNumber - 46

PROJECT NO. 53911

AGGREGATE DISTRIBUTED	§	BEFORE THE
ENERGY RESOURCE (ADER)	§	PUBLIC UTILITY COMMISSION
ERCOT PILOT PROJECT	§	OF TEXAS

THIRD QUARTERLY REPORT OF THE ADER TASK FORCE

The undersigned ADER Task Force members respectfully submit this third quarterly report, covering the first quarter of 2023, pursuant to the provisions of the ADER Task Force Charter.¹ The content of report is informative and requires no Commission action.

I. Background

The ADER Task Force was formed on August 12, 2022 to, among other things, make recommendations for a proposed ERCOT ADER pilot project, assist ERCOT in preparing a Governing Document for that pilot project, develop necessary business procedures and template agreements related to the pilot project, and provide a forum for potential pilot project participants to discuss issues related to the development and launch of the pilot project.² Joining the ADER Task Force members to complete this work are liaisons appointed from the Commission, the Office of Public Utility Counsel, ERCOT, and the ERCOT Technical Advisory Committee.

A Governing Document for Phase 1 of the pilot project, for up to 80MW of ADERs (including up to 40MW providing non-spinning reserve service), was approved by the ERCOT Board of Directors on October 18, 2022. And the Commission discussed

¹ Prior quarterly reports of the Task Force are available in this project. *See* Project No. 53911, First Quarterly Report of the ADER Task Force (Sep. 26, 2022); Second Quarterly Report of the ADER Task Force (Dec. 9, 2022).

² *See* Project No. 53911, Commissioners' Memo at Charter p1 (Aug. 12, 2022).

and approved the Governing Document on November 3, 2022. Phase 1 of the pilot project began on January 3, 2023.

II. Report on Task Force Activity

On March 8, 2023, the ADER Task Force held a public workshop to discuss the status Phase 1 of the pilot project, as well as challenges or issues facing market participants and/or customers. The material presented at that workshop, along with a link to an archived replay of the workshop, were filed in this project.³

The ADER Task Force held its fourth official monthly meeting in the Commissioners' Hearing Room on March 22, 2023 to provide the public status reports on the Task Force's activities and receive public comment. Notes from that meeting were filed in this project.⁴

III. Pilot Project Update

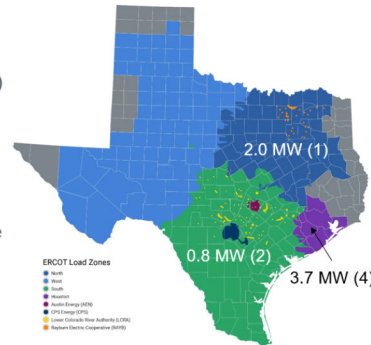
At the March 8 workshop, ERCOT provided an update on the status of Phase 1 of the pilot project. As of that time, there were ADER registrations pending for the Houston, North, and South load zones, as reflected in the following slide. It is expected that these ADERs could be providing energy and ancillary services in the second quarter of 2023.

³ See Project No. 53911, Materials Presented at the ADER Task Force workshop - March 8, 2023 (March 16, 2023).

⁴ See Project No. 53911, Notes of the ADER Task Force meeting on March 22, 2023 (April 4, 2023).

Pending pilot participation as of March 7, 2023

- Prospective participants in the pilot have been engaging with end-use customers, Distribution Service Providers (DSPs), and ERCOT staff.
- ERCOT has accepted seven Details of the Aggregation (DOTA) forms:
 - Aggregated devices include synchronous generators, stationary batteries, and HVAC systems.
 - All ADERs intend to provide some amount of Non-Spin, based on DOTA submissions.
 - ERCOT-Wide Energy: 6.5 MW
 - ERCOT-Wide Non-Spin: 2.2 MW



These aggregate values have decreased slightly from what ERCOT presented on to the Reliability & Markets Committee on February 27, 2023. These decreases are based on updated DOTA forms.

More specifically, as shown on the following slide, the Houston zone is about 18% subscribed for energy, and about 13% subscribed for non-spinning reserve service. The North zone is about 7% subscribed for energy, and about 4% subscribed for non-spinning reserve service. And the South zone is about 8% subscribed for energy and about 6% subscribed for non-spinning reserve service.

Participation limits tracking as of March 7, 2023

		LZ_AEN	LZ_CPS	LZ_HOUSTON	LZ_LCRA	LZ_NORTH	LZ_RAYIN	LZ_SOUTH	LZ_WEST	ERCOT-WIDE
Energy	Limit (MW)	2.8	5.3	20.3	3.1	28.7	1.2	10.3	8.2	80.0
	Approved (MW)	0	0	3.7	0	2.0	0	0.8	0	6.5
	Unused (MW)	2.8	5.3	16.6	3.1	26.7	1.2	9.5	8.2	73.5
	% Full	0%	0%	18%	0%	7%	0%	8%	0%	8%
Non-Spin	Limit (MW)	1.4	2.7	10.1	1.6	14.3	0.6	5.2	4.1	40.0
	Approved (MW)	0	0	1.3	0	0.6	0	0.3	0	2.2
	Unused (MW)	1.4	2.7	8.8	1.6	13.7	0.6	4.9	4.1	37.8
	% Full	0%	0%	13%	0%	4%	0%	6%	0%	6%

A single QSE is not allowed to register more than 20% of a system-wide limit.

As market participants continue to engage customers for Phase 1 of the pilot project, the Task Force plans a continued dialogue on potential challenges to maximizing the Phase 1 limits of 80MW of ADERs overall, with up to 40MW of ADERs participating in non-spinning reserve service. When more experience is behind us, the Task Force plans to hold additional workshops on that topic in the second quarter. The Task Force also plans to have workshops in the second quarter to explore the potential of ADERs providing ancillary services other than non-spinning reserve service.


IV. Legislative Recommendations

As noted in our last quarterly report, there are no changes to current law needed for Phase 1 of the pilot project. But the Task Force identified four changes, detailed in the last quarterly report, that would clarify how provisions in current law apply in the context of the ADER pilot project. Those changes are generally reflected in House Bill 3387 and Senate Bill 1699. Representatives from the Task Force are engaged on those bills to support their passage.

V. The Next Quarterly Report

The ADER Task Force will submit its next official quarterly report on or before June 30, 2023. That next quarterly report will, among other things, review the initial months of the ADER pilot project and identify any early issues that may need to be addressed, as well as a look forward to Phase 2 of the pilot project.

Respectfully submitted,

A handwritten signature in black ink, reading "Jason M. Ryan", is positioned above a horizontal line.

Jason M. Ryan, CenterPoint Energy, Chair
Arushi Sharma Frank, Tesla, Vice-Chair
Alejandro Ramirez, AEP
Andrew Higgins, CPS Energy
John Padalino, Bandera Electric Cooperative
Martha Henson, Oncor
Jams McGinnis, David Energy
Michael Lee, Octopus Energy
Ned Bonskowski, Vistra
Resmi Surendran, Shell
Amy Heart, SunRun
J.T. Thompson, Generac
Joel Yu, Enchanted Rock
John Bonnin, AutoGrid
Suzanne Bertin, TAEBA
Carmen Best, Recurve
Erik Ela, EPRI
Margo Weisz, TEPRI
Miroslav Begovic, Texas A&M University
Scott Hinson, Pecan Street