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CY 2023 REVIEW OF RULES	§	PUBLIC UTILITY COMMISSION
ADOPTED BY THE INDEPENDENT	§	
ORGANIZATION	§	OF TEXAS

**COMMENTS OF ENEL NORTH AMERICA, INC.
REGARDING NODAL PROTOCOL REVISION REQUEST 1186**

COMES NOW, Enel North America, Inc. (Enel) and files these comments in response to the January 4, 2024, report filed by the Electric Reliability Council of Texas (ERCOT) regarding Nodal Protocol Revision Request (NPRR) 1186, *Improvements Prior to the RTC–B Project for Better ESR State of Charge Awareness, Accounting, and Monitoring*. As discussed below, ERCOT’s report actually demonstrates why the Commission should reject approval of NPRR 1186 at this time until ERCOT removes proposed amendments to Protocol Section 8.1 which would establish automatic liability for penalties due to maintenance of a specific level of an energy storage resource’s (ESR’s) state of charge (SOC) independent of the ESR’s performance in meeting its Ancillary Service Responsibility.

INTRODUCTION

Enel North America, part of the Enel Group, is a clean energy leader in North America and is working to electrify the economy and build a net-zero carbon future by decarbonizing energy supply, electrifying transportation, creating resilient grids, and promoting a just, equitable transition. In North America, Enel serves over 4,500 businesses, utilities, and cities through renewable power generation, demand response, distributed energy resources, smart e-mobility solutions and services, energy trading, advisory and consulting services, and more. Its installed portfolio includes around 9.8 GW of utility-scale renewable capacity, 690 MW / 1,036 MWh of utility-scale energy storage (9 operating batteries, all of which are in ERCOT) and 97 MW / 216

MWh of distributed energy storage capacity, 4.8 GW of demand response capacity, and 193,000 electric vehicle charging ports.

COMMENTS ON ERCOT REPORT

In support of its request that the Commission approve NPRR 1186, ERCOT includes in its report several charts that ERCOT states are “examples of instances in which QSEs have allowed an ESR’s SOC to fall to near-zero levels for multiple consecutive hours in which the QSE has assigned the ESR an AS Resource Responsibility” and are “examples that QSEs are wagering that ERCOT will not deploy their ESRs for AS for any material duration for many of the hours that ESRs are carrying AS Resource Responsibilities.”¹ Enel respectfully disagrees with ERCOT’s statements on both counts.

While ERCOT did not identify the ESRs at issue in these examples, Enel has determined that the operation of one of its Resources is reflected in Example 1.² As a result, Enel is able to inform the Commission that what ERCOT’s example and narrative fail to inform the Commission is that the SOC of this Resource was due to an ERCOT system error that Enel previously has discussed with ERCOT. This system error, in certain situations, causes the basepoints ERCOT sends to an ESR to force the continuous discharge of the ESR, and potentially do so at a time that the ESR is not allowed to restore its SOC.³ Enel has also discussed with ERCOT that this system error can force an ESR to charge as well. To date, ERCOT has provided no solution to its system limitations.

¹ ERCOT Report at page 34, Appendix C.

² ERCOT Report at page 35.

³ Such a limitation, for example, may be due to limitations imposed on some resources due to requirements related to the Investment Tax Credit, a restriction that ERCOT also has been informed of. In these instances, the operator of an ESR may ensure the ESR has a SOC at the end of a day so that it is ready to meet ancillary service obligations at the beginning of the next day.

In the face of identified ERCOT system limitations such as these, adoption of NPRR 1186 with provisions that could lead to automatic liability for significant penalties on an ESR due to ERCOT's operational instructions to the ESR is unreasonable and should be rejected. Adoption of Protocol revisions that would subject ESRs to this potential liability on the assumption that ESRs can ask for forbearance on enforcement will have a chilling effect on investment in the ERCOT market.

Enel works diligently to ensure that it maintains a SOC in all of its ESRs to ensure they are ready and able to meet their ancillary service responsibilities. Enel is not allowing its ESRs to have low SOC's regardless of its ancillary service responsibilities. Enel is not "wagering" as ERCOT alleges in its report.

Enel has worked collaboratively with ERCOT to discuss SOC issues as well as other aspects of ESR operation on the ERCOT grid and looks forward to continuing those discussions. Enel supports ensuring that ERCOT receives telemetry from ESRs that improves its awareness of ESR operations. But Enel opposes the proposed changes to Protocol Section 8.1 that would establish liability for penalties due maintenance of a specific level of an ESR's SOC independent of the ESR's performance in meeting its Ancillary Service Responsibility. Rather than rushing to impose penalties on a new and growing technology in the ERCOT market that offers unique capabilities to improve reliability of the ERCOT grid, Enel recommends that ERCOT work collaboratively with ESRs to study data regarding ESR operations, to identify issues that need to be solved, and to ensure the greatest opportunity for these resources to support reliability in the ERCOT market.

CONCLUSION

Enel appreciates the opportunity to file these comments on ERCOT's report regarding NPRR 1186. For the foregoing reasons, Enel respectfully requests that the Commission reject approval of NPRR 1186 and provide ERCOT guidance that the Commission could approve a revised version of NPRR 1186 if the proposed changes to Protocol Section 8.1 were removed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael J. Jewell", written over a horizontal line.

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