

Introduction

- ERCOT is in the process of implementing ERCOT Contingency Reserve Service (ECRS).
 - ERCOT is targeting to implement ECRS prior to the “EMS freeze” period (around May 2023 – Jan 2024)
- This presentation will discuss a proposed* methodology to determine the minimum quantities for ECRS in 2023. A spreadsheet that contains ECRS quantities from August 2022 through July 2023 that have been computed using this proposed methodology have been posted to today’s meeting page.
 - ERCOT is seeking stakeholder feedback on the proposed ECRS methodology.

Note on Non-Spinning Reserve Service (Non-Spin) quantities post ECRS implementation

- ECRS and Non-Spin differ in the reliability risks these services address, qualification criteria, response time and duration. As a result, upon ECRS’ implementation, Non-Spin requirement cannot entirely be substituted by the amount of ECRS procured as was originally proposed during NPRR863 discussions.
- That said, ERCOT expects the risks that Non-Spin is used to cover will evolve upon ECRS’ implementation. Hence the methodology to determine Non-Spin quantities in a world where ECRS exists may need revisions.
 - ERCOT plans to discuss the Non-Spin methodology that will apply with ECRS’ implementation as a part of the annual AS Methodology review process.

* Note, ERCOT may refine the ECRS methodology further as a part of the annual effort to review the methodology for determining Ancillary Service (AS) quantities (AS Methodology).

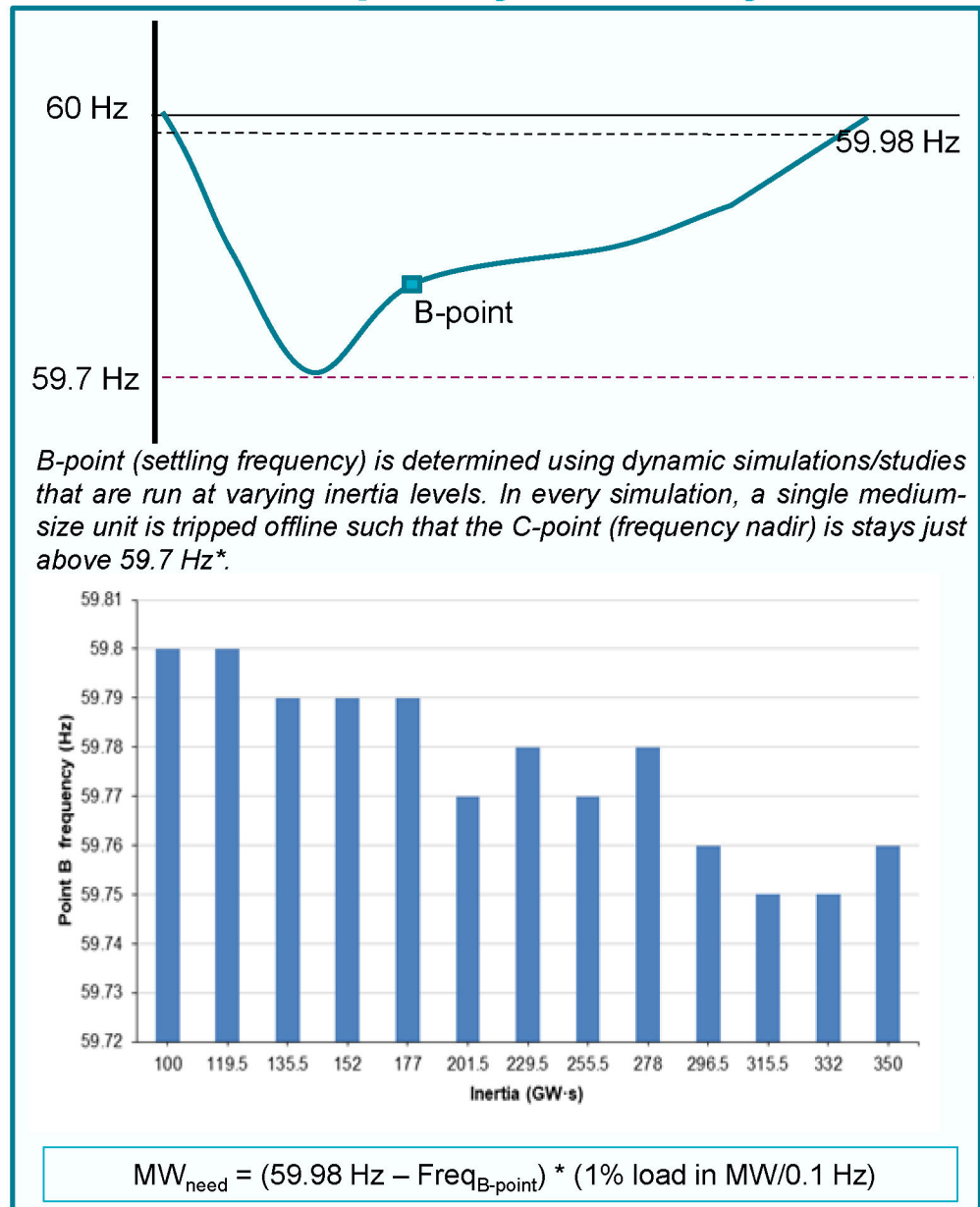
ECRS Requirements Methodology

- ECRS is a service that is provided using capacity that can be sustained at a specified level for two consecutive hours and is used to restore or maintain the frequency of the ERCOT System:
 - a) In response to significant depletion of RRS;
 - b) As backup Regulation Service;
 - c) By providing energy to avoid getting into or during an Energy Emergency Alert (EEA); and
 - d) Upon detection of insufficient capacity for net load ramps.
- ERCOT is proposing to compute ECRS requirements as the sum of,
 1. capacity needed to recover frequency following a large unit trip and
 2. capacity needed to support sustained net load ramps.
- The next few slides will discuss the detail about each of these components that establish the ECRS requirements.

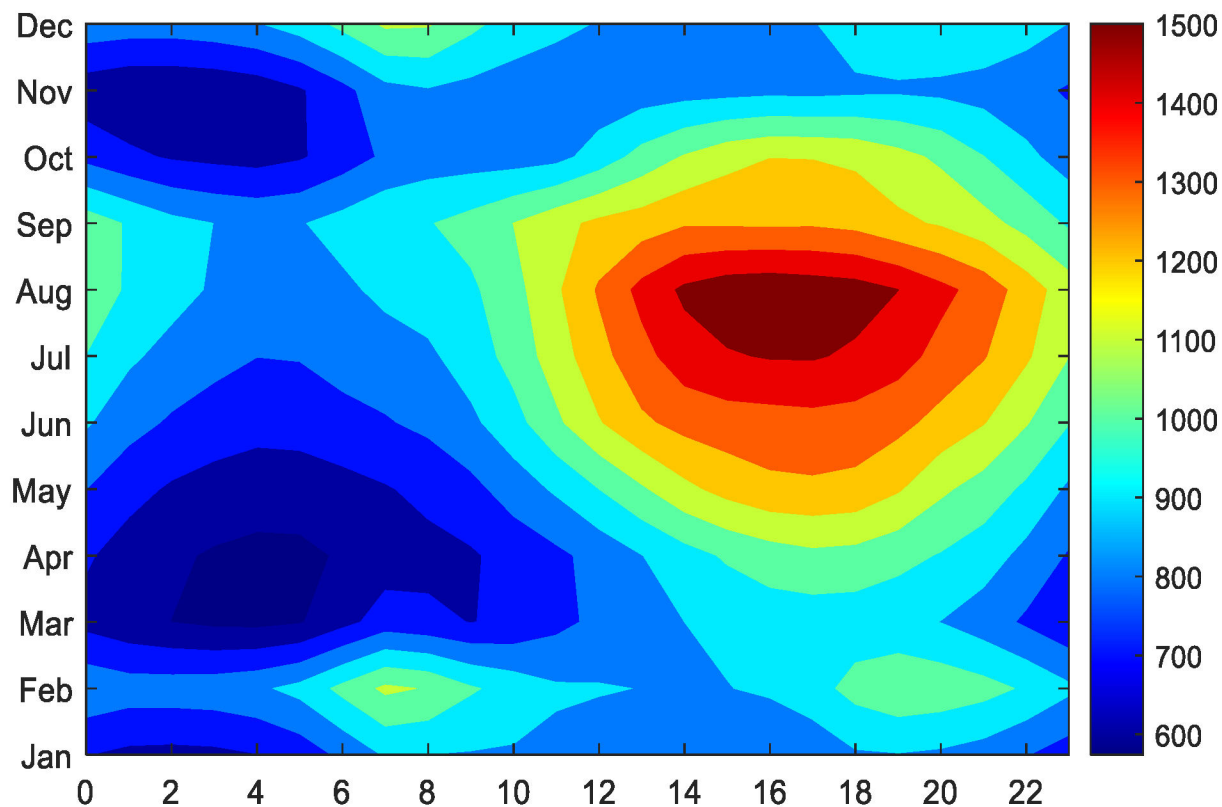
Method for Determining MWs needed for Frequency Recovery

- Capacity needed to recover frequency from B-point (i.e., settling frequency) to 59.98 Hz is determined by using dynamic simulations/studies that are run at varying inertia levels.
- In every simulation, a single medium-size unit is tripped offline such that the C-point (frequency nadir) is stays just above 59.7 Hz*.
- Capacity needed to recover frequency using this approach is determined for each hour of each month using two years historical data.

*59.7Hz is the trigger frequency for Load Resources that are providing RRS using an under-frequency relay.



MWs needed for Frequency Recovery



	Min	Mean	Max
MW _{need}	574 MW	951 MW	1,572 MW

Method for Determining Additional MWs needed for sustained Load Ramps

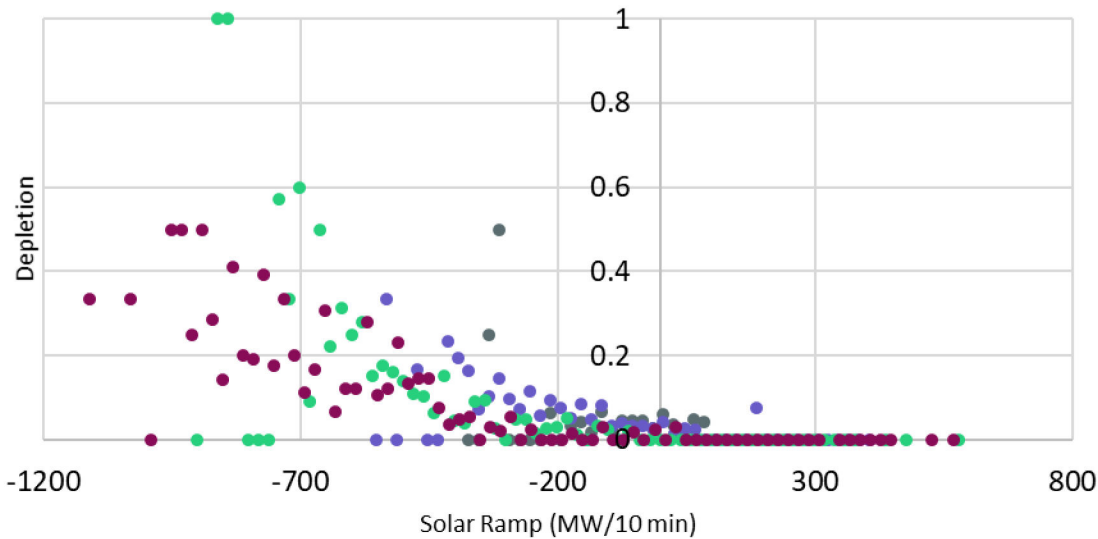
- Capacity needed to support sustained net load ramps will be computed using
 - 85th to 95th percentile of 30-minute ahead intra-hour net load forecast errors for same hour same month of previous two years
 - The percentile associated with every hour will be determined based on the risk of net load up ramp. Periods where the risk of net load ramp is highest will use 95th percentile and 85th percentile for periods with lowest risks.
 - An additional adjustment will be included to account for the impact of increase in over-forecast error from expected growth in solar generation installed capacity.

Regulation usage and SCED offset Trends

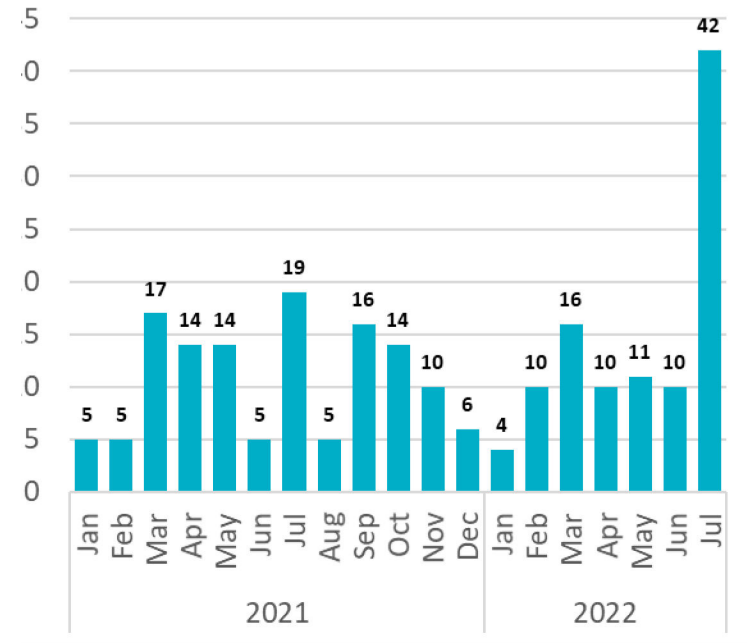
- As the solar installed capacity has increased, during the evening hours, the magnitude of 10-min solar ramps have increased and there has been more reliance on regulation up deployments and SCED offsets.

Reg-Up Depletion in Summer

● Reg-up depletion (2019) ● Reg-up depletion (2020)
● Reg-up depletion (2021) ● Reg-up depletion (2022)



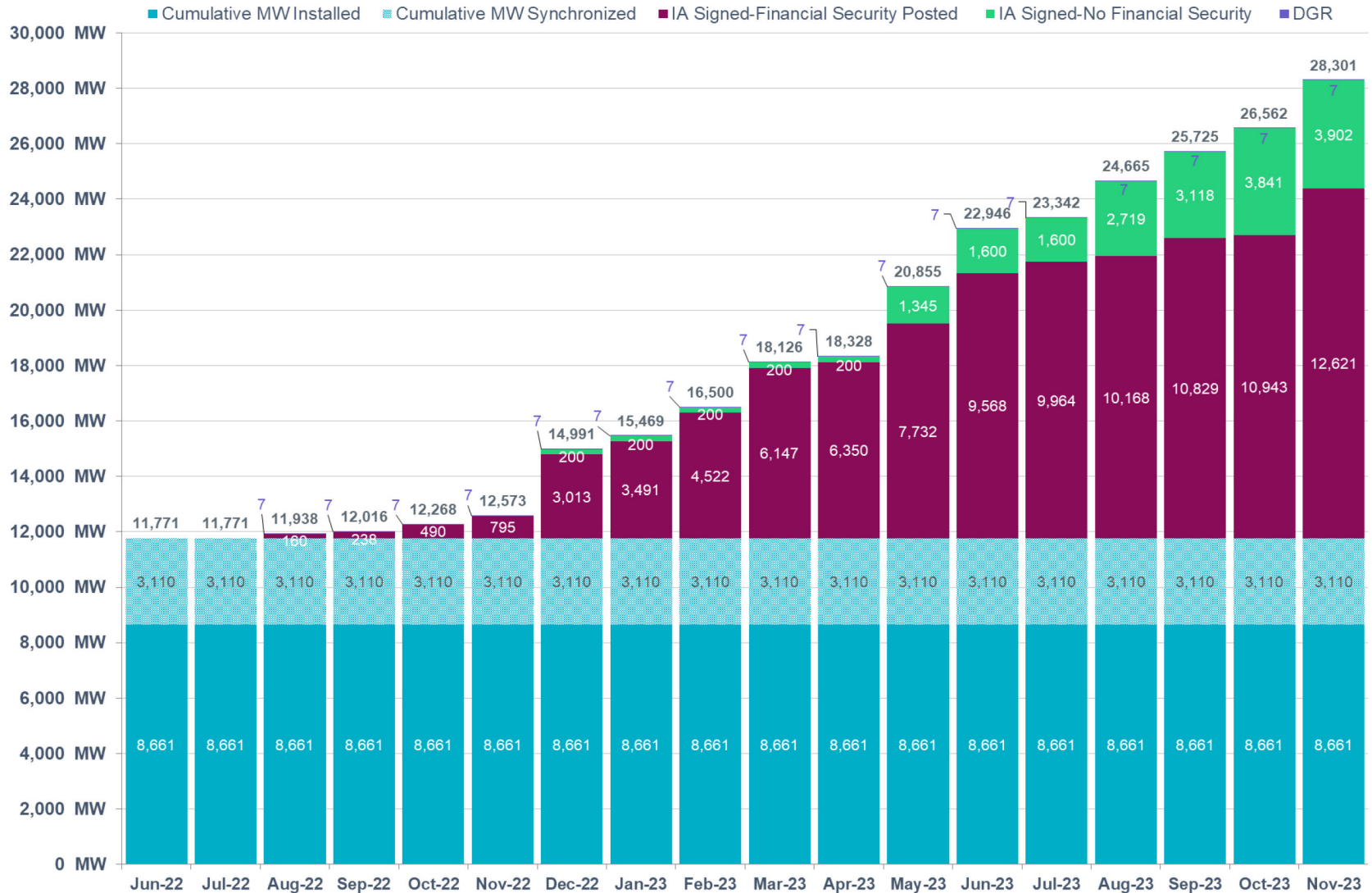
Cumulative Manual SCED Offsets by month



Projected Solar Generation Installed Capacity

PUCT
Judicial Notice
Item No. 11

ERCOT Solar Additions by Month (as of June 30, 2022)



Adjustment for Increase in Solar Installed Capacity

- Intra-hour Solar Over-Forecast Error Adjustment Table tracks estimated increase in 30-min ahead solar over forecast error per 1000 MW increase in installed solar capacity.

ADDITIONAL ECRS PER 1,000 MW INCREASE IN SOLAR INSTALLED CAPACITY

	HE 1-2, 23	HE 3-6	HE 7-10	HE 11-14	HE 15-18	HE 19-22
Jan	0	0	0	25	19	0
Feb	0	0	23	16	39	3
Mar	0	0	0	32	37	10
Apr	0	0	0	18	42	13
May	0	0	0	20	48	15
Jun	0	0	0	32	30	36
Jul	0	0	17	25	21	16
Aug	0	0	3	24	38	17
Sep	0	0	0	17	27	7
Oct	0	0	0	7	19	0
Nov	0	0	0	22	25	0
Dec	0	0	0	39	42	0

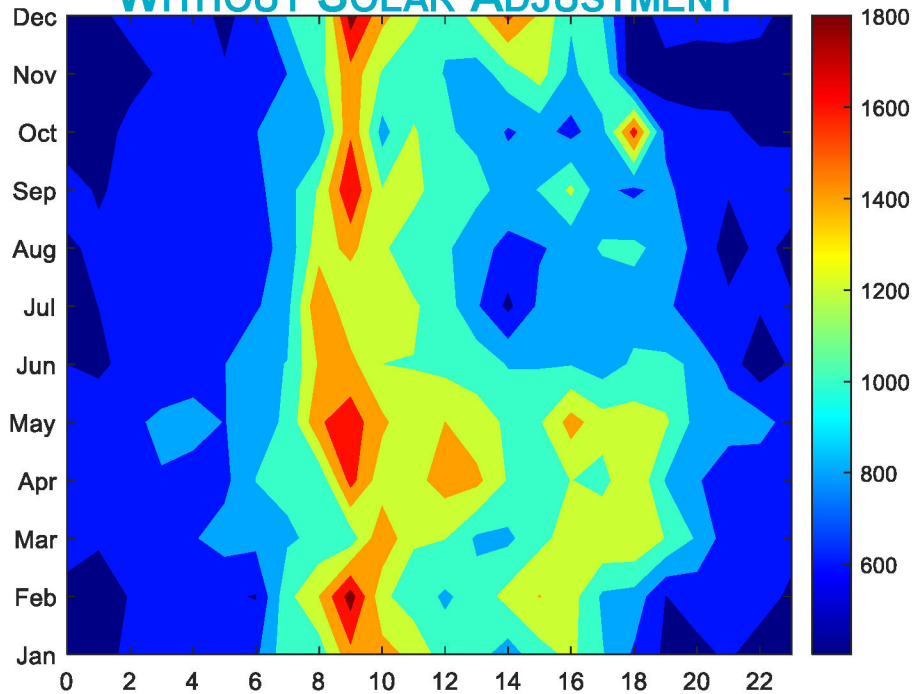
ADJUSTMENT FOR 2023 (MIN: 0 MW | MEAN: 68 MW | MAX 283 MW)

	H01	H02	H03	H04	H05	H06	H07	H08	H09	H10	H11	H12	H13	H14	H15	H16	H17	H18	H19	H20	H21	H22	H23	H24	
Jan	0	0	0	0	0	0	0	0	0	0	150	150	150	150	113	113	113	113	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	0	138	138	138	138	93	93	93	93	232	232	232	232	16	16	16	16	0	0
Mar	0	0	0	0	0	0	0	0	0	0	192	192	192	192	221	221	221	221	62	62	62	62	0	0	
Apr	0	0	0	0	0	0	0	0	0	0	106	106	106	106	248	248	248	248	78	78	78	78	0	0	
May	0	0	0	0	0	0	0	0	0	0	121	121	121	121	283	283	283	283	90	90	90	90	0	0	
Jun	0	0	0	0	0	0	0	0	0	0	191	191	191	191	178	178	178	178	211	211	211	211	0	0	
Jul	0	0	0	0	0	0	0	103	103	103	103	150	150	150	150	124	124	124	124	96	96	96	96	0	0
Aug	0	0	0	0	0	0	0	20	20	20	20	141	141	141	141	223	223	223	223	99	99	99	99	0	0
Sep	0	0	0	0	0	0	0	0	0	0	103	103	103	103	161	161	161	161	42	42	42	42	0	0	
Oct	0	0	0	0	0	0	0	0	0	0	40	40	40	40	110	110	110	110	0	0	0	0	0	0	
Nov	0	0	0	0	0	0	0	0	0	0	131	131	131	131	146	146	146	146	0	0	0	0	0	0	
Dec	0	0	0	0	0	0	0	0	0	0	233	233	233	233	248	248	248	248	0	0	0	0	0	0	

MW needed for Intra-hour Net Load Forecast Error

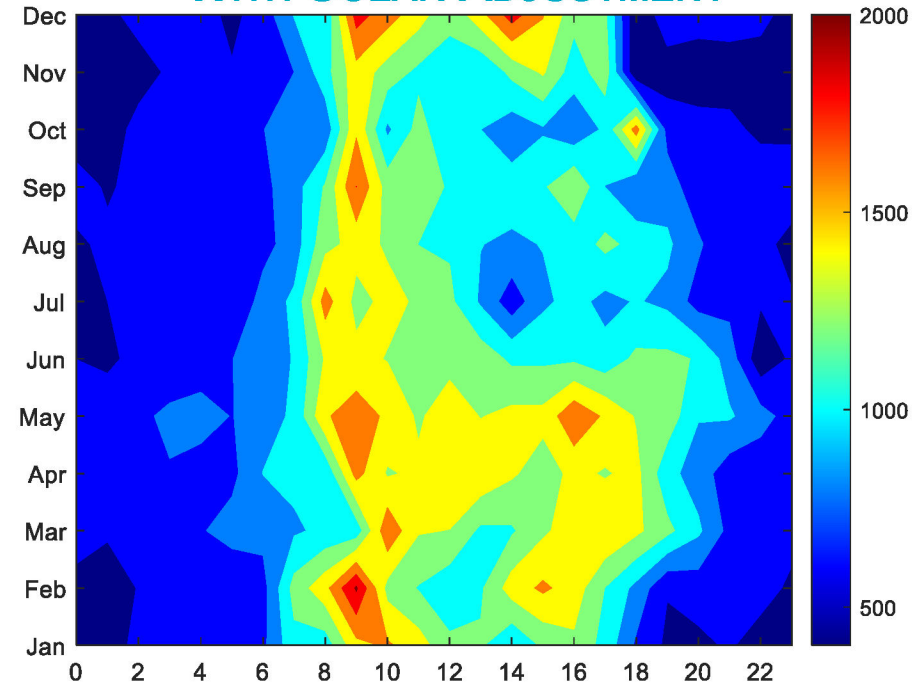
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WITHOUT SOLAR ADJUSTMENT



	Min	Mean	Max
MW _{need}	403 MW	913 MW	1,889 MW

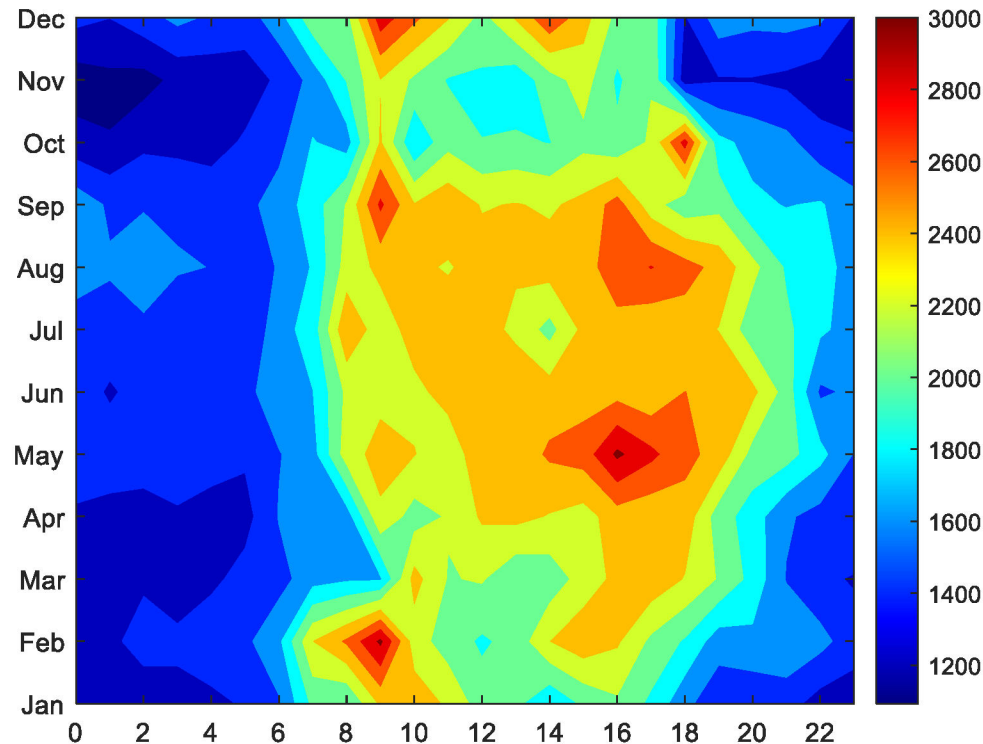
WITH SOLAR ADJUSTMENT



	Min	Mean	Max
MW _{need}	403 MW	981 MW	2,027 MW

ECRS Requirement for 2023

- Total ECRS requirement for every hour is computed as the sum of
 1. capacity needed to recover frequency following a large unit trip and
 2. capacity needed to support sustained net load ramps (with solar adjustment)



	Min	Mean	Max
ECRS	1,093 MW	1,933 MW	3,039 MW

Summary and Next Steps

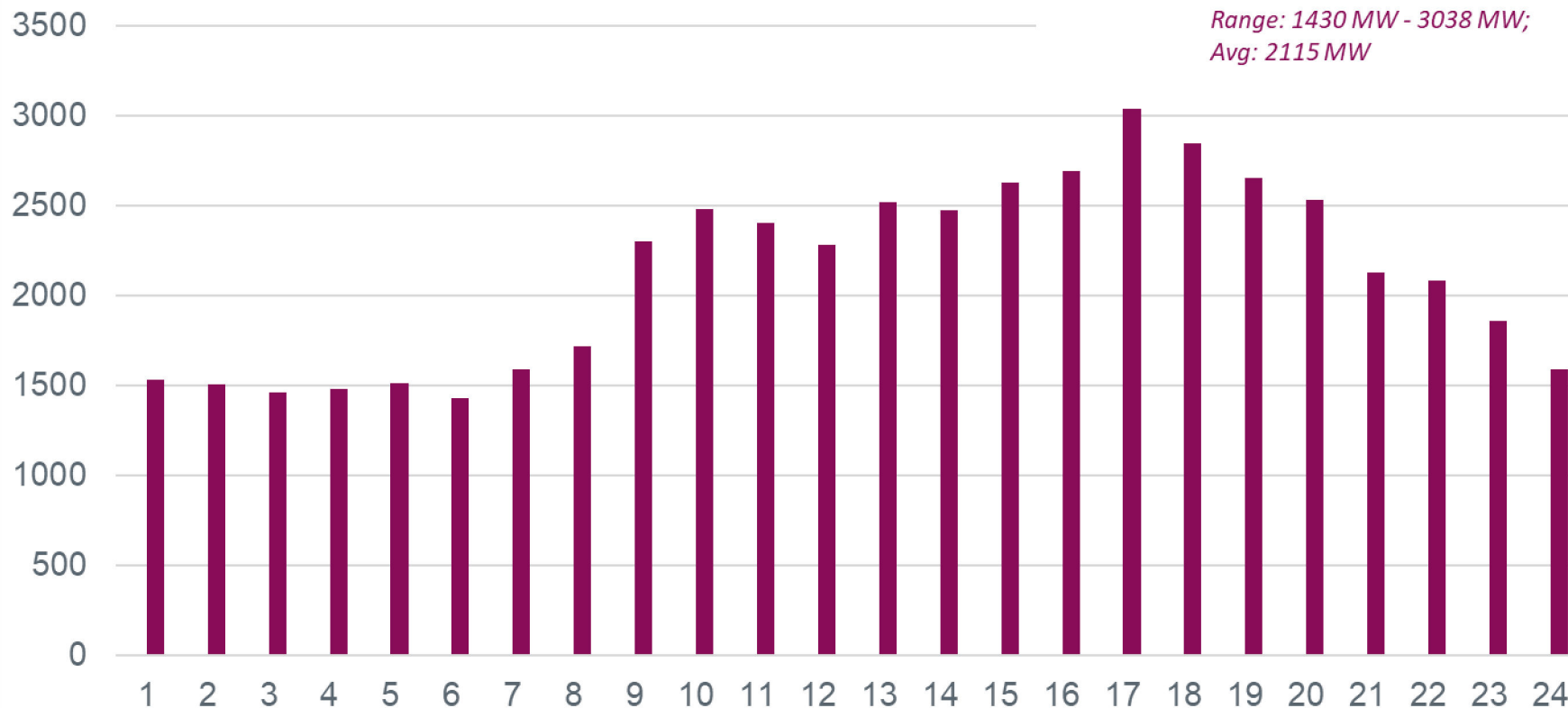
- Using the preliminary* methodology to determine the minimum quantities for ECRS, hourly ECRS requirements in 2023 may vary between 1,093 and 3,039 MW.
 - A spreadsheet that contains the associated ECRS quantities for January through July of 2023 have been posted to today's meeting page.
- ERCOT is seeking stakeholder feedback on the proposed ECRS methodology.
- Lastly, ERCOT expects the risks that Non-Spin is used to cover will evolve upon ECRS' implementation. Hence the methodology to determine Non-Spin quantities in a world where ECRS exists may need revisions.
 - ERCOT plans to discuss the Non-Spin methodology that will apply with ECRS' implementation as a part of the annual AS Methodology review process.

* Note, ERCOT may refine the ECRS methodology further as a part of the annual effort to review the AS Methodology).

ECRS Requirement Comparison for May

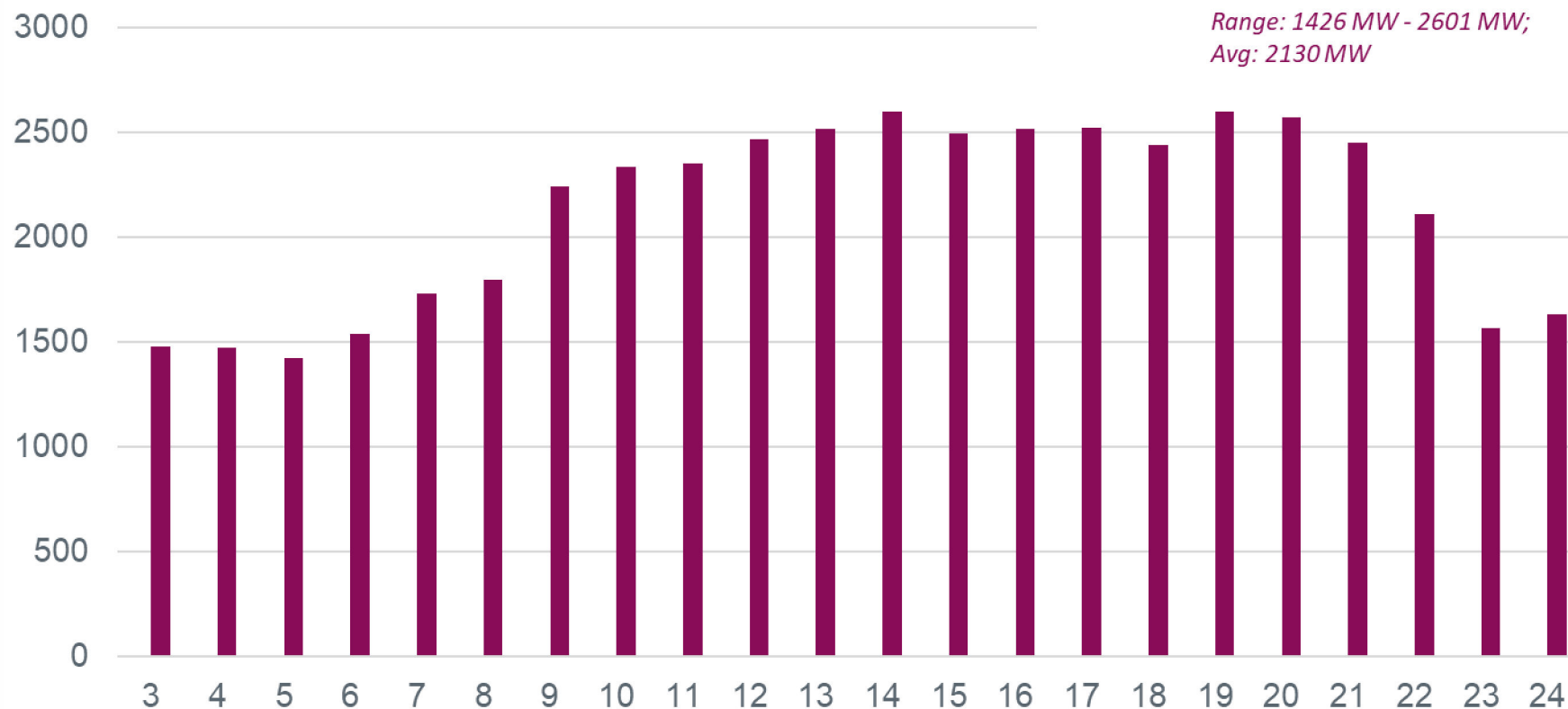
■ 2023

Range: 1430 MW - 3038 MW;
Avg: 2115 MW



ECRS Requirement Comparison for June

■ 2023

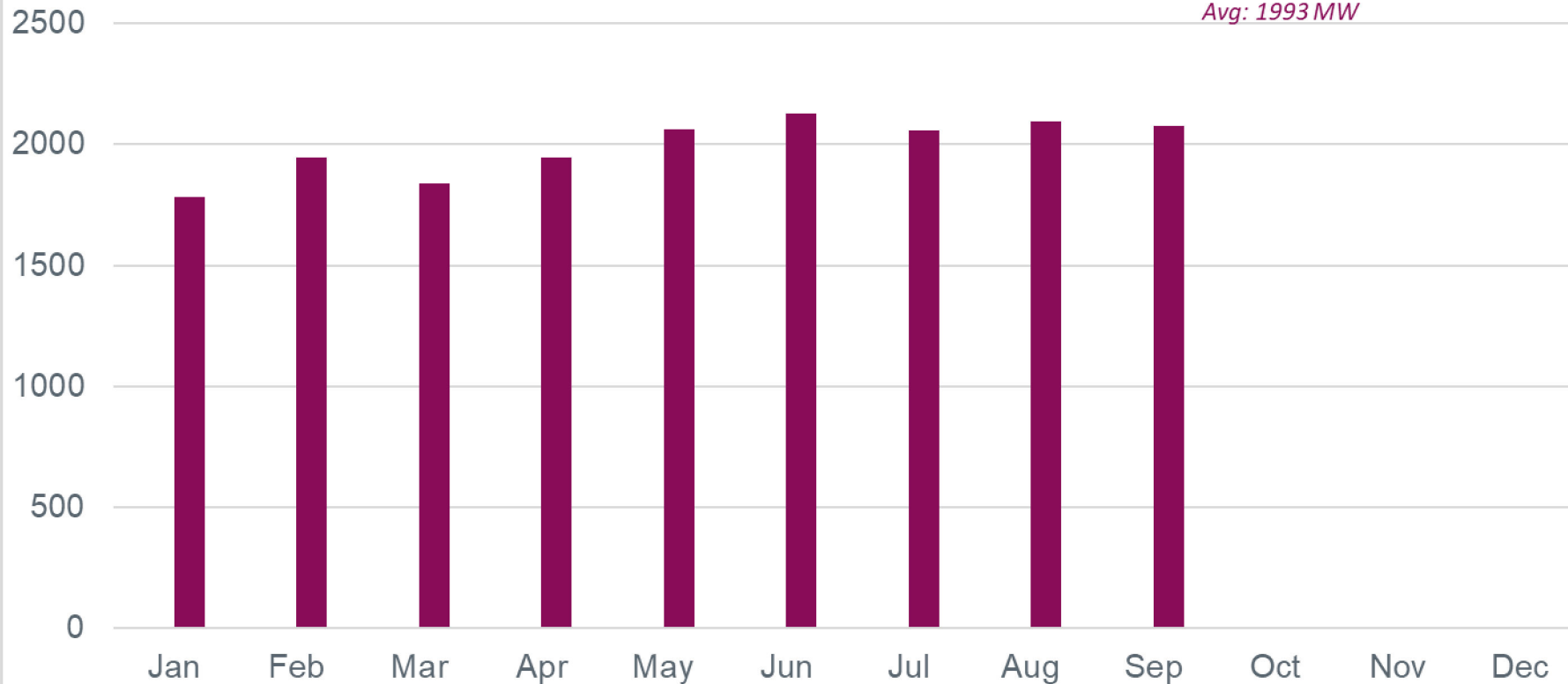


Hourly Average ECRS

Hourly Average ECRS Requirement Comparison

■ 2023

Range: 2130 MW - 1782 MW;
Avg: 1993 MW



PROPOSED 2023 ANCILLARY SERVICE METHODOLOGY AND PRELIMINARY QUANTITIES



ERCOT Staff

OCT 28, 2022 | PDCWG

Stakeholder Discussion Timeline

- ✓ September 14, 2022 – PDCWG (Methodology Discussion)
- ✓ September 23, 2022 – WMWG (Methodology Discussion)
- ~~October 20, 2022 – PDCWG (Proposed Methodology)~~ (Rescheduled to Oct 28.)
- ✓ October 28, 2022 – WMWG (Proposed Methodology)
- ✓ October 27, 2022 – OWG (Proposed Methodology)
- October 28, 2022 – PDCWG (Proposed Methodology)
- November 02, 2022 - WMS
- November 07, 2022 - ROS
- December 5, 2022 - TAC
- December 20, 2022 – BoD

Discussion Scope for Today

- This presentation will discuss the proposed methodology for computing Ancillary Service (A/S) quantities in 2023.
 - ERCOT is not proposing any changes in the methodologies used to compute Regulation Service and Responsive Reserve Service (RRS) requirements for 2023.
 - NERC's preliminary BAL-003 Interconnection Frequency Response Obligation (IFRO) for Operating Year (OY) 2023 assessment for ERCOT shows an increase in ERCOT's IFRO. With the update in ERCOT's 2023 IFRO, minimum RRS-PFR limit for 2023 will change to 1,390 MW.
 - ERCOT is proposing some changes in the methodology used to compute minimum Non-Spinning Reserve Service (Non-Spin) requirements in 2023. Specifically,
 - Prior to ECRS: Use 85th to 95th percentile of 10 Hours Ahead (HA) max. net load forecast error
 - After ECRS: Use 75th to 95th percentile of 6 HA hourly avg. net load forecast error
 - Upon its implementation, ERCOT is proposing to compute ECRS requirements as the sum of capacity needed to recover frequency following a large unit trip and capacity needed to support sustained net load ramps.
- The Ancillary Service (A/S) quantities for 2023 contained in this presentation are based on the methodology that was approved in December 2021.
 - The quantities for 2023 reflect moving forward the historic data on which these are based, unless otherwise noted.
 - Spreadsheets that contain the associated quantities have been posted on today's meeting page.

Regulation Service Methodology

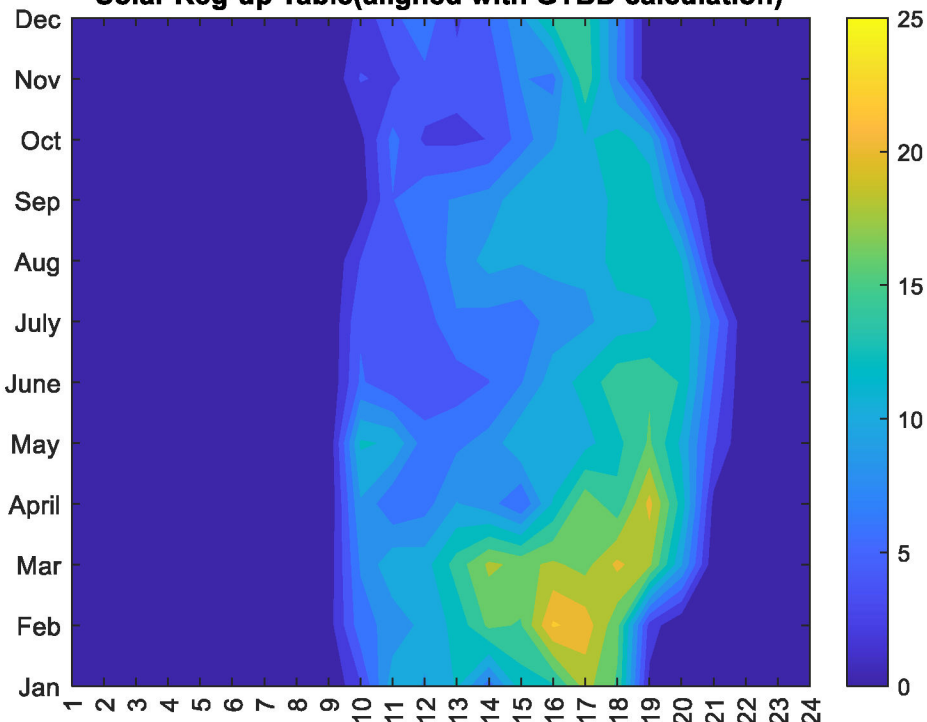
- ERCOT is not proposing any change to the methodology used to compute the minimum Regulation Service requirements in 2023.
- The preliminary Regulation quantities for January 2023 through September 2023 in subsequent slides have been computed using current methodology (2021 and 2022 five-minute net load variability), updated Wind Adjustment tables and the updated Solar Adjustment tables.

No change in slides 5, 6, 7 and 8 since last presentation. September data has been included in Slide 9.

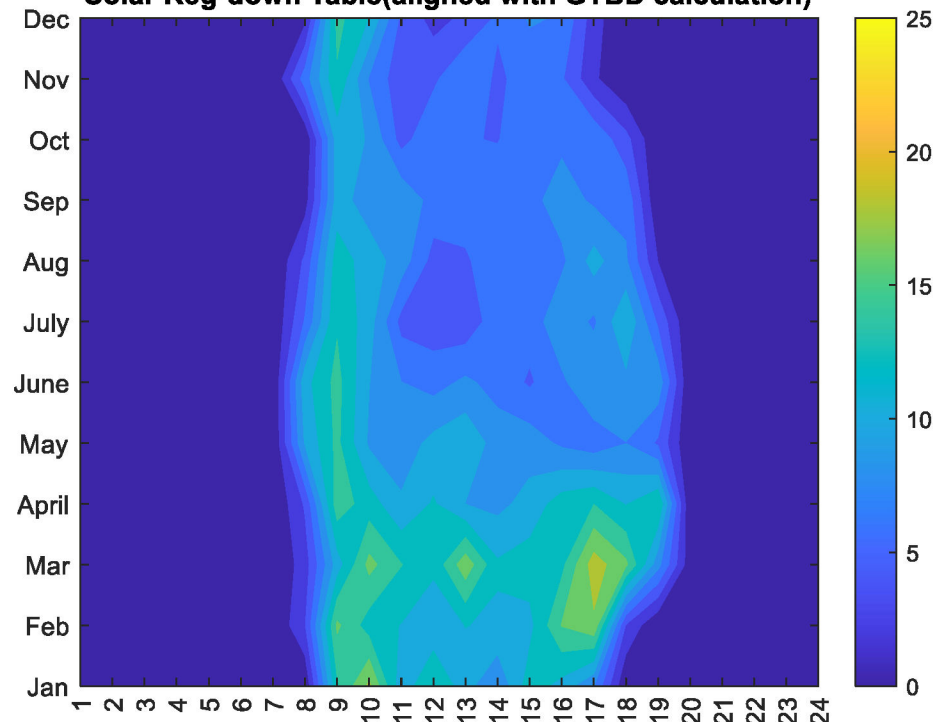
2023 Solar Adjustment Tables

Solar Adjustment Tables track incremental MWs of Regulation needed to account for additional variability per 1000 MW increase in installed solar capacity. *The methodology for 2023 Solar Adjustment tables has been updated to better align it with how 5-minute wind and solar forecasted ramps are currently used in operations.*

Solar Reg-up Table(aligned with GTBD calculation)



Solar Reg-down Table(aligned with GTBD calculation)

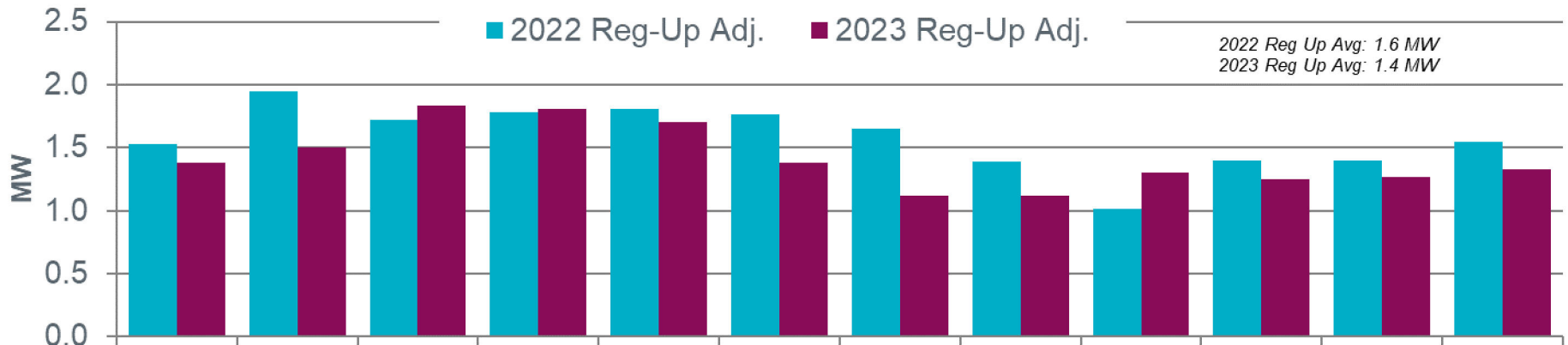


	Min (MW)	Max (MW)	Average (MW)
Reg Up	0	25.4	9.9
Reg Down	0	22.4	8.2

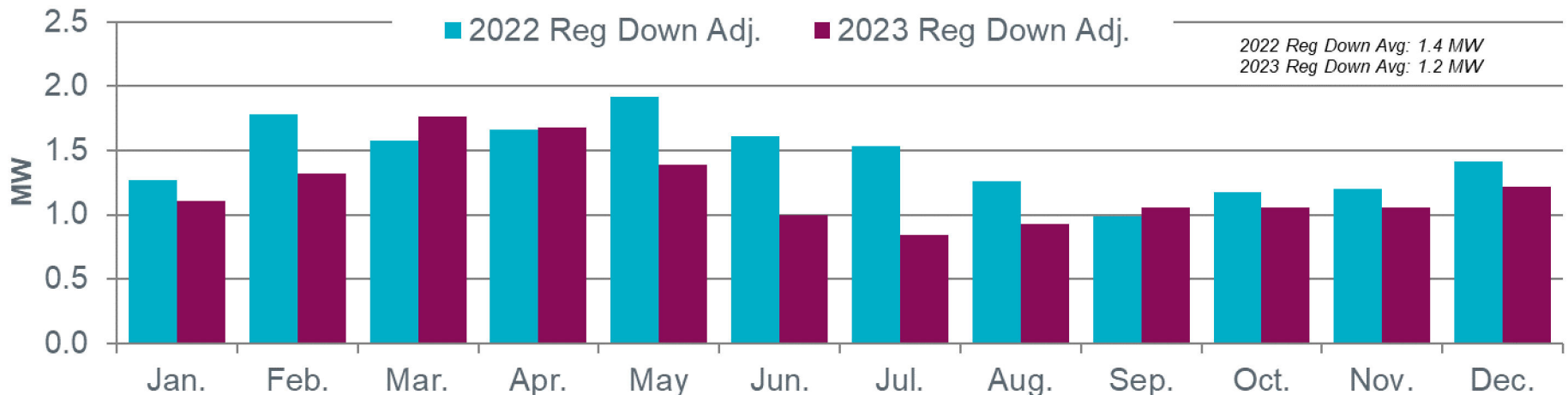
2023 Wind Adjustment Tables

Wind Adjustment Tables track incremental MWs of Regulation needed to account for additional variability per 1000 MW increase in installed wind capacity.

Reg-Up Adjustment per 1000 MW increase in Wind Installed Capacity

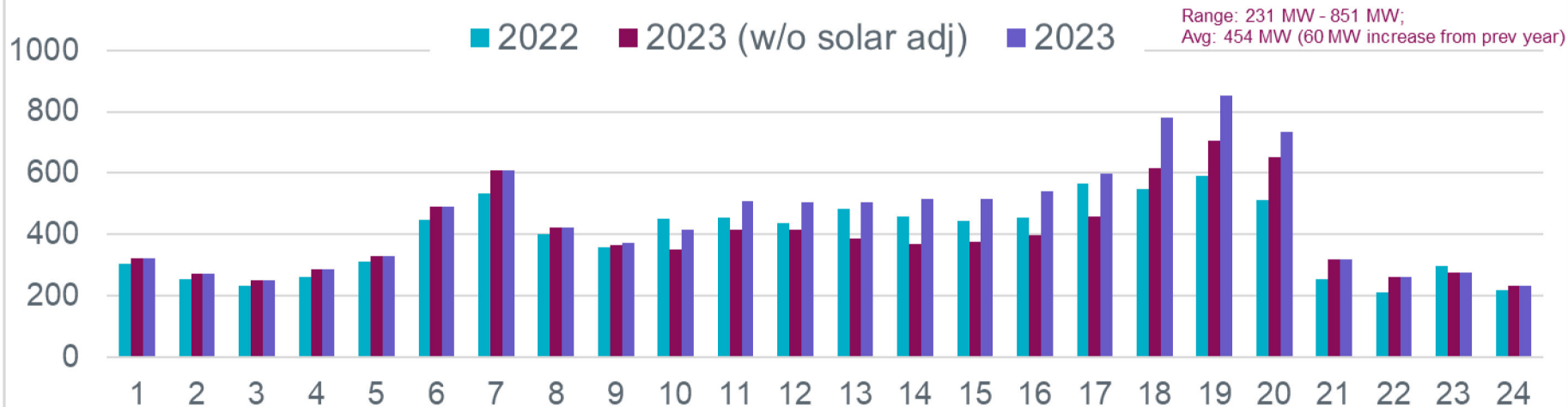


Reg-Down Adjustment per 1000 MW increase in Wind Installed Capacity

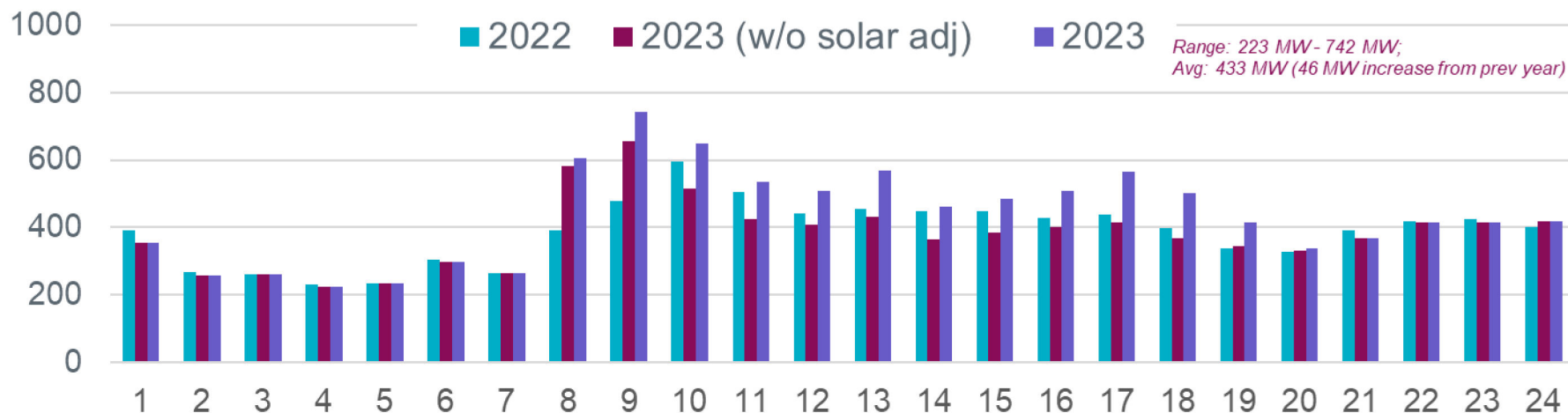


Regulation Comparison March

Regulation Up Requirement Comparison for March

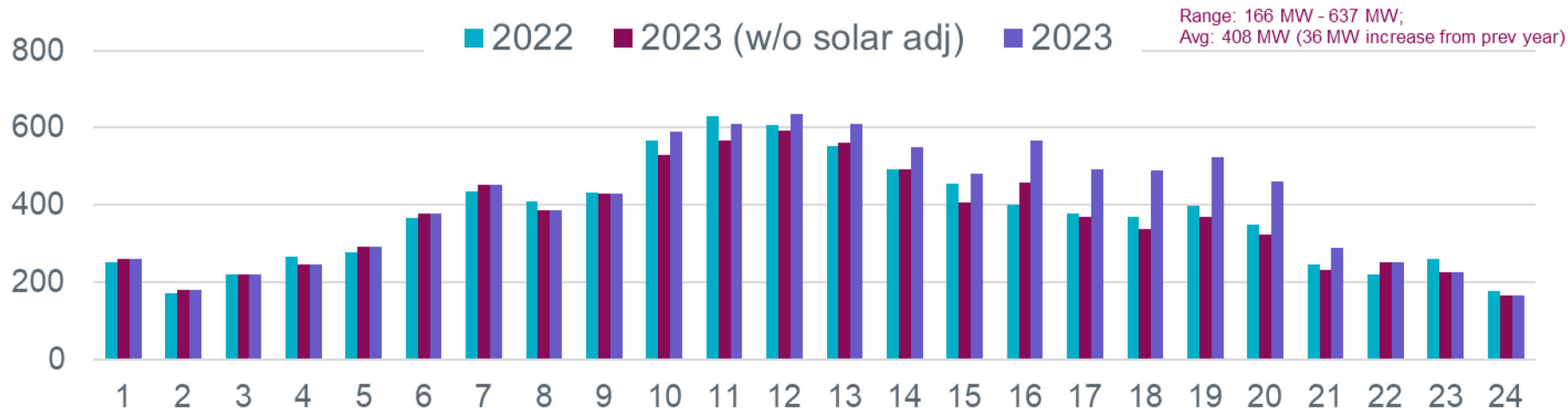


Regulation Down Requirement Comparison for March

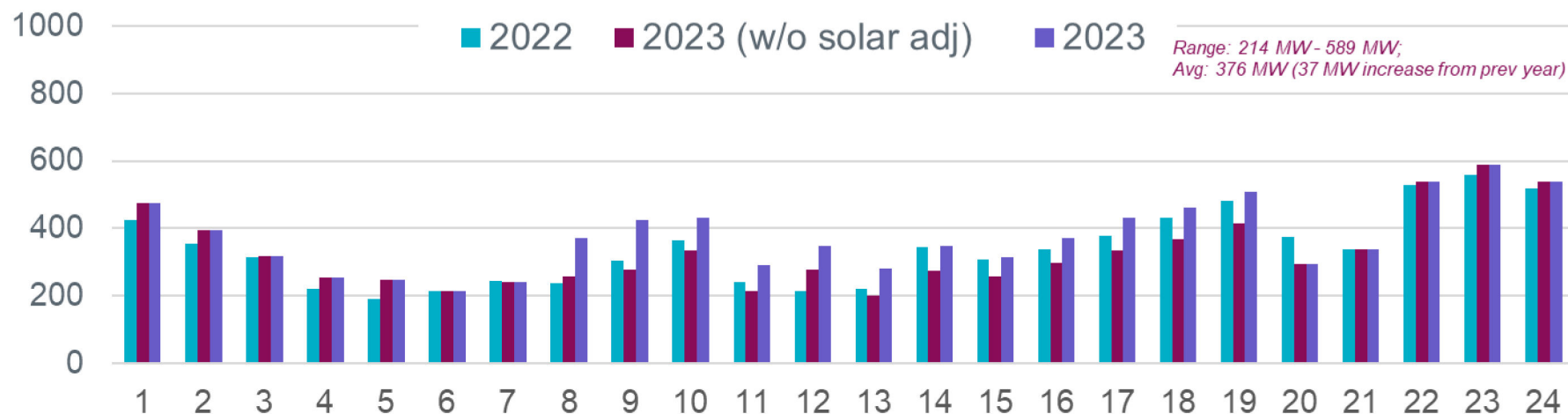


Regulation Comparison June

Regulation Up Requirement Comparison for June

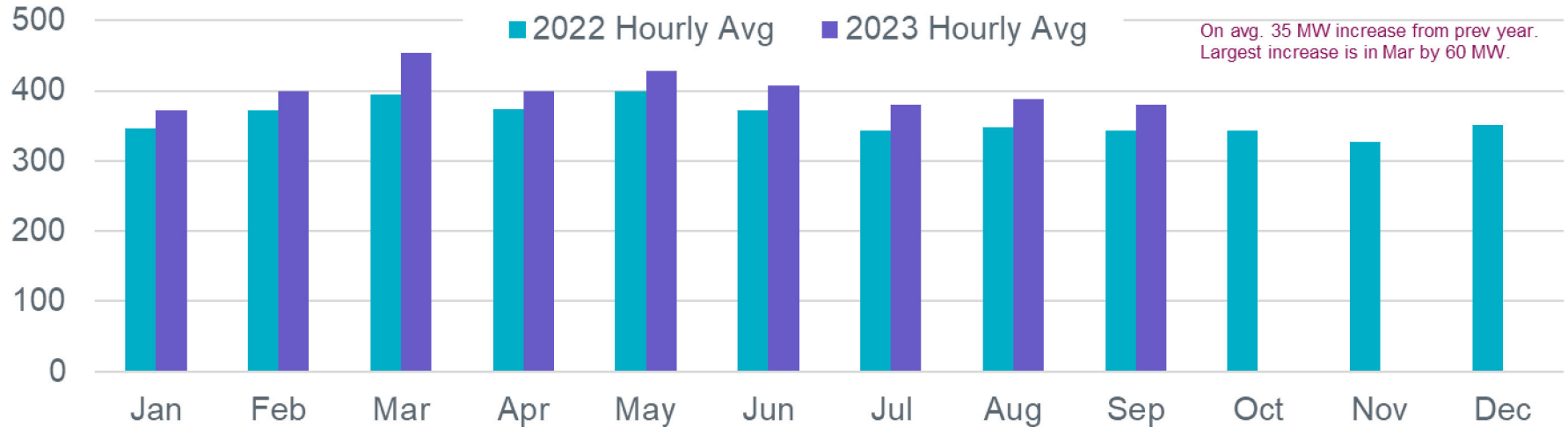


Regulation Down Requirement Comparison for June

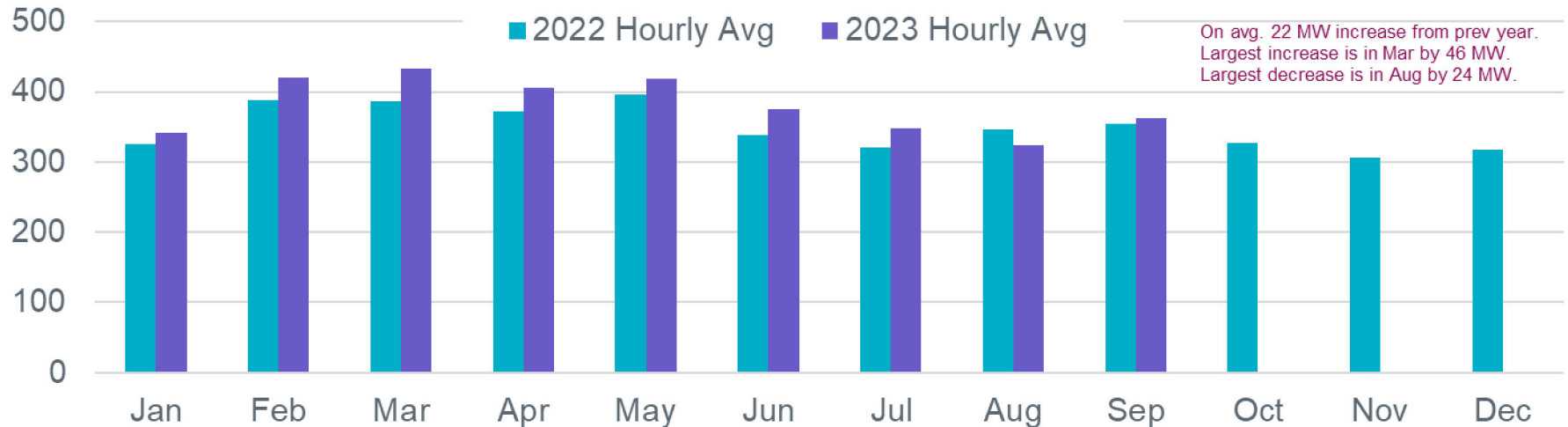


Hourly Average Regulation Comparison

Average Regulation Up Requirement Comparison



Average Regulation Down Requirement Comparison



Responsive Reserve Service (RRS) Methodology

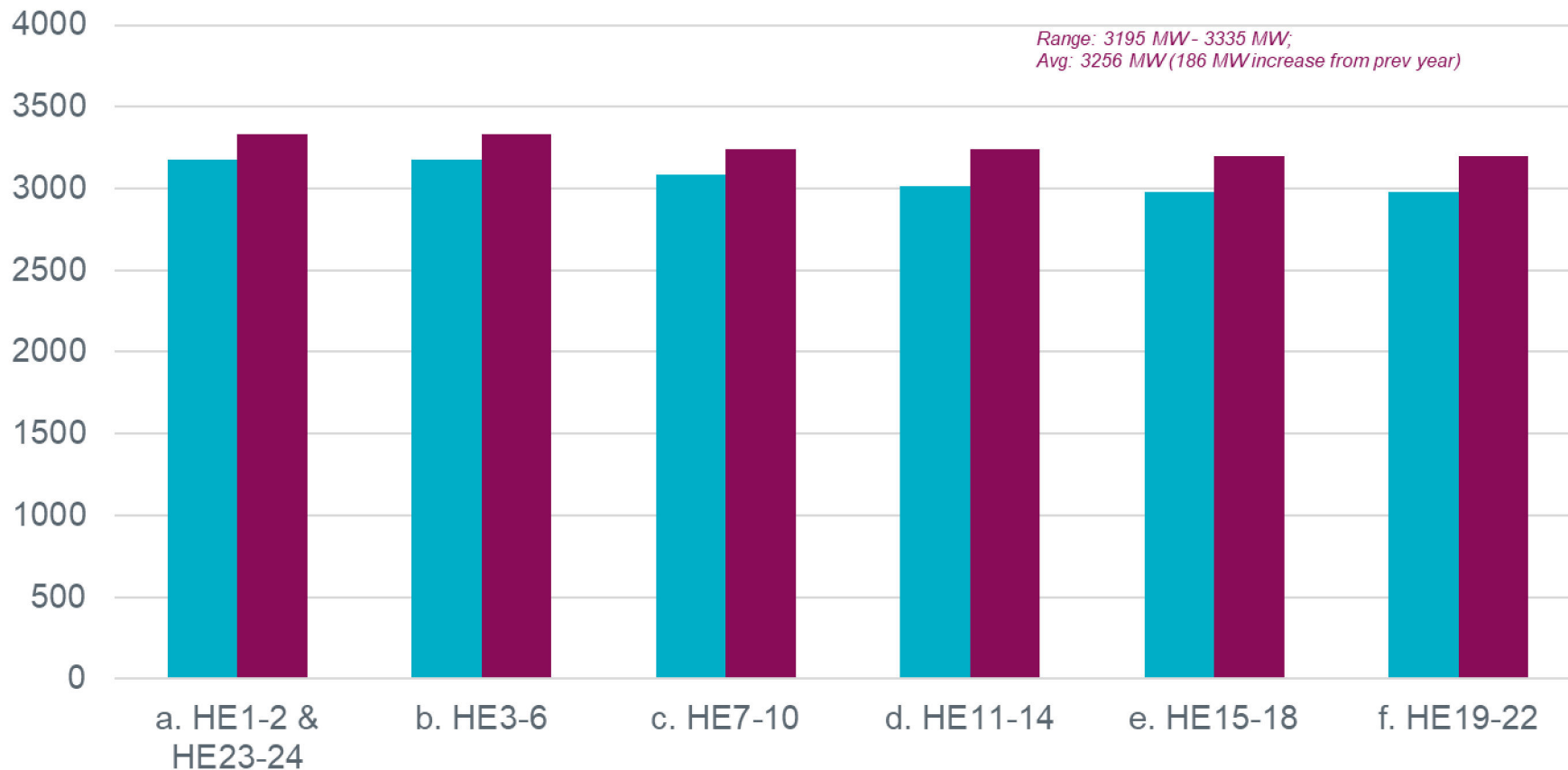
- ERCOT is not proposing any changes to methodology used to compute the minimum RRS requirements for 2023.
 - NERC's preliminary BAL-003 Interconnection Frequency Response Obligation (IFRO) for Operating Year (OY) 2023 assessment for ERCOT shows an increase in ERCOT's IFRO. With the update in ERCOT's 2023 IFRO, minimum RRS-PFR limit for 2023 will change to 1,390 MW.
- The preliminary RRS quantities for January 2023 through September 2023 in subsequent slides have been computed using 2021 and 2022 system inertia conditions and updated RRS table.
 - The RRS table tracks RRS requirements for different inertia conditions. This table was updated in 2023 to use a minimum RRS-PFR limit of 1,390 MW.

No change in slides 11, 12 and 13 since last presentation. September data has been included in Slide 14. Slide 15 is modified.

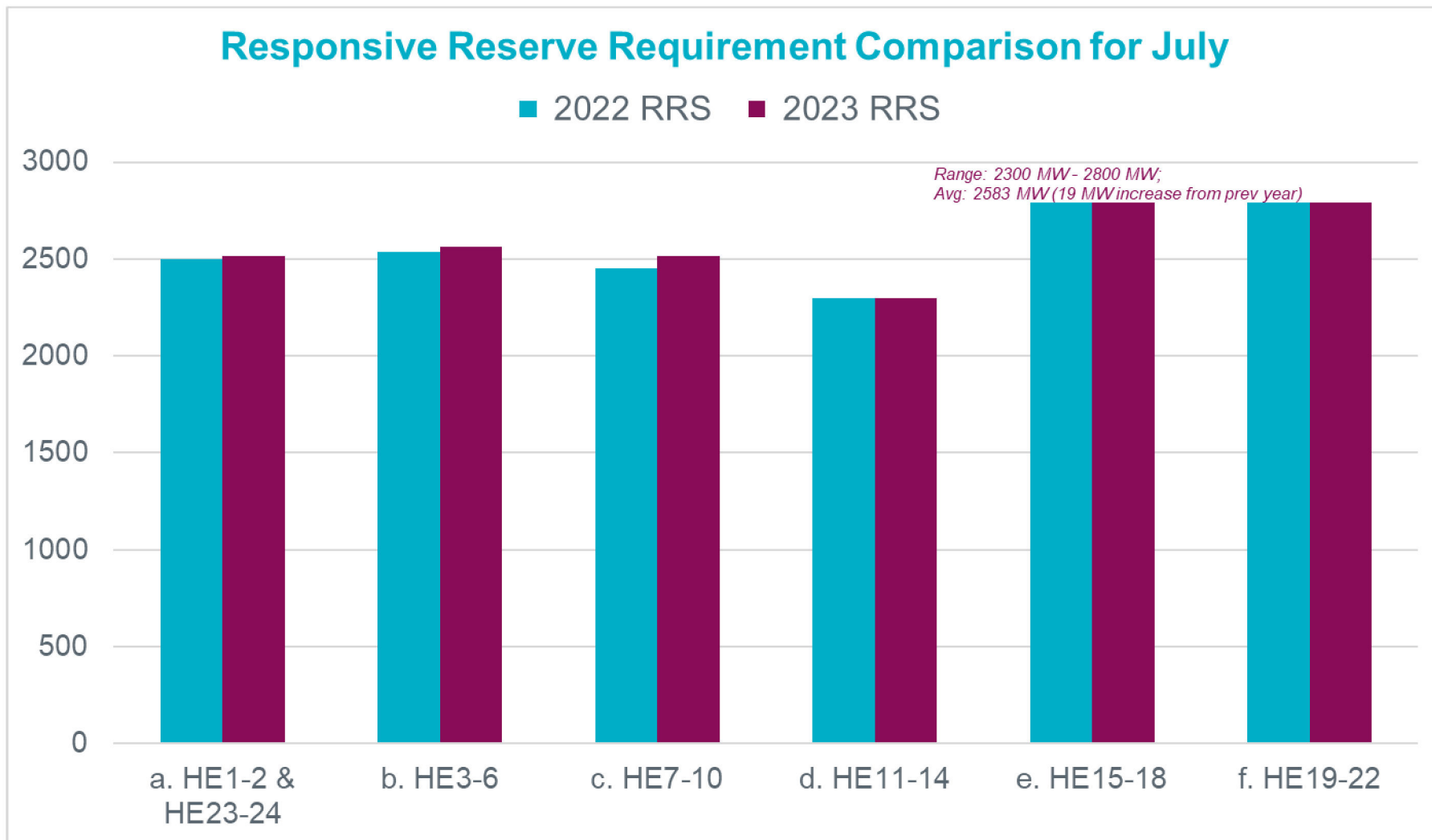
RRS Comparison March

Responsive Reserve Requirement Comparison for March

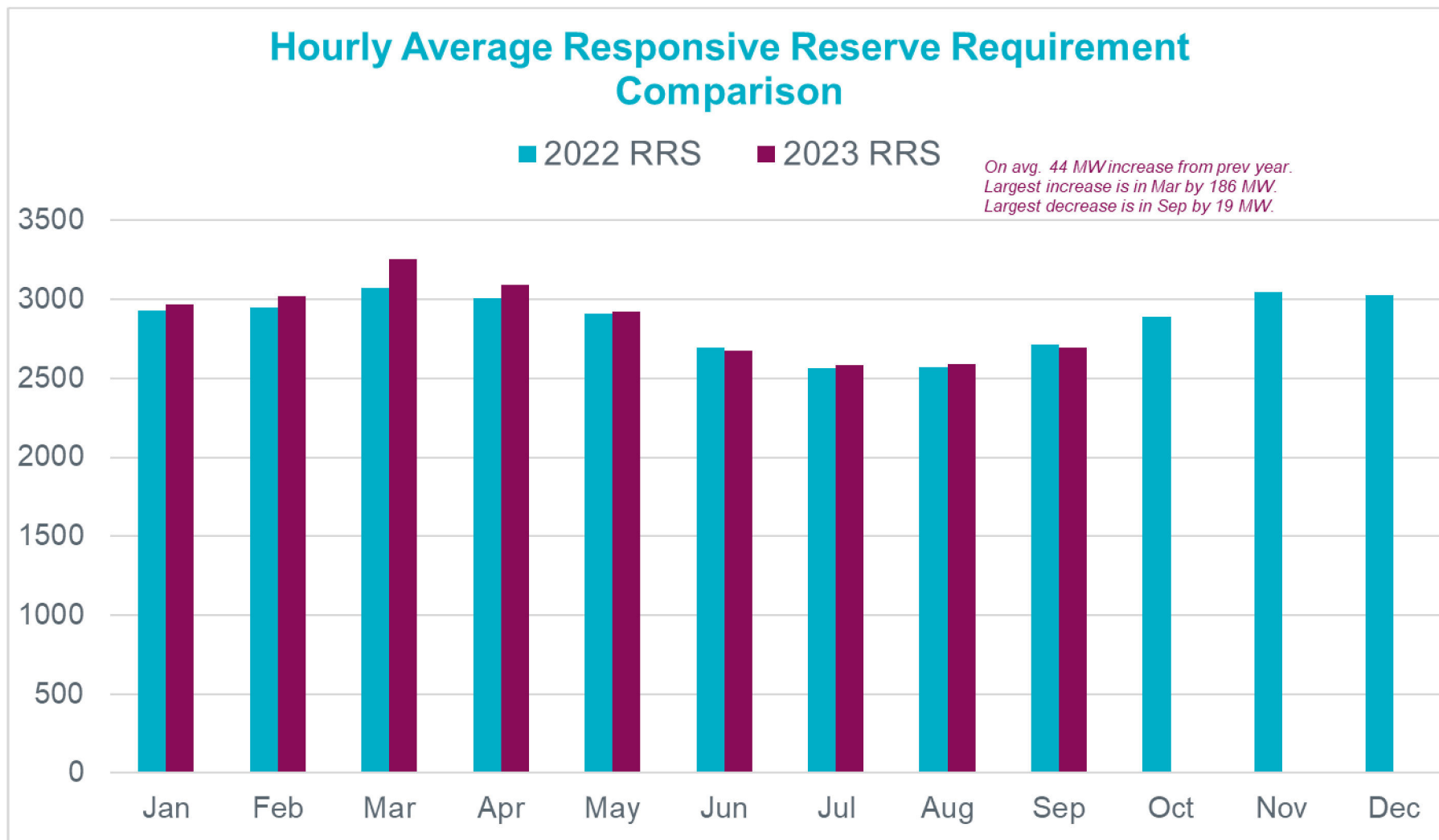
■ 2022 RRS ■ 2023 RRS



RRS Comparison July



Hourly Average RRS Comparison



Low Inertia Hours for FFR Prioritization NPRR 1128

- If ERCOT comments dated July 15, 2022 on NPRR 1128 are approved,
 - For certain selected hours FFR procurement up to FFR limit will be prioritized
- ERCOT is considering a methodology that selects hours in the last two years wherein 25% of the time the system inertia in a 4-hour block is less than 185 GW-s for FFR prioritization.
 - The hours marked with a “1” in the table below represent hours for FFR prioritization.

Proposed

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	1	1	1	1	0	0	0	0	0	1	1	1
2	1	1	1	1	0	0	0	0	0	1	1	1
3	1	1	1	1	1	0	0	0	0	1	1	1
4	1	1	1	1	1	0	0	0	0	1	1	1
5	1	1	1	1	1	0	0	0	0	1	1	1
6	1	1	1	1	1	0	0	0	0	1	1	1
7	0	1	1	1	0	0	0	0	0	0	1	1
8	0	1	1	1	0	0	0	0	0	0	1	1
9	0	1	1	1	0	0	0	0	0	0	1	1
10	0	1	1	1	0	0	0	0	0	0	1	1
11	0	1	1	1	0	0	0	0	0	0	1	1
12	0	1	1	1	0	0	0	0	0	0	1	1
13	0	1	1	1	0	0	0	0	0	0	1	1
14	0	1	1	1	0	0	0	0	0	0	1	1
15	0	1	1	1	0	0	0	0	0	0	0	0
16	0	1	1	1	0	0	0	0	0	0	0	0
17	0	1	1	1	0	0	0	0	0	0	0	0
18	0	1	1	1	0	0	0	0	0	0	0	0
19	0	1	1	1	0	0	0	0	0	0	1	1
20	0	1	1	1	0	0	0	0	0	0	1	1
21	0	1	1	1	0	0	0	0	0	0	1	1
22	0	1	1	1	0	0	0	0	0	0	1	1
23	1	1	1	1	0	0	0	0	0	1	1	1
24	1	1	1	1	0	0	0	0	0	1	1	1

Comparison between ECRS and Non-Spin

ECRS and Non-Spin differ in the reliability risks these services address, qualification criteria, response time and duration. As a result, upon ECRS' implementation, Non-Spin requirement cannot entirely be substituted by the amount of ECRS procured as was originally proposed during NPRR863 discussions.

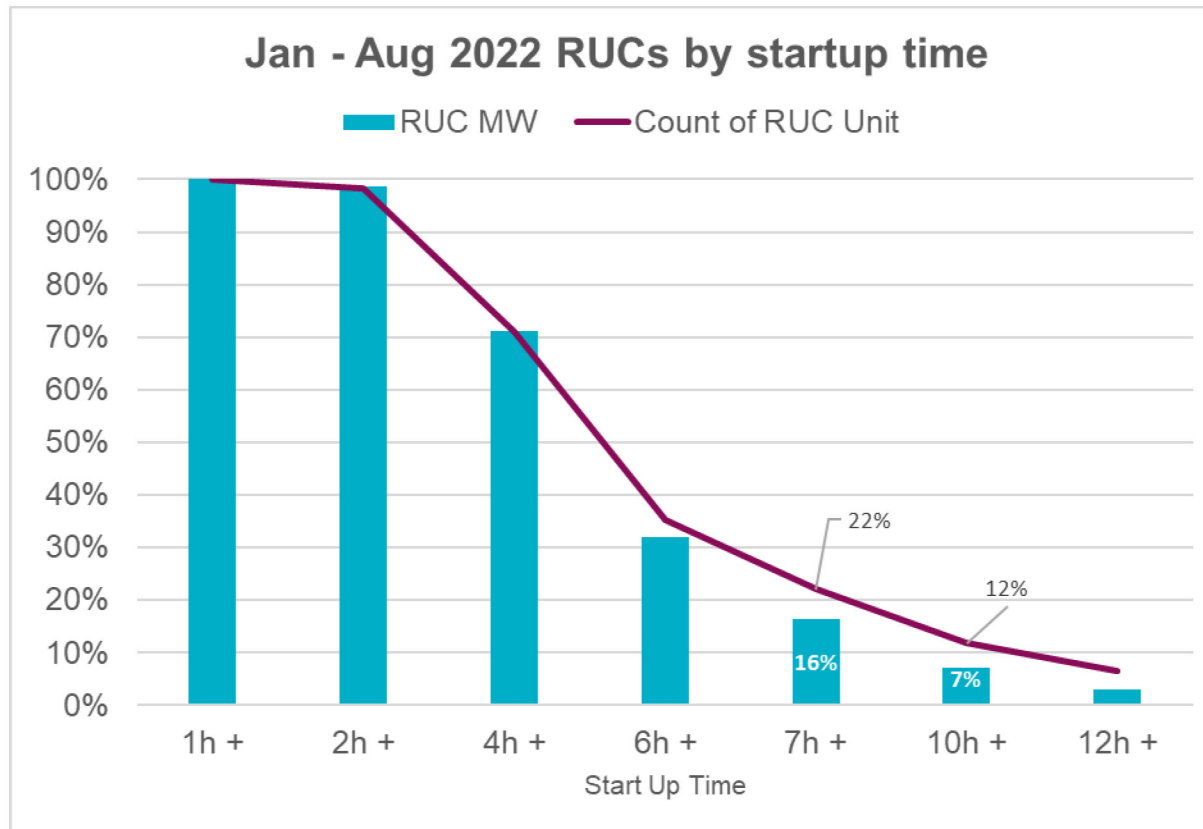
	ECRS	Non-Spin
RELIABILITY OBJECTIVE	<p>ECRS may be deployed to</p> <ul style="list-style-type: none"> a) Help restore the frequency to 60 Hz following a significant frequency deviation b) Provide energy upon detection of insufficient capacity for net load ramps c) Provide energy to avoid or during the implementation of an EEA d) Provide backup to Reg-Up 	<p>Non-Spin may be deployed to provide additional capacity,</p> <ul style="list-style-type: none"> a) During situations when there isn't sufficient capacity for energy dispatch b) For intra-day forced outage of units and during sustained frequency decay or sustained low frequency operations. c) When SCED does not have enough energy available to execute successfully
PRIMARY FORECAST RISK	Errors in intra-hour load/wind/solar forecast that is used in SCED	Errors in hourly load/wind/solar forecast that is used in RUC
QUALIFICATION CRITERIA	Provided using capacity that can be sustained at a specified level for two consecutive hours	Provided using capacity that can be sustained at a specified level for four consecutive hours
RESPONSE	Deployed within 10 minutes upon the receipt of deployment instruction	Deployed within 30 minutes upon the receipt of deployment instruction

Non-Spinning Reserve Methodology - 2023

- ERCOT is proposing the following changes in the methodology used to compute minimum Non-Spin requirements in 2023
 - ***Before ECRS is implemented:*** Use 85th to 95th percentile of 10 HA max. net load forecast error
 - ***After ECRS is implemented:*** Use 75th to 95th percentile of 6 HA hourly avg. net load forecast error
- In 2023, ERCOT will continue the practice of monitoring the weather near Real Time and may procure up to an additional 1,000 MW of Non-Spin for specific Operating Hours.
- The preliminary Non-Spin quantities for January 2023 through September 2023 in subsequent slides have been computed using current methodology (2020, 2021 and 2022 Net load and Net load Forecast), updated Wind Over-Forecast Error Adjustment table and the updated Solar Over-Forecast Error Adjustment table.
 - Wind and Solar Over-Forecast Error Adjustment Table track estimated increase in wind over forecast error per 1000 MW increase in installed wind and solar capacity, respectively.

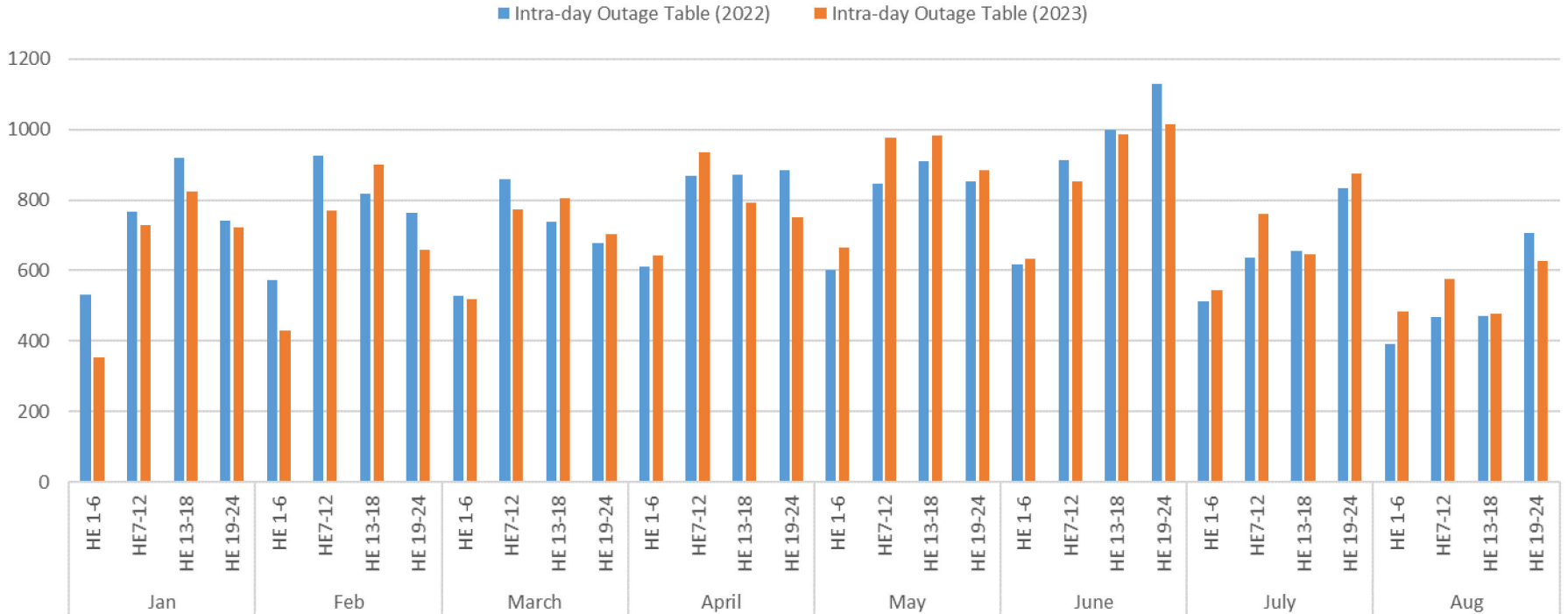
No change in slides 18, 19, 20 and 21 since last presentation. September data has been included in Slide 22.

2022 RUCs by Startup Time

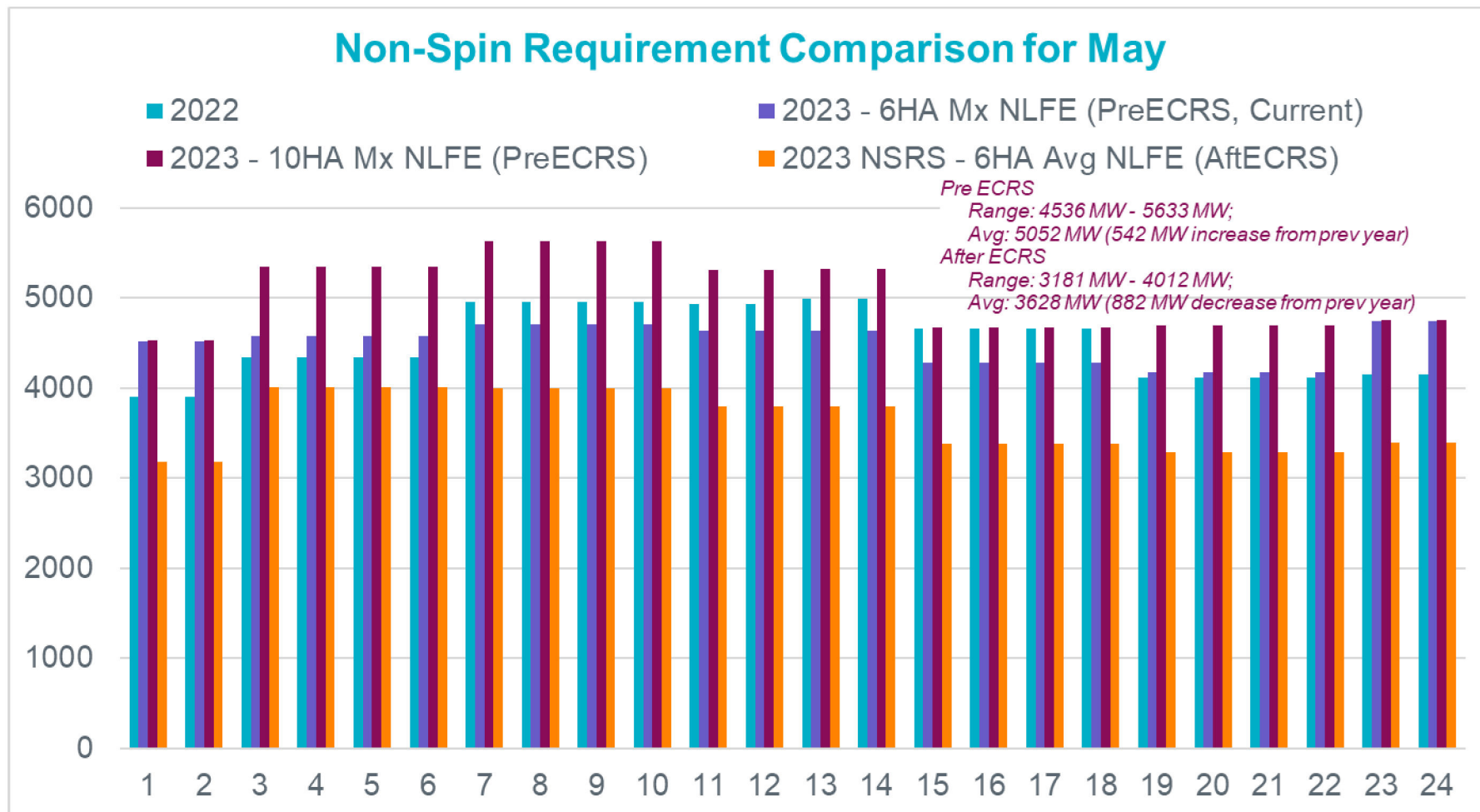


2023 Intra-day Outage Table

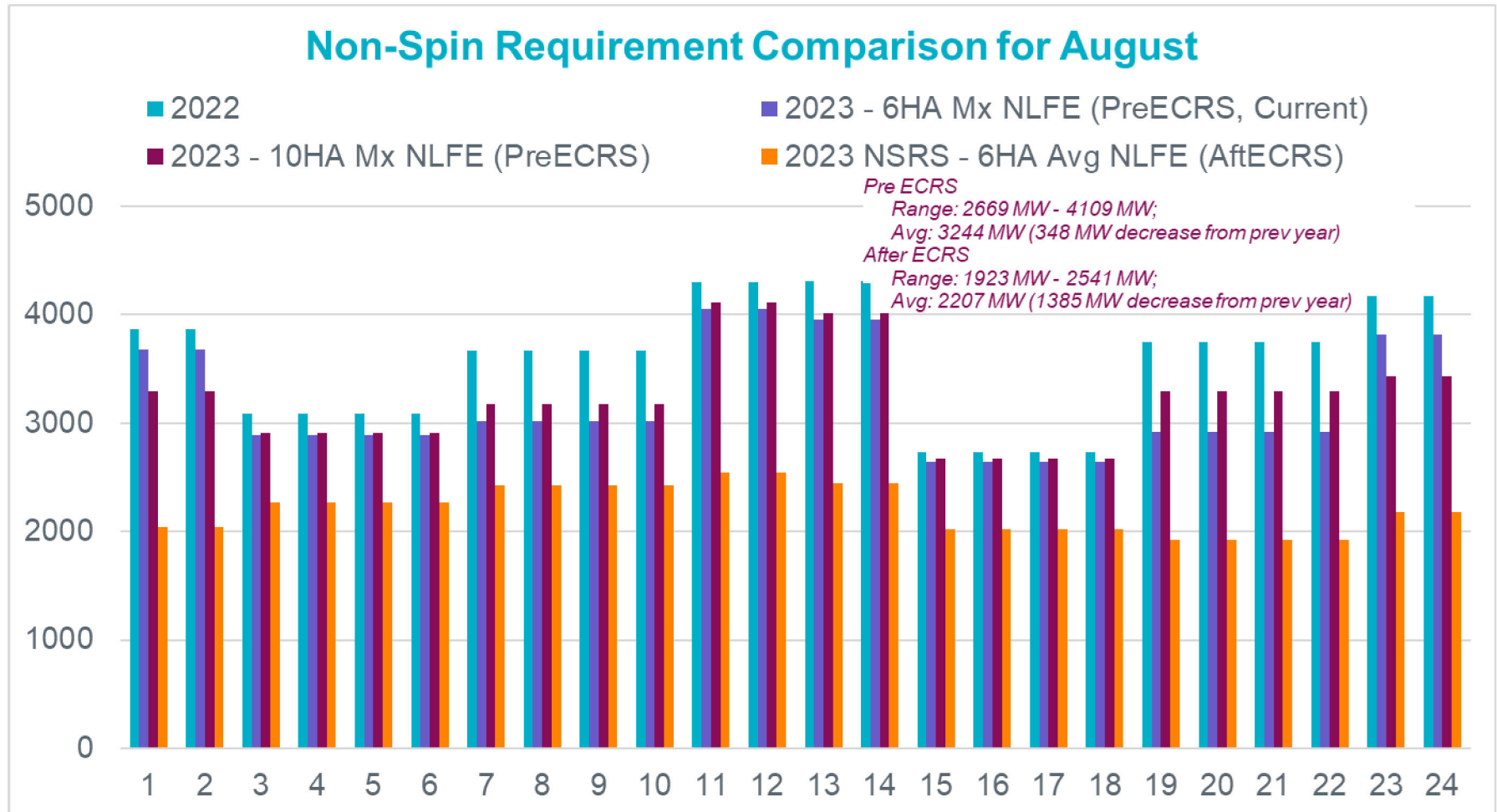
The Intra-day Outage table helps account for increased capacity needs following forced outages of thermal resources within an operating day.



Non-Spin Comparison May

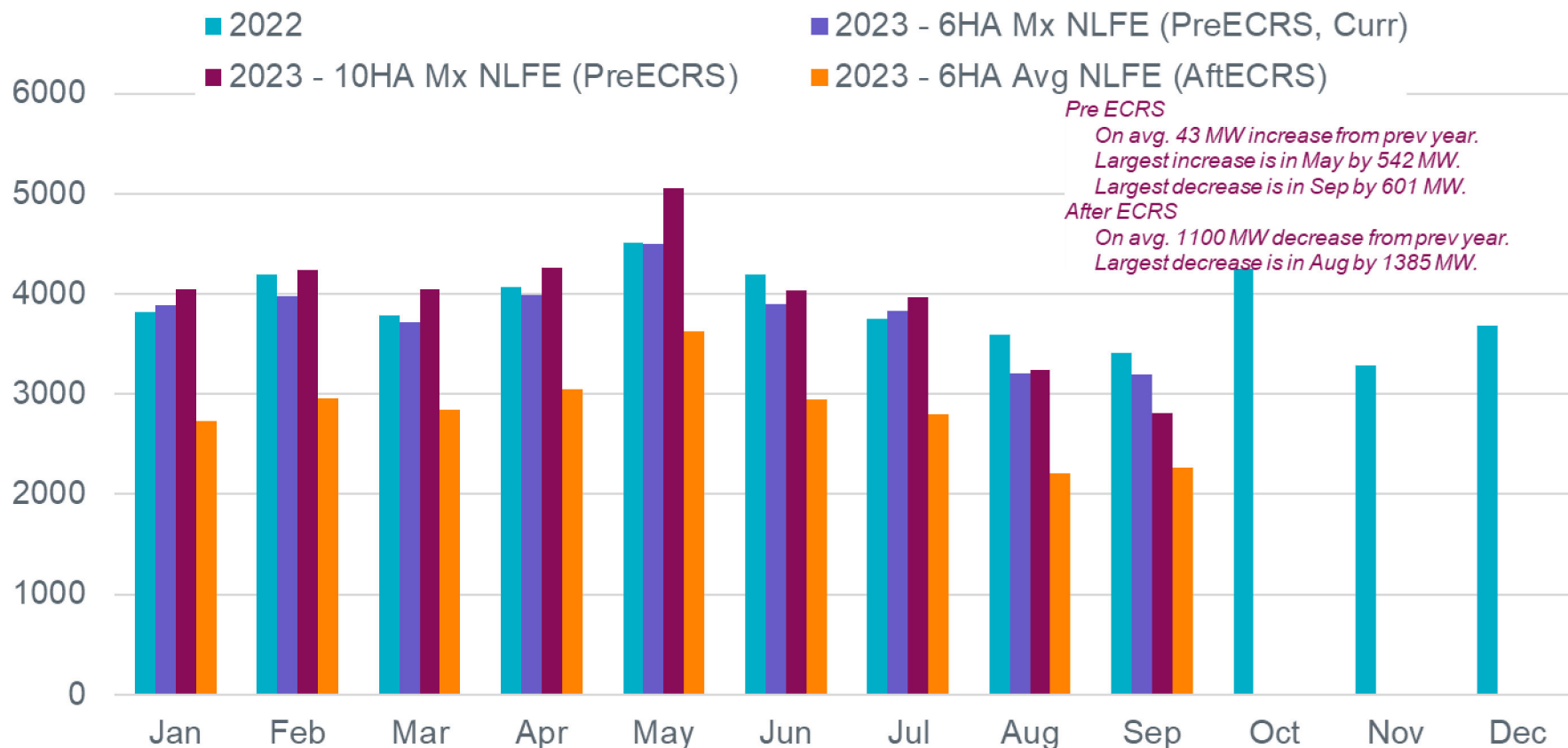


Non-Spin Comparison August



Hourly Average Non-Spin Comparison

Hourly Average Non-Spin Requirement Comparison



ECRS Requirements Methodology - 2023

- In 2023, ERCOT is proposing to compute ECRS requirements as the sum of capacity needed to recover frequency following a large unit trip and capacity needed to support net load forecast errors during sustained net load ramps.
- **Frequency Recovery Portion**
 - For various inertia levels, a medium-sized supply-side resource is tripped such that frequency nadir is just above 59.7 Hz. Amount of response needed equals to return frequency to 59.98 Hz is determined
$$MW_{\text{need}} = (59.98 \text{ Hz} - \text{Freq}_{\text{B-point}}) * (1\% \text{ load in MW}/0.1 \text{ Hz})$$
 - Calculated for each hour of each month from last two-year data
- **Intra-Hour Net Load Forecast errors (NLFE)**
 - 85th – 95th percentile of 30-minute ahead intra-hour netload forecast errors for last two years
 - The percentile is associated with the risk of net load ramp. The larger the netload ramp, the higher the percentile.
 - An additional adjustment will be included to account for the impact of increase in the solar generation installed capacity on the net load forecast error.
- The preliminary ECRS quantities for January 2023 through September 2023 in subsequent slides have been computed using the proposed methodology.

Adjustment for Increase in Solar Installed Capacity

Intra-hour Solar Over-Forecast Error Adjustment Table tracks estimated increase in 30-min ahead solar over forecast error per 1000 MW increase in installed solar capacity.

ADDITIONAL ECRS PER 1,000 MW INCREASE IN SOLAR INSTALLED CAPACITY

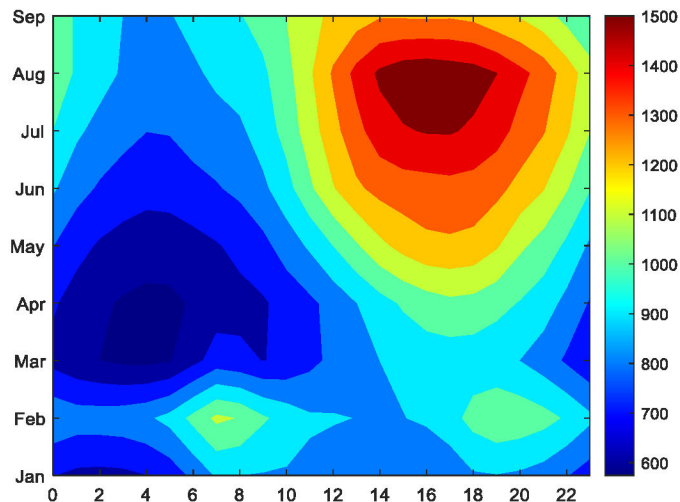
	HE 1-2, 23	HE 3-6	HE 7-10	HE 11-14	HE 15-18	HE 19-22
Jan	0	0	0	25	19	0
Feb	0	0	23	16	39	3
Mar	0	0	0	32	37	10
Apr	0	0	0	18	42	13
May	0	0	0	20	48	15
Jun	0	0	0	32	30	36
Jul	0	0	17	25	21	16
Aug	0	0	3	24	38	17
Sep	0	0	0	17	27	7

ADJUSTMENT FOR 2023 (MIN: 0 MW | MEAN: 74 MW | MAX 283 MW)

	H01	H02	H03	H04	H05	H06	H07	H08	H09	H10	H11	H12	H13	H14	H15	H16	H17	H18	H19	H20	H21	H22	H23	H24	
Jan	0	0	0	0	0	0	0	0	0	0	150	150	150	150	113	113	113	113	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	0	138	138	138	138	93	93	93	93	232	232	232	232	16	16	16	16	0	0
Mar	0	0	0	0	0	0	0	0	0	0	192	192	192	192	221	221	221	221	62	62	62	62	0	0	
Apr	0	0	0	0	0	0	0	0	0	0	106	106	106	106	248	248	248	248	78	78	78	78	0	0	
May	0	0	0	0	0	0	0	0	0	0	121	121	121	121	283	283	283	283	90	90	90	90	0	0	
Jun	0	0	0	0	0	0	0	0	0	0	191	191	191	191	178	178	178	178	211	211	211	211	0	0	
Jul	0	0	0	0	0	0	0	103	103	103	103	150	150	150	124	124	124	124	96	96	96	96	0	0	
Aug	0	0	0	0	0	0	0	20	20	20	20	141	141	141	141	223	223	223	223	99	99	99	99	0	0
Sep	0	0	0	0	0	0	0	0	0	0	103	103	103	103	161	161	161	161	42	42	42	42	0	0	

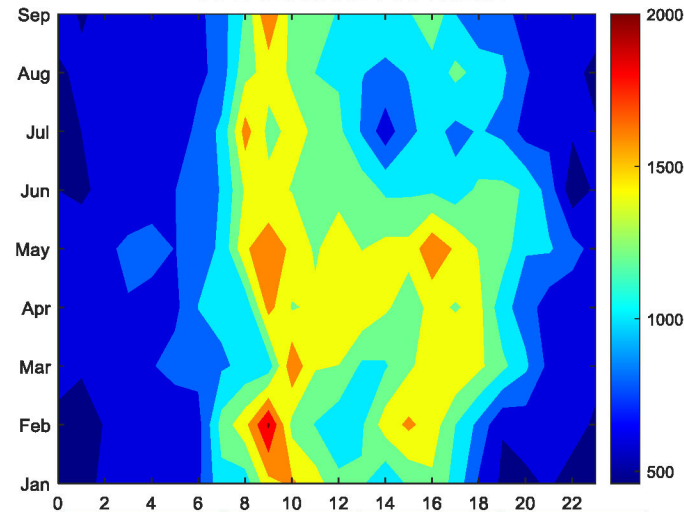
ECRS Requirement for 2023

FREQUENCY RECOVERY (F.R.)



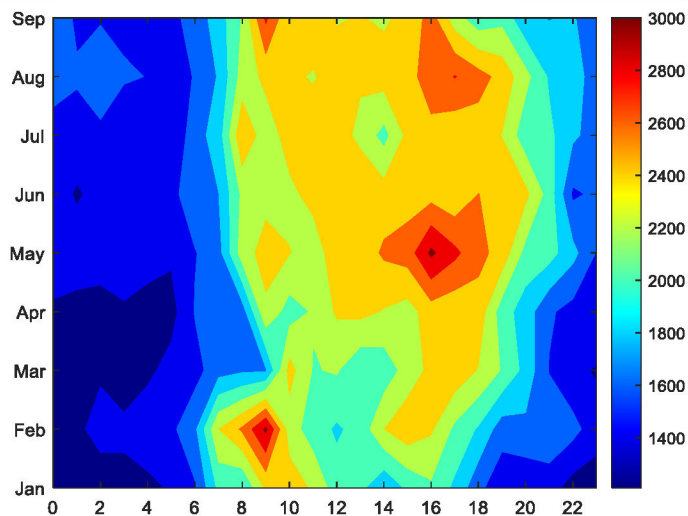
	Min	Mean	Max
F.R.	574 MW	974 MW	1,572 MW

INTRA-HOUR NLFE
W SOLAR ADJUSTMENT



	Min	Mean	Max
NLFE w Adj	460 MW	1008 MW	2,027 MW

+



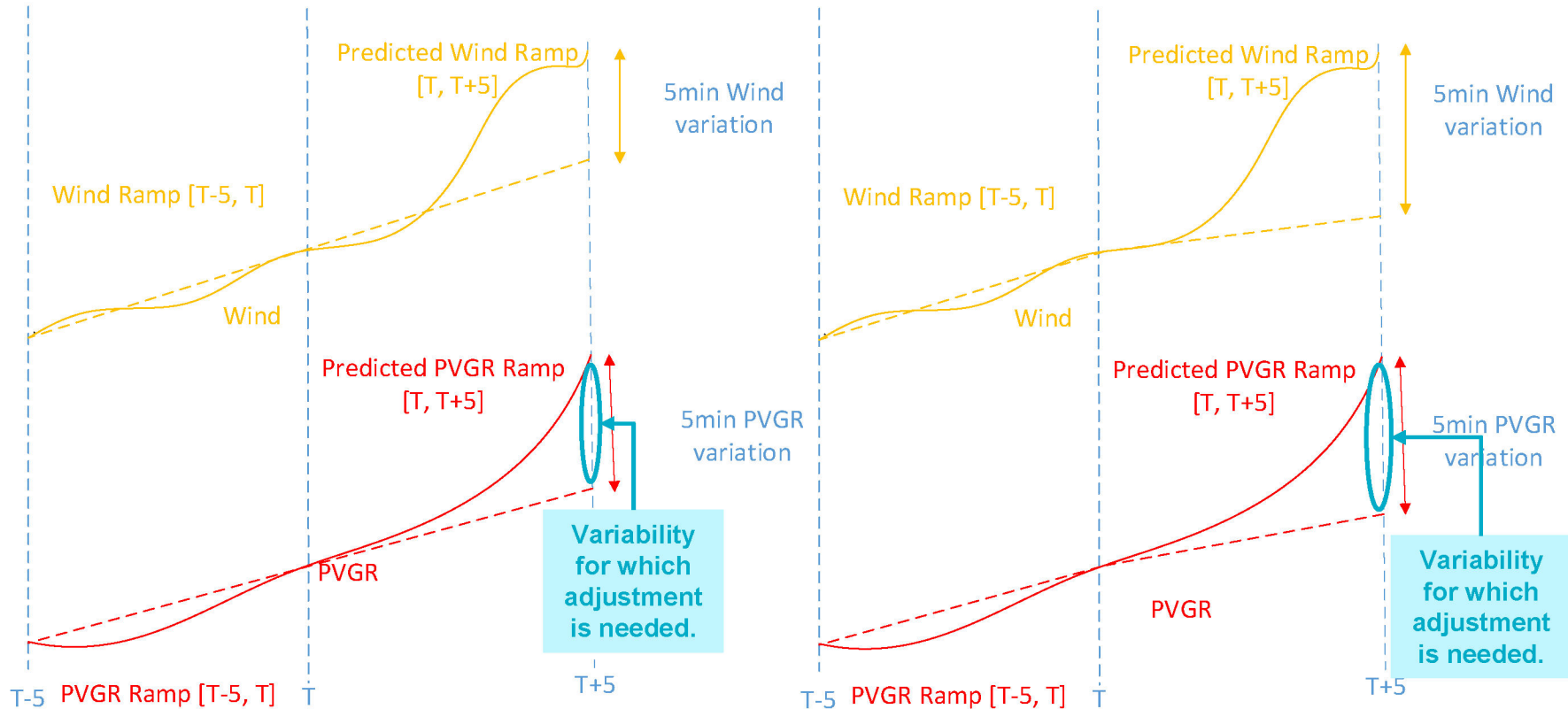
	Min	Mean	Max
ECRS	1,209 MW	1,981 MW	3,039 MW

Summary

- In summary,
 - ERCOT is not proposing any changes in the methodologies used to compute Regulation Service and RRS requirements for 2023.
 - With the impending update in ERCOT's 2023 IFRO, minimum RRS-PFR limit for 2023 will change to 1,390 MW.
 - ERCOT is proposing some changes in the methodology used to compute minimum Non-Spin requirements in 2023. Specifically,
 - Prior to ECRS: Use 85th to 95th percentile of 10 Hours Ahead (HA) max. net load forecast error
 - After ECRS: Use 75th to 95th percentile of 6 HA hourly avg. net load forecast error
 - Upon its implementation, ERCOT is proposing to compute ECRS requirements as the sum of capacity needed to recover frequency following a large unit trip and capacity needed to support sustained net load ramps.
- ERCOT is requesting stakeholder feedback for changes to the 2023 A/S Methodology.

SUGGESTIONS?

2023 Solar Adjustment Table Changes

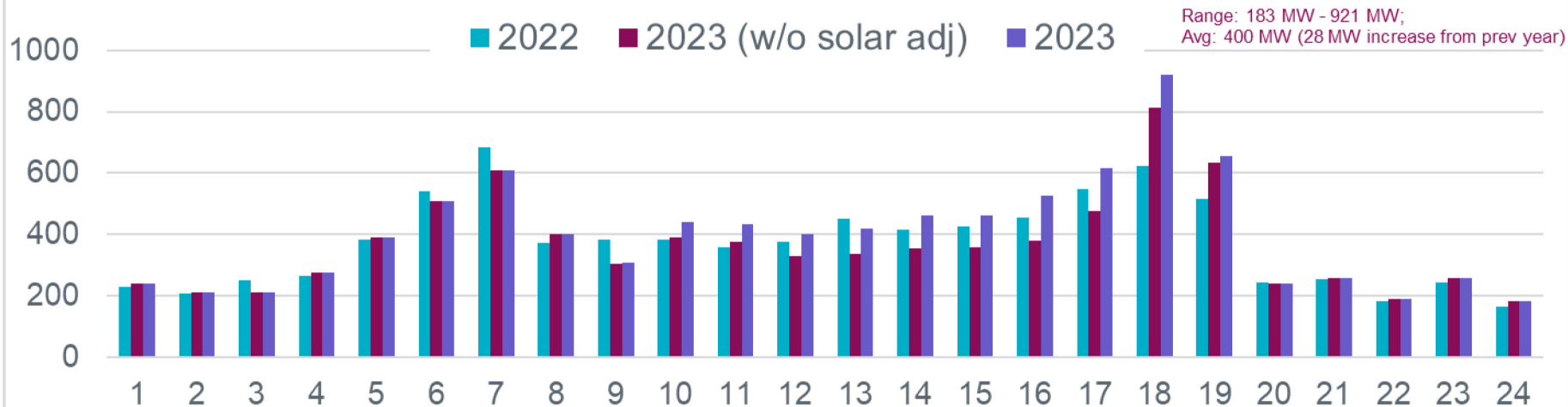


2022 Methodology: When computing the additional variability for which an adjustment is needed, in 2022, the predicted PVGR and wind ramp calculation fully discounts the actual ramp from the previous 5-minutes.

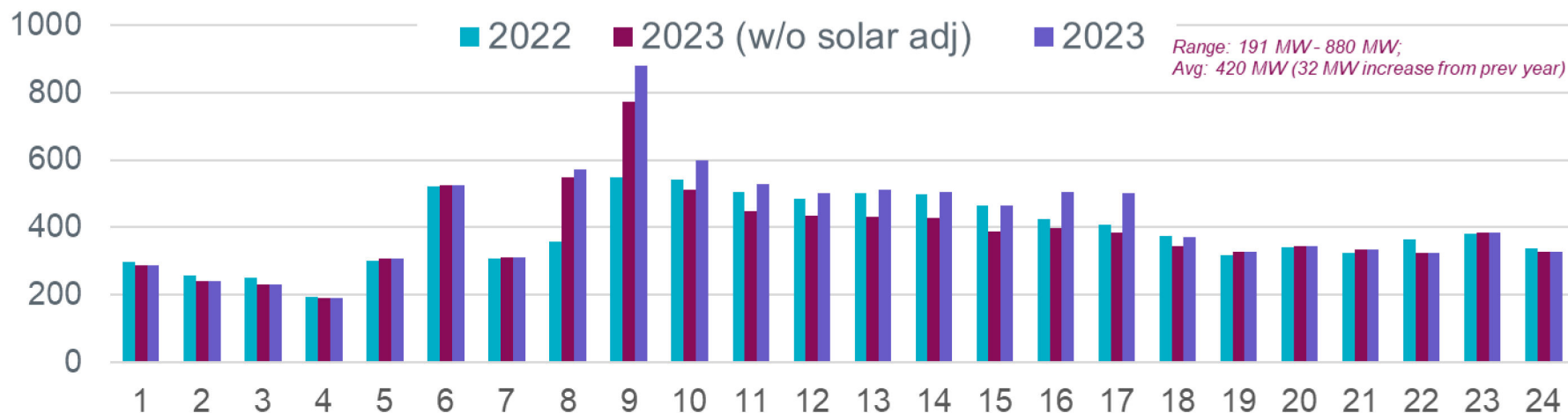
2023 Methodology: There exists an upper bound on the amount of PVGR and wind ramp that are used in establishing GTBD. In 2023, in order to account for this upper bound, when computing the additional variability for which an adjustment is needed, the predicted PVGR and wind ramp calculation will partially discount the actual ramp from the previous 5-minutes.

Regulation Comparison February

Regulation Up Requirement Comparison for February

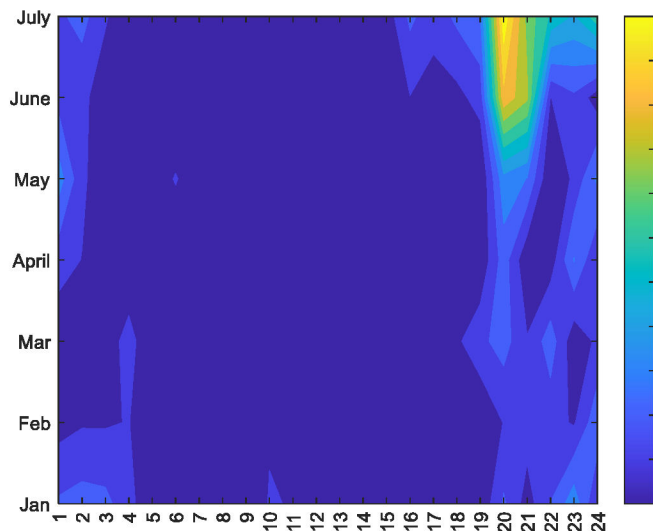


Regulation Down Requirement Comparison for February

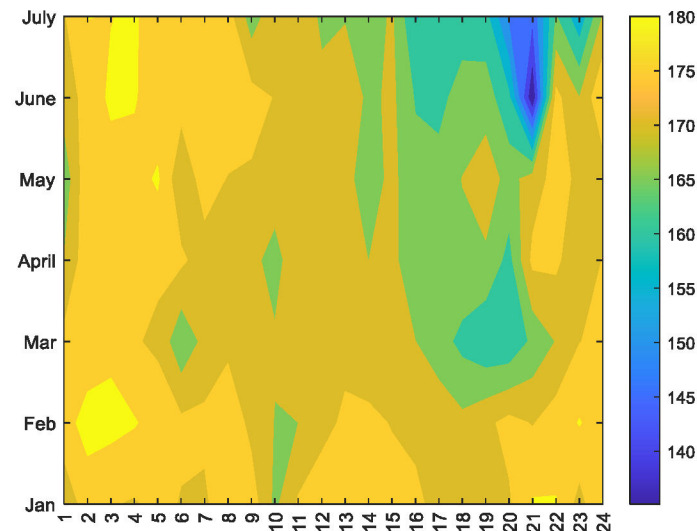


2022 Reg Up Exhaustion Rate and 2023 Quantities

In the first half of 2022, most Regulation Up exhaustion is in the evening hours around sunset.



Reg-Up



Hourly Average CPS1

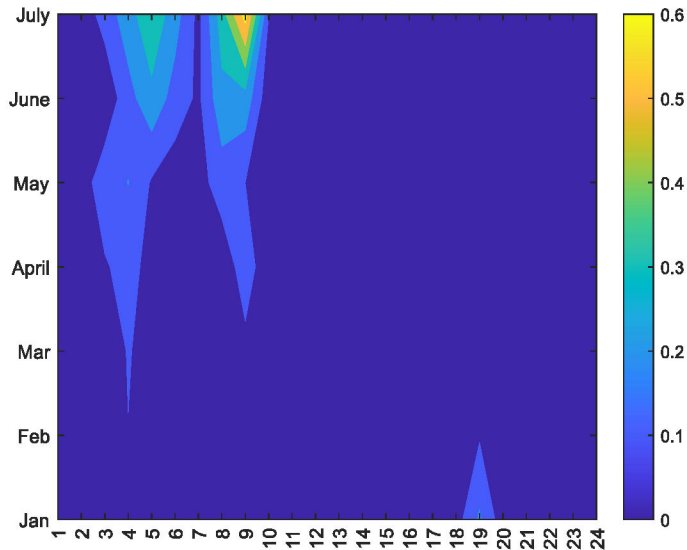
2023 – 2022 Reg Up (%)

% Change in Reg Up Quantities In 2023

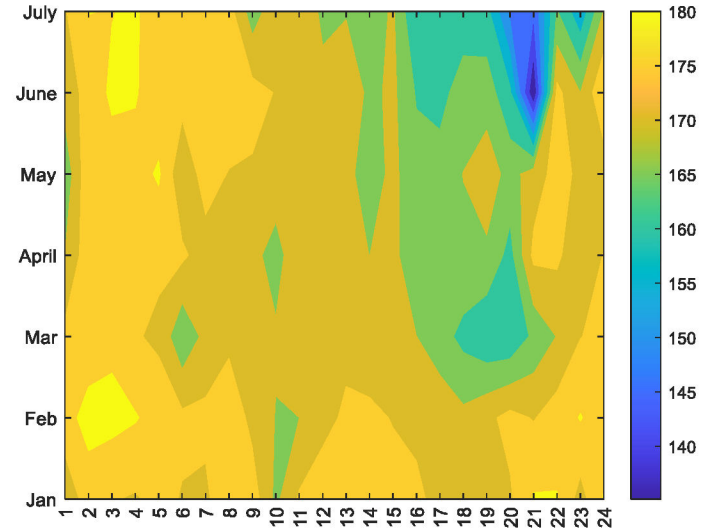
Month	HE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Jul		3%	-9%	-8%	3%	-11%	-1%	-6%	-8%	-12%	8%	11%	9%	20%	18%	15%	20%	23%	23%	41%	40%	21%	-8%	2%	-24%
Jun		3%	6%	0%	-8%	5%	4%	4%	-5%	-1%	4%	-3%	5%	11%	12%	6%	41%	30%	32%	32%	32%	18%	15%	-13%	-7%
May		10%	-12%	4%	5%	5%	16%	4%	-7%	-1%	11%	7%	11%	8%	13%	14%	8%	6%	37%	13%	20%	32%	-40%	-10%	11%
Apr		7%	3%	8%	4%	5%	3%	4%	5%	-14%	9%	-5%	-4%	4%	11%	-1%	7%	12%	5%	33%	35%	9%	5%	7%	-4%
Mar		6%	6%	7%	9%	7%	10%	14%	5%	4%	-8%	11%	16%	4%	13%	17%	19%	6%	42%	44%	43%	26%	24%	-7%	6%
Feb		4%	0%	-15%	3%	1%	-6%	-11%	8%	-19%	15%	22%	7%	-7%	11%	9%	16%	12%	48%	27%	-1%	1%	3%	5%	12%
Jan		3%	2%	15%	-1%	-6%	0%	-2%	0%	0%	12%	21%	-7%	13%	3%	7%	3%	29%	26%	6%	27%	1%	4%	15%	4%

2023 Reg Down Exhaustion Rate and 2023 Quantities

In the first half of 2022, most Regulation Down exhaustion is in the morning hours around sunrise .



Reg-Down



Hourly Average CPS1

2023 – 2022 Reg Down (%)

% Change in Reg Down Quantities In 2023

HE ▼																								
Month ▼	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Jul	-3%	1%	12%	-4%	15%	-11%	0%	87%	39%	44%	16%	7%	8%	17%	27%	17%	8%	10%	-5%	-22%	-3%	7%	3%	3%
Jun	12%	12%	1%	15%	31%	0%	-1%	57%	39%	19%	21%	63%	27%	1%	2%	10%	14%	7%	6%	-21%	0%	2%	6%	4%
May	14%	11%	12%	9%	-6%	-7%	-8%	28%	20%	8%	-27%	16%	28%	11%	12%	2%	6%	5%	0%	2%	-7%	0%	0%	18%
Apr	7%	3%	5%	4%	-1%	0%	1%	16%	40%	15%	5%	7%	10%	5%	11%	13%	12%	16%	15%	-2%	1%	6%	4%	6%
Mar	-9%	-4%	0%	-3%	0%	-1%	0%	55%	56%	9%	6%	15%	25%	3%	9%	19%	29%	25%	22%	2%	-5%	-1%	-3%	4%
Feb	-3%	-7%	-9%	-2%	2%	1%	1%	60%	60%	11%	5%	3%	2%	1%	-1%	19%	23%	-1%	3%	2%	4%	-12%	1%	-3%
Jan	2%	1%	2%	20%	2%	9%	2%	-19%	49%	8%	2%	9%	4%	3%	10%	13%	10%	-9%	7%	-4%	-13%	-18%	2%	3%

2023 RRS Table

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8	Scenario 9	Scenario 10	Scenario 11	Scenario 12
LR/PFR	2.35:1	2.2:1	2.06:1	1.94:1	1.83:1	1.74:1	1.65:1	1.58:1	1.51:1	1.44:1	1.39:1	1.33:1
Inertia (GW-s)	130	140	150	160	170	180	190	200	210	220	230	240
PFR Req. (no LR) (MW)	5960	5563	5200	4892	4622	4329	4114	3920	3744	3522	3314	3139
*RRS Curr IFRO (MW)	3293	3234	3178	3128	3088	3015	2982	2936	2898	2825	2732	2668
**RRS Upd IFRO (MW)	3335	3287	3239	3195	3156	3079	3041	2991	2949	2871	2774	2705

	Scenario 13	Scenario 14	Scenario 15	Scenario 16	Scenario 17	Scenario 18	Scenario 19	Scenario 20	Scenario 21	Scenario 22	Scenario 23	Scenario 24	Scenario 25
LR/PFR	1.28:1	1.24:1	1.19:1	1.15:1	1.12:1	1.08:1	1.04:1	1.01:1	1:1	1:1	1:1	1:1	1:1
Inertia (GW-s)	250	260	270	280	290	300	310	320	330	340	350	360	370
PFR Req. (no LR) (MW)	3004	2890	2784	2686	2595	2510	2421	2353	2290	2230	2173	2119	2068
*RRS Curr IFRO (MW)	2618	2571	2538	2498	2450	2416	2375	2342	2290	2230	2173	2119	2068
**RRS Upd IFRO (MW)	2651	2600	2562	2517	2466	2427	2381	2344	2290	2230	2173	2119	2068

*RRS quantity is calculated for RCC of 2805 with limit of 60% limit on LRs and min RRS-PFR limit of 1,240 MW.

**RRS quantity is calculated for RCC of 2805 with limit of 60% limit on LRs and min RRS-PFR limit of 1,390 MW.

***Red font in table above identifies study scenario where RRS needed < 2300 MW. RRS requirement during these is based on the applicable floor.

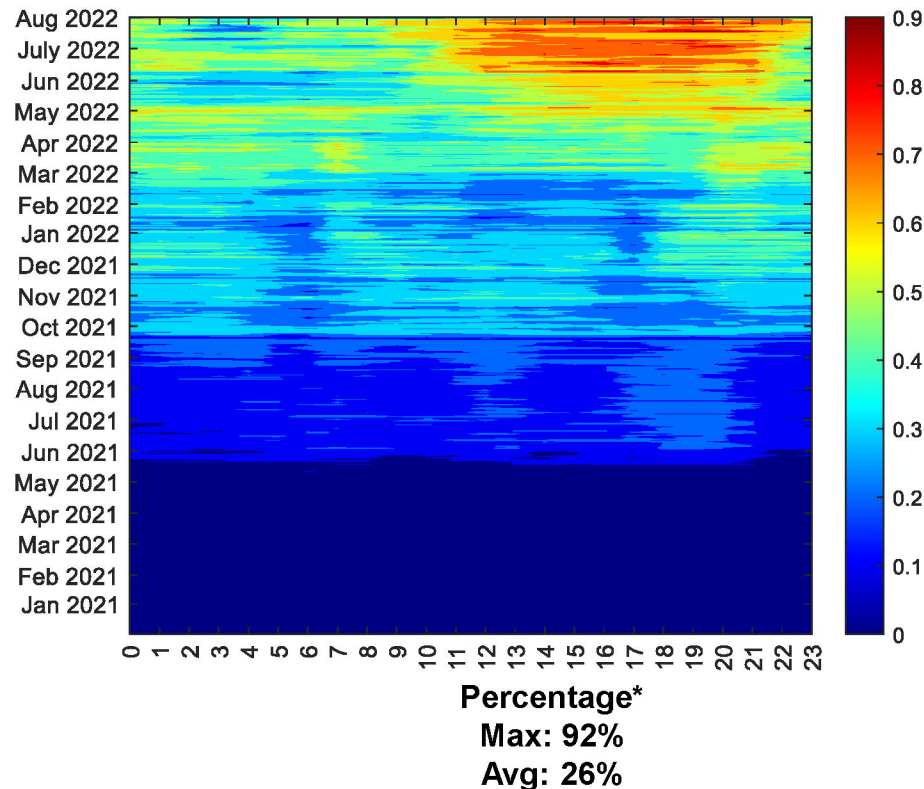
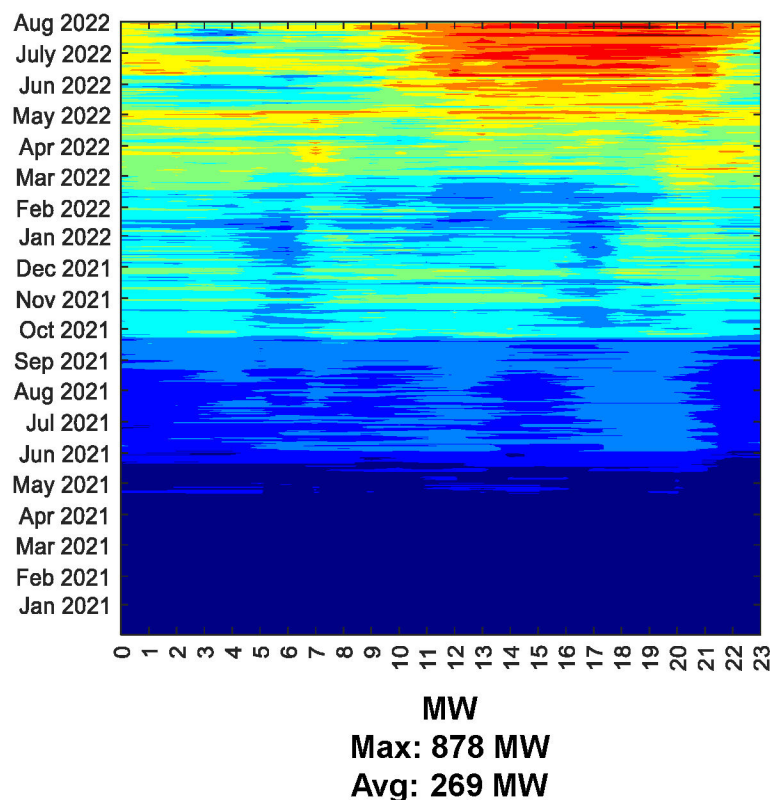
****Generation mix (CCs, Gas, SC, Coal, Steam) providing 1150 MW of PFR has been aligned with actual historic system operations.

Inertia < 250 GW-s: 30% Coal + 70% Rest. Inertia ≥ 250 GW-s: 15% Coal + 85% Rest



RRS-PFR from Energy Storage Resources (ESRs) in 2022

- ESRs are providing larger volumes of RRS-PFR in 2022.
 - ERCOT has modified its tools that measure performance of ESRs during Frequency Measurable Events (FMEs) beginning April 2022. Since then, ERCOT has been closely working with Resources that have not met the performance criteria.

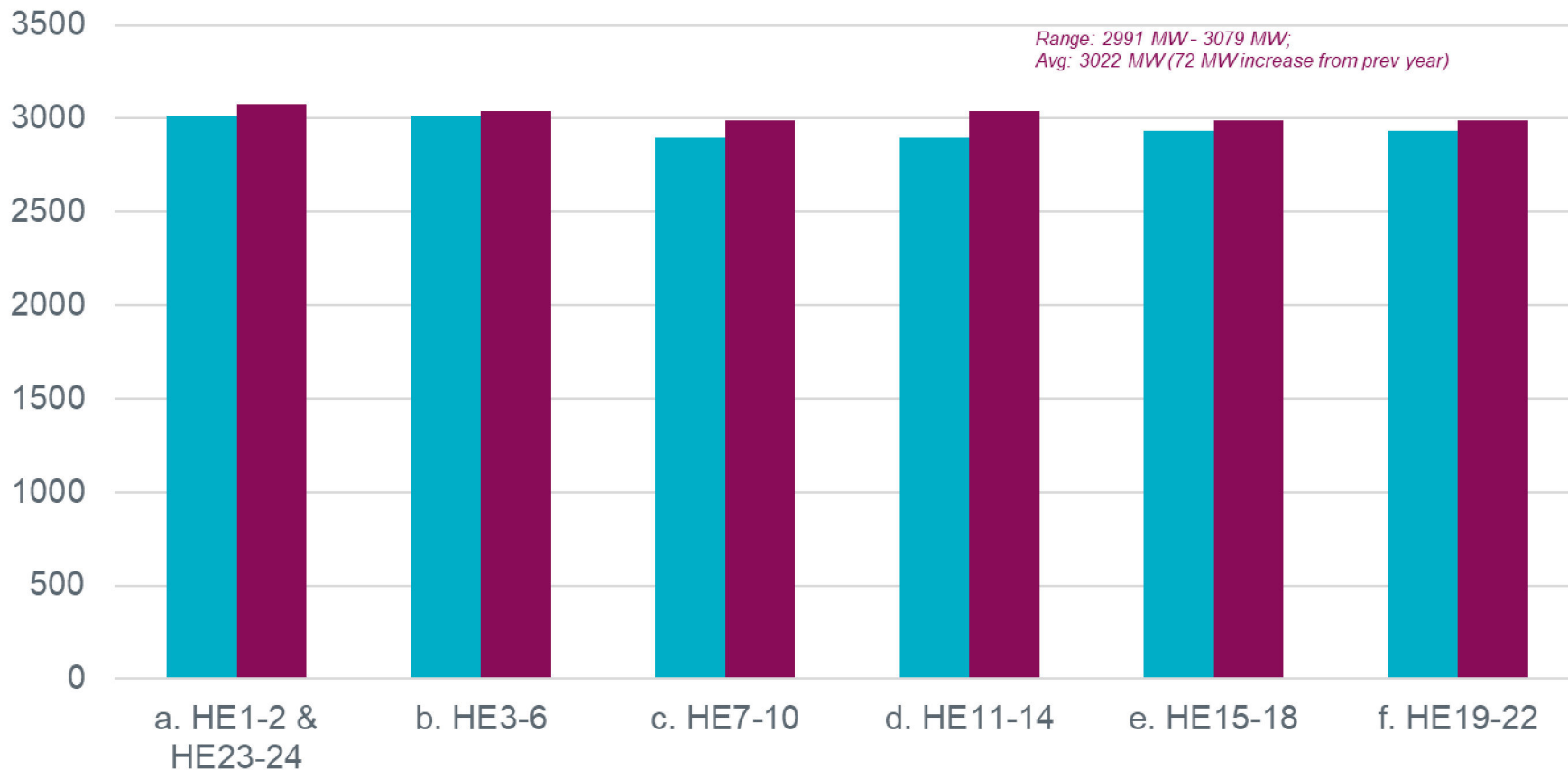


*RRS-PFR from ESRs as a percentage of total RRS-PFR from CLRs, Gas, Coal and ESRs.

RRS Comparison February

Responsive Reserve Requirement Comparison for February

■ 2022 RRS ■ 2023 RRS



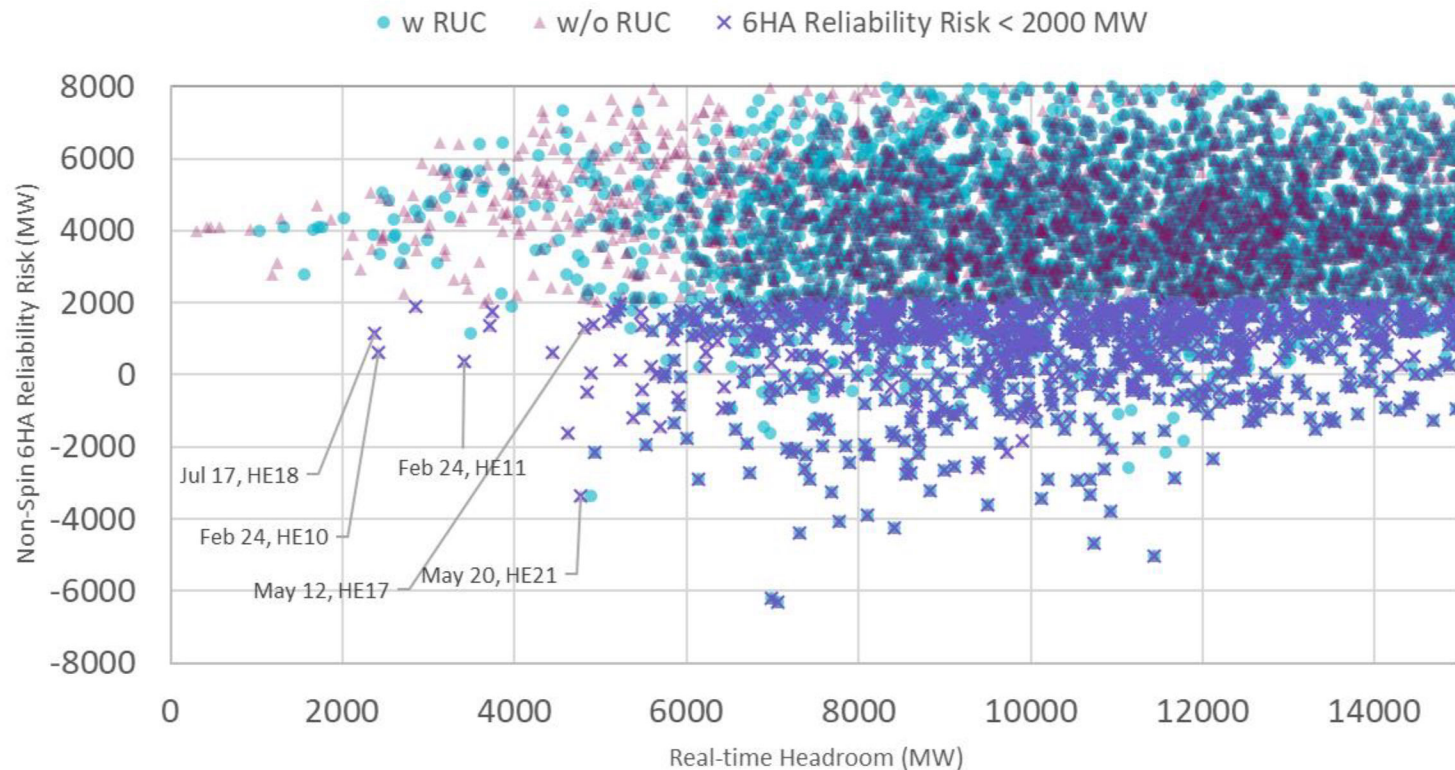
Low Inertia Hours for FFR Prioritization NPRR 1128

- If ERCOT comments dated July 15, 2022 on NPRR 1128 are approved,
 - For certain selected hours FFR procurement up to FFR limit will be prioritized
 - ERCOT is considering a methodology that selects hours in the last 1 year wherein 75% of the time the system inertia is less than 200 GW-s for FFR prioritization.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	191447	153751	123329	146782	181343	228511	266828	266213	208377	169327	139939	147162		1	1	1	1	1	0	0	0	0	1	1	1
2	192319	160482	123871	136257	176361	222575	261209	259337	206197	163086	139772	147225		1	1	1	1	1	0	0	0	0	1	1	1
3	193841	160638	121747	135851	176517	221009	259953	259030	206026	160730	139850	145393		1	1	1	1	1	0	0	0	0	1	1	1
4	194249	162327	122019	134495	176407	221400	259951	259593	206778	160472	140179	146878		1	1	1	1	1	0	0	0	0	1	1	1
5	200137	169370	124764	138357	182259	223829	260076	261497	208785	163750	147168	153954		0	1	1	1	1	0	0	0	0	1	1	1
6	212952	180827	132840	141485	192778	230421	260289	265434	217090	171226	160411	166545		0	1	1	1	1	0	0	0	0	1	1	1
7	215781	185071	134641	149691	198653	234066	263177	265691	221097	179713	167643	170376		0	1	1	1	0	0	0	0	0	1	1	1
8	216399	187142	138862	159873	200581	235571	269075	267163	231432	185226	172662	179142		0	1	1	1	0	0	0	0	0	1	1	1
9	217516	191115	142257	162341	203674	245101	278056	274281	242654	190473	175242	182466		0	1	1	1	0	0	0	0	0	1	1	1
10	217171	189003	145698	163758	212067	258358	289242	284922	255503	200589	173879	183033		0	1	1	1	0	0	0	0	0	1	1	1
11	211934	188904	146155	170097	220028	274380	306938	304818	268850	205439	176657	184530		0	1	1	1	0	0	0	0	0	1	1	1
12	206704	189266	145980	173646	221373	285780	318746	325190	285081	210195	180010	186292		0	1	1	1	0	0	0	0	0	1	1	1
13	201767	186205	148048	182469	226379	297458	326074	331409	293163	215369	183831	193068		0	1	1	1	0	0	0	0	0	1	1	1
14	199925	180837	151003	193658	228755	305096	329477	335955	294512	218018	186315	197838		0	1	1	1	0	0	0	0	0	1	1	1
15	199087	186040	158373	201290	230273	307160	331425	339504	298133	220137	190029	200171		0	1	1	0	0	0	0	0	0	1	1	1
16	203144	186032	166785	204291	231731	310026	332377	339966	300123	225608	191574	202073		0	1	1	0	0	0	0	0	0	1	1	1
17	205613	187140	170980	206904	232347	311578	332514	344176	300120	228363	194125	205999		0	1	1	0	0	0	0	0	0	1	1	1
18	209291	188847	172466	207965	234905	311175	331028	344048	303426	228625	195015	207709		0	1	1	0	0	0	0	0	0	1	1	1
19	212399	190201	173633	208558	234709	308536	330030	342479	303671	229279	194102	206057		0	1	1	0	0	0	0	0	0	1	1	1
20	207573	182556	173665	205560	231952	305441	326343	336864	305851	228829	190401	201345		0	1	1	0	0	0	0	0	0	1	1	1
21	204235	174206	169588	203798	228262	296881	323577	331912	302799	227875	183453	197237		0	1	1	0	0	0	0	0	0	1	1	1
22	200672	168043	164137	193362	225916	281125	316723	319457	280550	220630	167986	185524		0	1	1	1	0	0	0	0	0	1	1	1
23	198944	163085	146924	179302	207034	259262	294462	301899	252783	203972	149513	168988		0	1	1	1	0	0	0	0	0	1	1	1
24	193301	157412	130146	159200	193707	239055	273366	284829	225264	185321	141346	156521		1	1	1	1	1	0	0	0	0	1	1	1

Adequacy of Non-Spin quantities in 2022

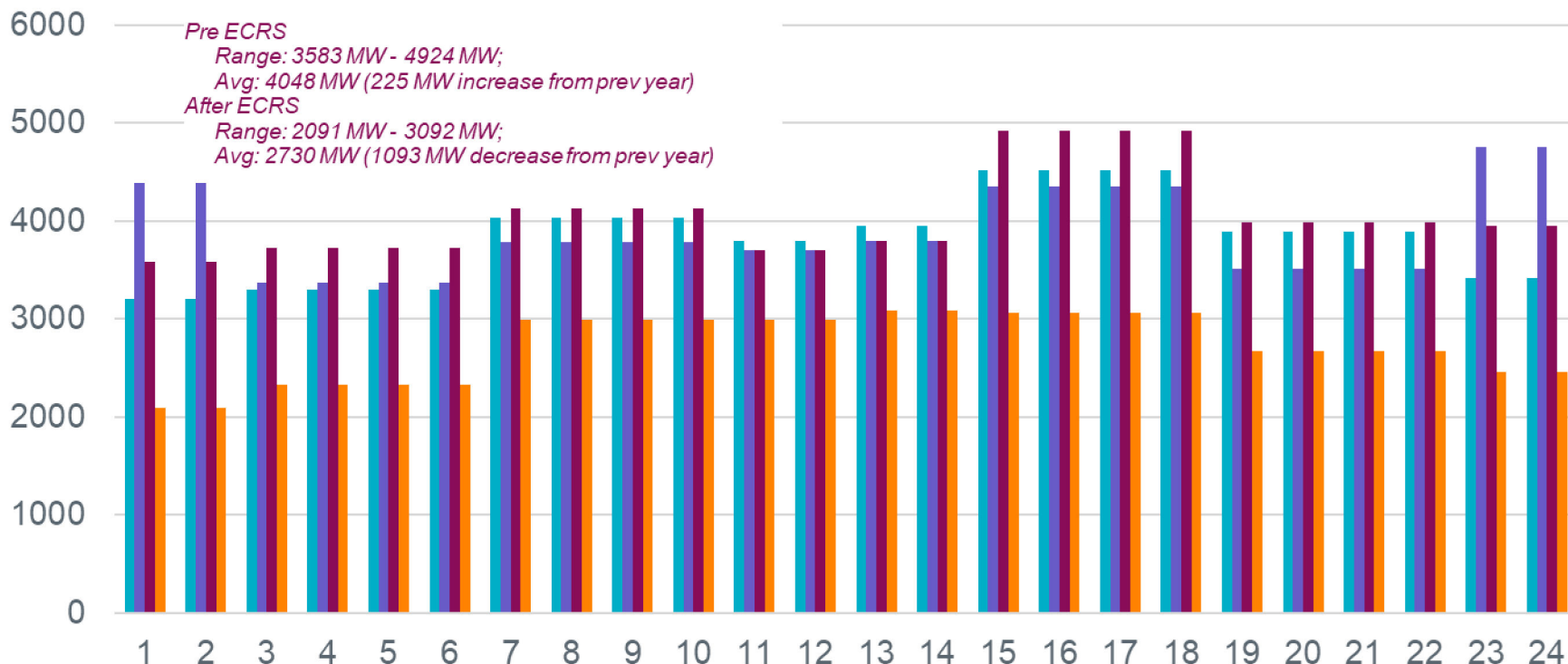
- Between Jan 1, 2022 and Jul 31, 2022,
 - ~5% of the time the available Non-Spin was not sufficient to cover the 6HA risk.
 - Lowest Real Time headroom without RUC action was 2,366 MW on July 17@HE18. With RUC the Real Time headroom was around 3,488 MW.
 - ~13% of the time the margin in the available Non-Spin to cover the 6HA risk was less than 1,430 MW.



Non-Spin Comparison January

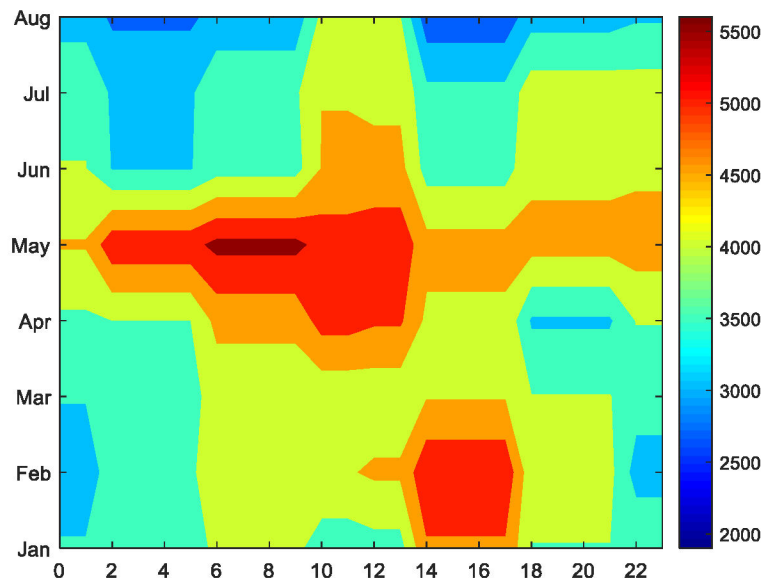
Non-Spin Requirement Comparison for January

- 2022
- 2023 - 6HA Mx NLFE (PreECRS, Current)
- 2023 - 10HA Mx NLFE (PreECRS)
- 2023 NSRS - 6HA Avg NLFE (AftECRS)



Post ECRS Non-Spin Quantities

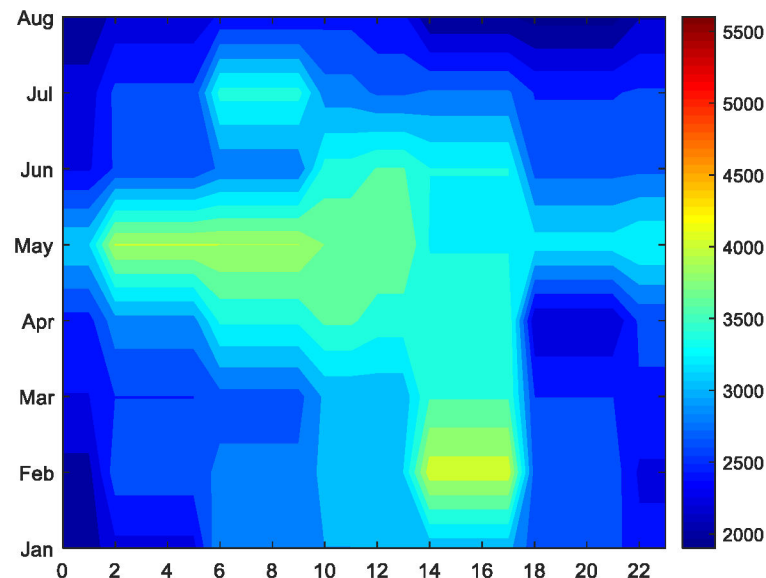
- With the proposed “after ECRS approach” for Non-Spin, overall, the Non-Spin quantities are expected to decrease.



Pre-ECRS Non-Spin

Min: 2,669 MW

Max: 5,633 MW



After ECRS Non-Spin

Min: 1,923 MW

Max: 4,112 MW

Net Load Variability Evaluation

- Since July 12, 2021, ERCOT has been monitoring the weather forecast near Real Time and in during the following days has procured up to an additional 1,000 MW of Non-Spin during periods that were identified as having an increased potential of high forecast variability that may cause a higher net load during these hours.
 - 2021: Jul 29, Aug 1, Aug 2, Aug 14, Aug 27, Aug 29, Aug 30, Sep 3, Sep 4
 - 2022: Jan. 2, Jan. 3, Jan. 20, Feb. 3, Feb. 4, May 22, May 23, May 24, Jun 1
- Additional Non-Spin may be procured for Operating Hours that are
 - a) identified as having an increased potential of high forecast variability,
 - b) there is a risk that the actual net load during these Operating Hours could be higher than forecast (after making appropriate forecast model selection) AND
 - c) the expected available capacity and expected reserves including the posted minimum Non-Spin requirements during these Operating Hours is not sufficient to cover the projected net load forecast uncertainty risk.
- In 2023, ERCOT is proposing to continue the practice of monitoring the weather near Real Time and may procure up to an additional 1,000 MW of Non-Spin for specific Operating Hours.

PRELIMINARY METHODOLOGY TO DETERMINE 2023 ECRS REQUIREMENTS



ERCOT Staff

AUGUST 18, 2022 | PDCWG

AUGUST 19, 2022 | WMWG

Introduction

- ERCOT is in the process of implementing ERCOT Contingency Reserve Service (ECRS).
 - ERCOT is targeting to implement ECRS prior to the “EMS freeze” period (around May 2023 – Jan 2024)
- This presentation will discuss a proposed* methodology to determine the minimum quantities for ECRS in 2023. A spreadsheet that contains ECRS quantities from August 2022 through July 2023 that have been computed using this proposed methodology have been posted to today’s meeting page.
 - ERCOT is seeking stakeholder feedback on the proposed ECRS methodology.

Note on Non-Spinning Reserve Service (Non-Spin) quantities post ECRS implementation

- ECRS and Non-Spin differ in the reliability risks these services address, qualification criteria, response time and duration. As a result, upon ECRS’ implementation, Non-Spin requirement cannot entirely be substituted by the amount of ECRS procured as was originally proposed during NPRR863 discussions.
- That said, ERCOT expects the risks that Non-Spin is used to cover will evolve upon ECRS’ implementation. Hence the methodology to determine Non-Spin quantities in a world where ECRS exists may need revisions.
 - ERCOT plans to discuss the Non-Spin methodology that will apply with ECRS’ implementation as a part of the annual AS Methodology review process.

* Note, ERCOT may refine the ECRS methodology further as a part of the annual effort to review the methodology for determining Ancillary Service (AS) quantities (AS Methodology).

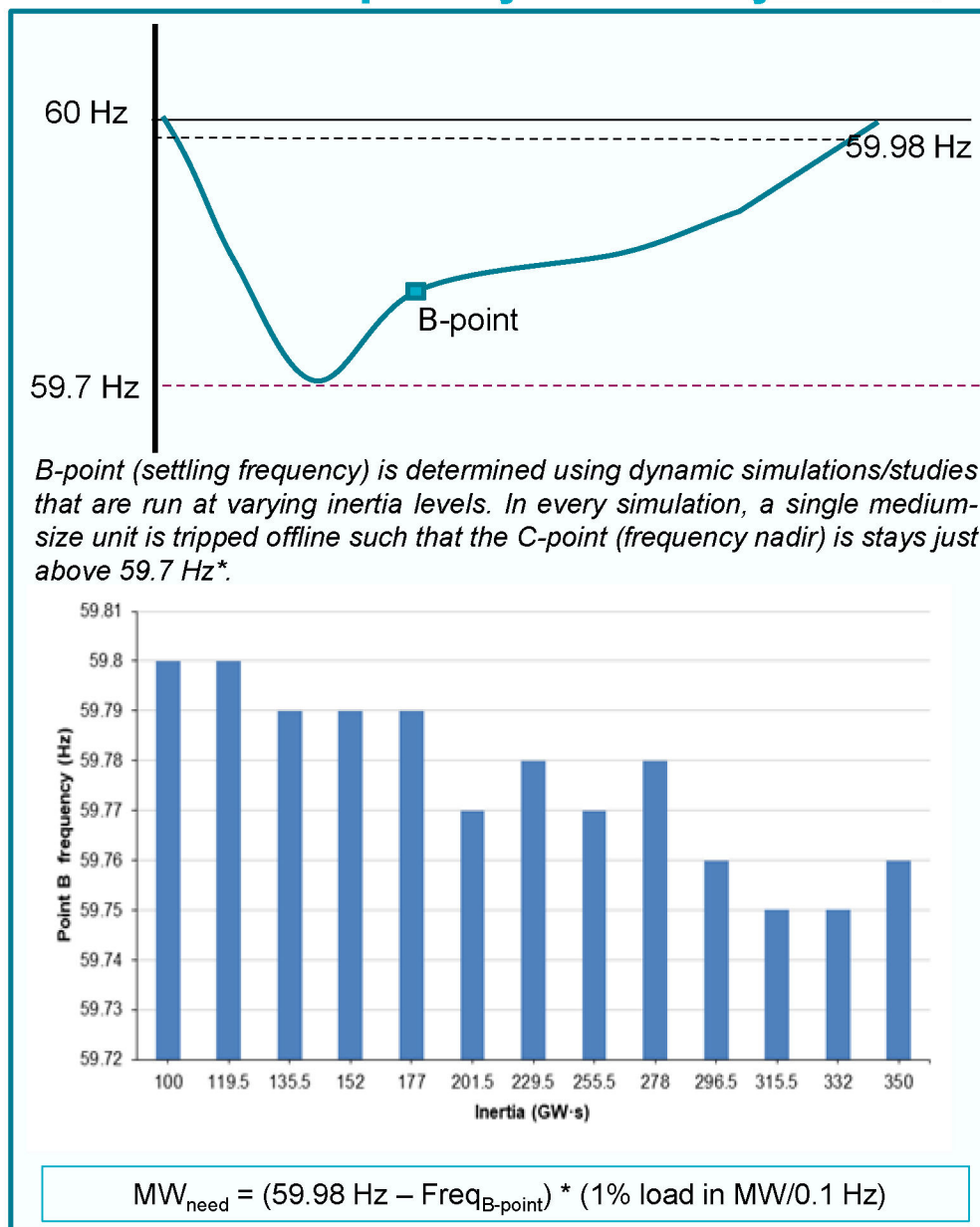
ECRS Requirements Methodology

- ECRS is a service that is provided using capacity that can be sustained at a specified level for two consecutive hours and is used to restore or maintain the frequency of the ERCOT System:
 - a) In response to significant depletion of RRS;
 - b) As backup Regulation Service;
 - c) By providing energy to avoid getting into or during an Energy Emergency Alert (EEA); and
 - d) Upon detection of insufficient capacity for net load ramps.
- ERCOT is proposing to compute ECRS requirements as the sum of,
 1. capacity needed to recover frequency following a large unit trip and
 2. capacity needed to support sustained net load ramps.
- The next few slides will discuss the detail about each of these components that establish the ECRS requirements.

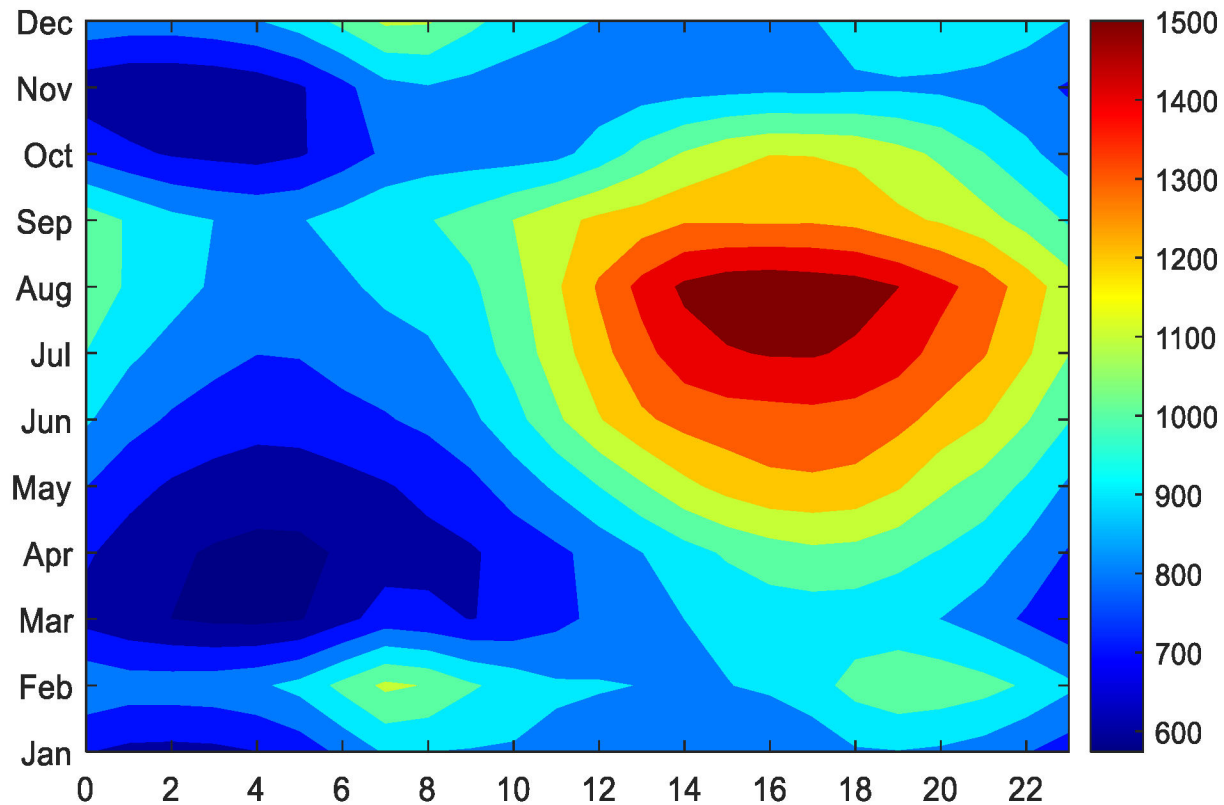
Method for Determining MWs needed for Frequency Recovery

- Capacity needed to recover frequency from B-point (i.e., settling frequency) to 59.98 Hz is determined by using dynamic simulations/studies that are run at varying inertia levels.
- In every simulation, a single medium-size unit is tripped offline such that the C-point (frequency nadir) is stays just above 59.7 Hz*.
- Capacity needed to recover frequency using this approach is determined for each hour of each month using two years historical data.

*59.7Hz is the trigger frequency for Load Resources that are providing RRS using an under-frequency relay.



MWs needed for Frequency Recovery



	Min	Mean	Max
MW _{need}	574 MW	951 MW	1,572 MW

Method for Determining Additional MWs needed for sustained Load Ramps

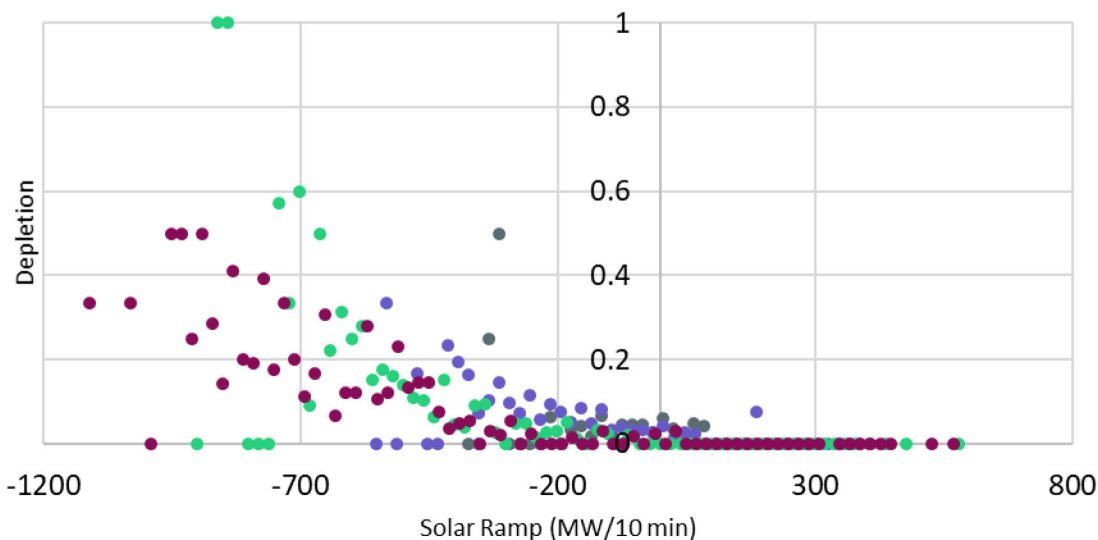
- Capacity needed to support sustained net load ramps will be computed using
 - 85th to 95th percentile of 30-minute ahead intra-hour net load forecast errors for same hour same month of previous two years
 - The percentile associated with every hour will be determined based on the risk of net load up ramp. Periods where the risk of net load ramp is highest will use 95th percentile and 85th percentile for periods with lowest risks.
 - An additional adjustment will be included to account for the impact of increase in over-forecast error from expected growth in solar generation installed capacity.

Regulation usage and SCED offset Trends

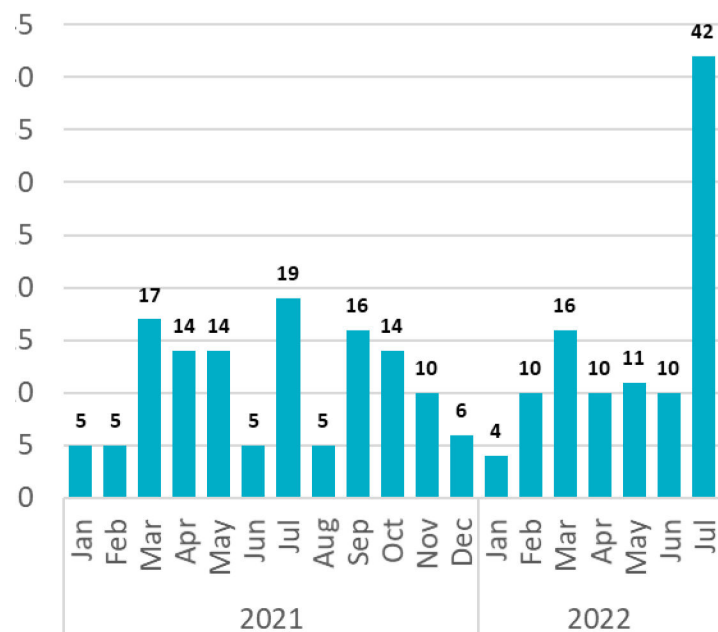
- As the solar installed capacity has increased, during the evening hours, the magnitude of 10-min solar ramps have increased and there has been more reliance on regulation up deployments and SCED offsets.

Reg-Up Depletion in Summer

● Reg-up depletion (2019) ● Reg-up depletion (2020)
● Reg-up depletion (2021) ● Reg-up depletion (2022)

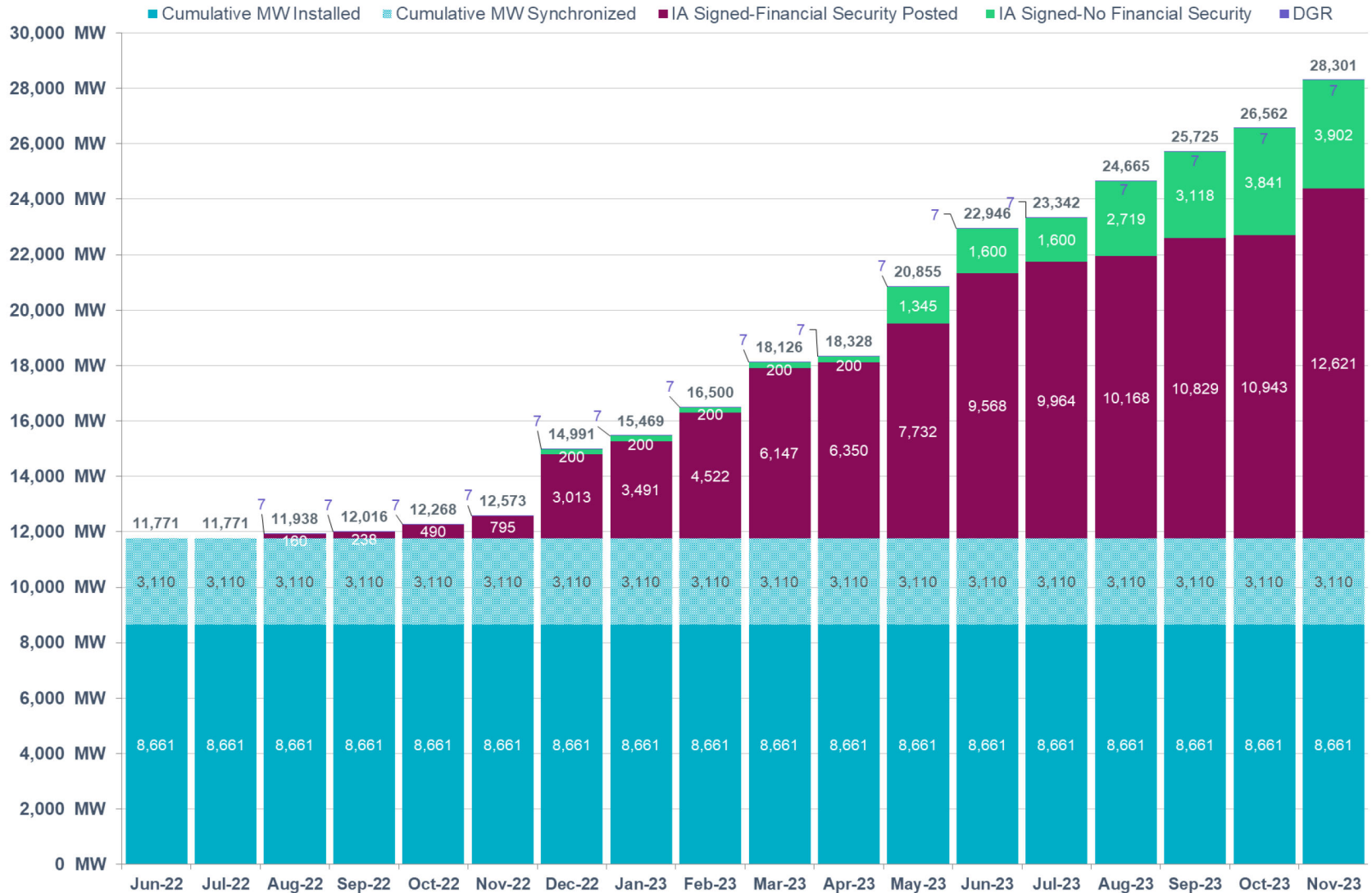


Cumulative Manual SCED Offsets by month



Projected Solar Generation Installed Capacity

ERCOT Solar Additions by Month (as of June 30, 2022)



Adjustment for Increase in Solar Installed Capacity

- Intra-hour Solar Over-Forecast Error Adjustment Table tracks estimated increase in 30-min ahead solar over forecast error per 1000 MW increase in installed solar capacity.

ADDITIONAL ECRS PER 1,000 MW INCREASE IN SOLAR INSTALLED CAPACITY

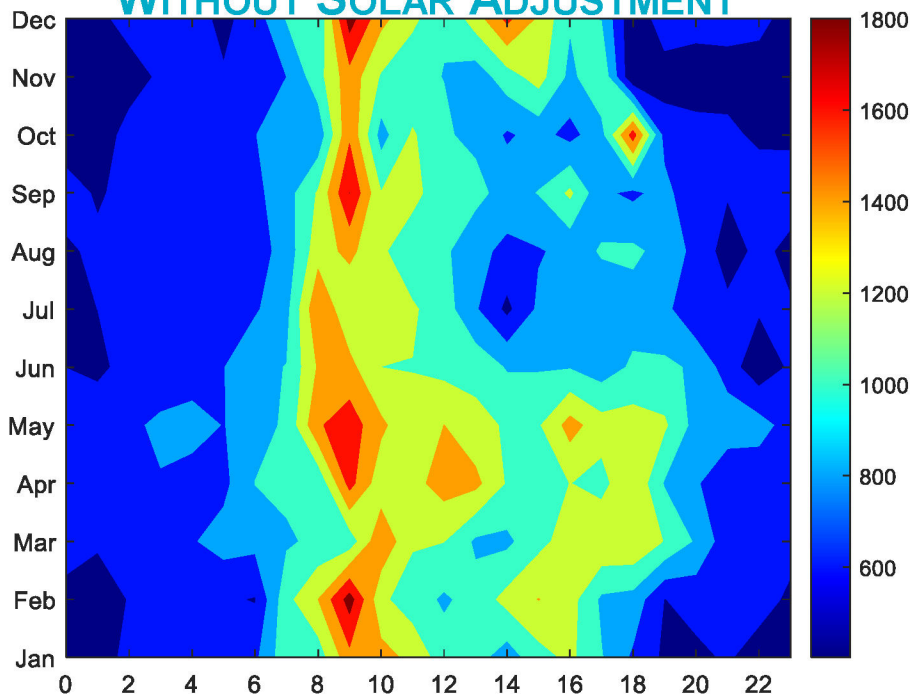
	HE 1-2, 23	HE 3-6	HE 7-10	HE 11-14	HE 15-18	HE 19-22
Jan	0	0	0	25	19	0
Feb	0	0	23	16	39	3
Mar	0	0	0	32	37	10
Apr	0	0	0	18	42	13
May	0	0	0	20	48	15
Jun	0	0	0	32	30	36
Jul	0	0	17	25	21	16
Aug	0	0	3	24	38	17
Sep	0	0	0	17	27	7
Oct	0	0	0	7	19	0
Nov	0	0	0	22	25	0
Dec	0	0	0	39	42	0

ADJUSTMENT FOR 2023 (MIN: 0 MW | MEAN: 68 MW | MAX 283 MW)

	H01	H02	H03	H04	H05	H06	H07	H08	H09	H10	H11	H12	H13	H14	H15	H16	H17	H18	H19	H20	H21	H22	H23	H24	
Jan	0	0	0	0	0	0	0	0	0	0	150	150	150	150	113	113	113	113	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	0	138	138	138	138	93	93	93	93	232	232	232	232	16	16	16	16	0	0
Mar	0	0	0	0	0	0	0	0	0	0	192	192	192	192	221	221	221	221	62	62	62	62	0	0	
Apr	0	0	0	0	0	0	0	0	0	0	106	106	106	106	248	248	248	248	78	78	78	78	0	0	
May	0	0	0	0	0	0	0	0	0	0	121	121	121	121	283	283	283	283	90	90	90	90	0	0	
Jun	0	0	0	0	0	0	0	0	0	0	191	191	191	191	178	178	178	178	211	211	211	211	0	0	
Jul	0	0	0	0	0	0	0	103	103	103	103	150	150	150	150	124	124	124	124	96	96	96	96	0	0
Aug	0	0	0	0	0	0	0	20	20	20	20	141	141	141	141	223	223	223	223	99	99	99	99	0	0
Sep	0	0	0	0	0	0	0	0	0	0	103	103	103	103	161	161	161	161	42	42	42	42	0	0	
Oct	0	0	0	0	0	0	0	0	0	0	40	40	40	40	110	110	110	110	0	0	0	0	0	0	
Nov	0	0	0	0	0	0	0	0	0	0	131	131	131	131	146	146	146	146	0	0	0	0	0	0	
Dec	0	0	0	0	0	0	0	0	0	0	233	233	233	233	248	248	248	248	0	0	0	0	0	0	

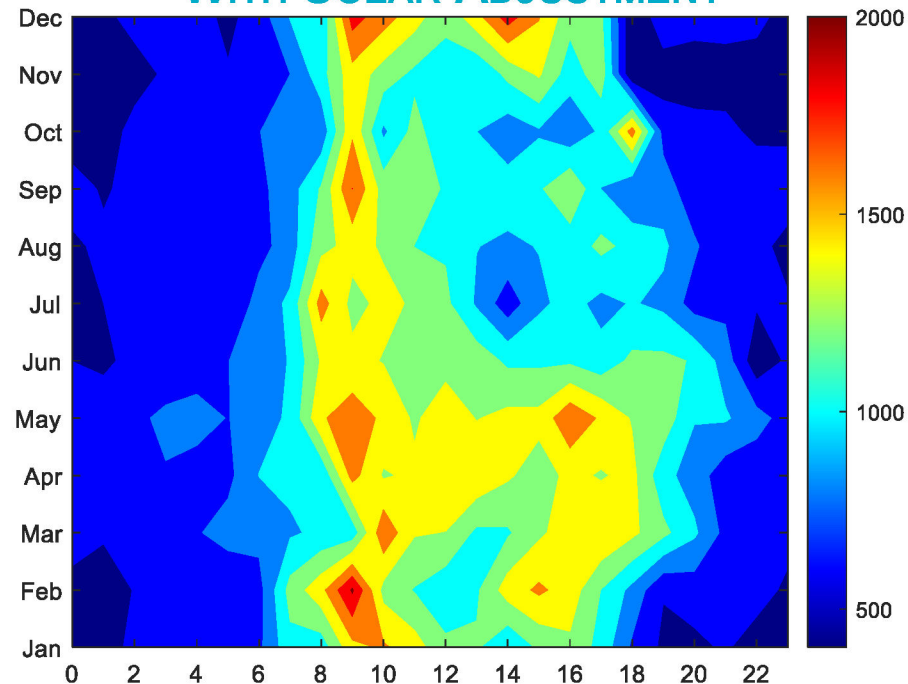
MW needed for Intra-hour Net Load Forecast Error

WITHOUT SOLAR ADJUSTMENT



	Min	Mean	Max
MW _{need}	403 MW	913 MW	1,889 MW

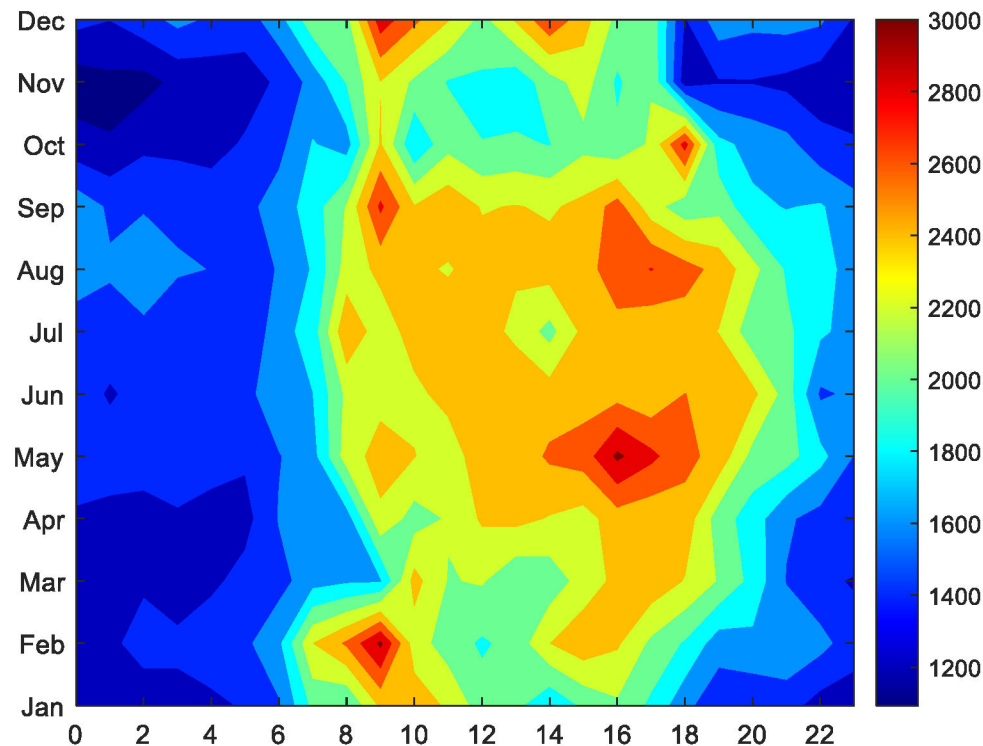
WITH SOLAR ADJUSTMENT



	Min	Mean	Max
MW _{need}	403 MW	981 MW	2,027 MW

ECRS Requirement for 2023

- Total ECRS requirement for every hour is computed as the sum of
 - capacity needed to recover frequency following a large unit trip and
 - capacity needed to support sustained net load ramps (with solar adjustment)



	Min	Mean	Max
ECRS	1,093 MW	1,933 MW	3,039 MW

Summary and Next Steps

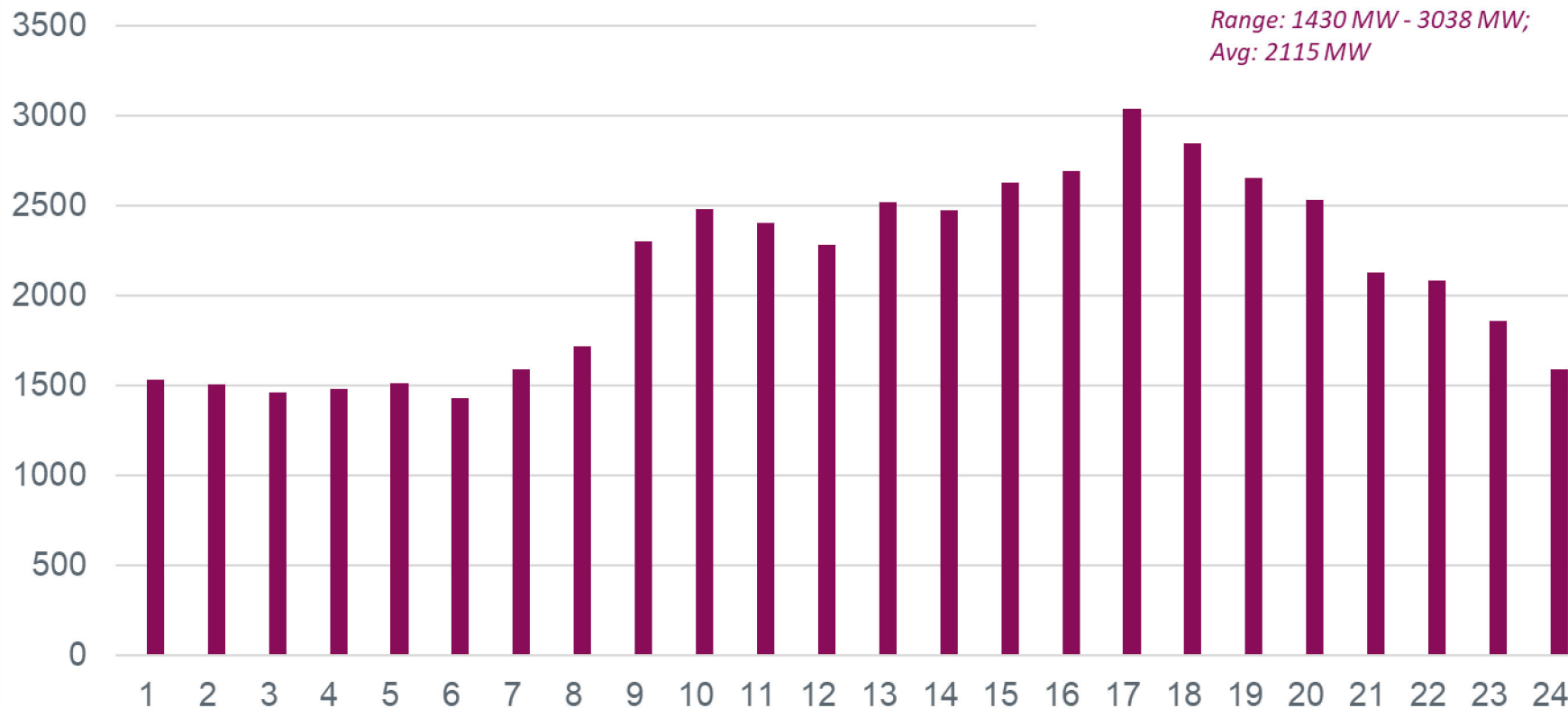
- Using the preliminary* methodology to determine the minimum quantities for ECRS, hourly ECRS requirements in 2023 may vary between 1,093 and 3,039 MW.
 - A spreadsheet that contains the associated ECRS quantities for January through July of 2023 have been posted to today's meeting page.
- ERCOT is seeking stakeholder feedback on the proposed ECRS methodology.
- Lastly, ERCOT expects the risks that Non-Spin is used to cover will evolve upon ECRS' implementation. Hence the methodology to determine Non-Spin quantities in a world where ECRS exists may need revisions.
 - ERCOT plans to discuss the Non-Spin methodology that will apply with ECRS' implementation as a part of the annual AS Methodology review process.

* Note, ERCOT may refine the ECRS methodology further as a part of the annual effort to review the AS Methodology).

ECRS Requirement Comparison for May

■ 2023

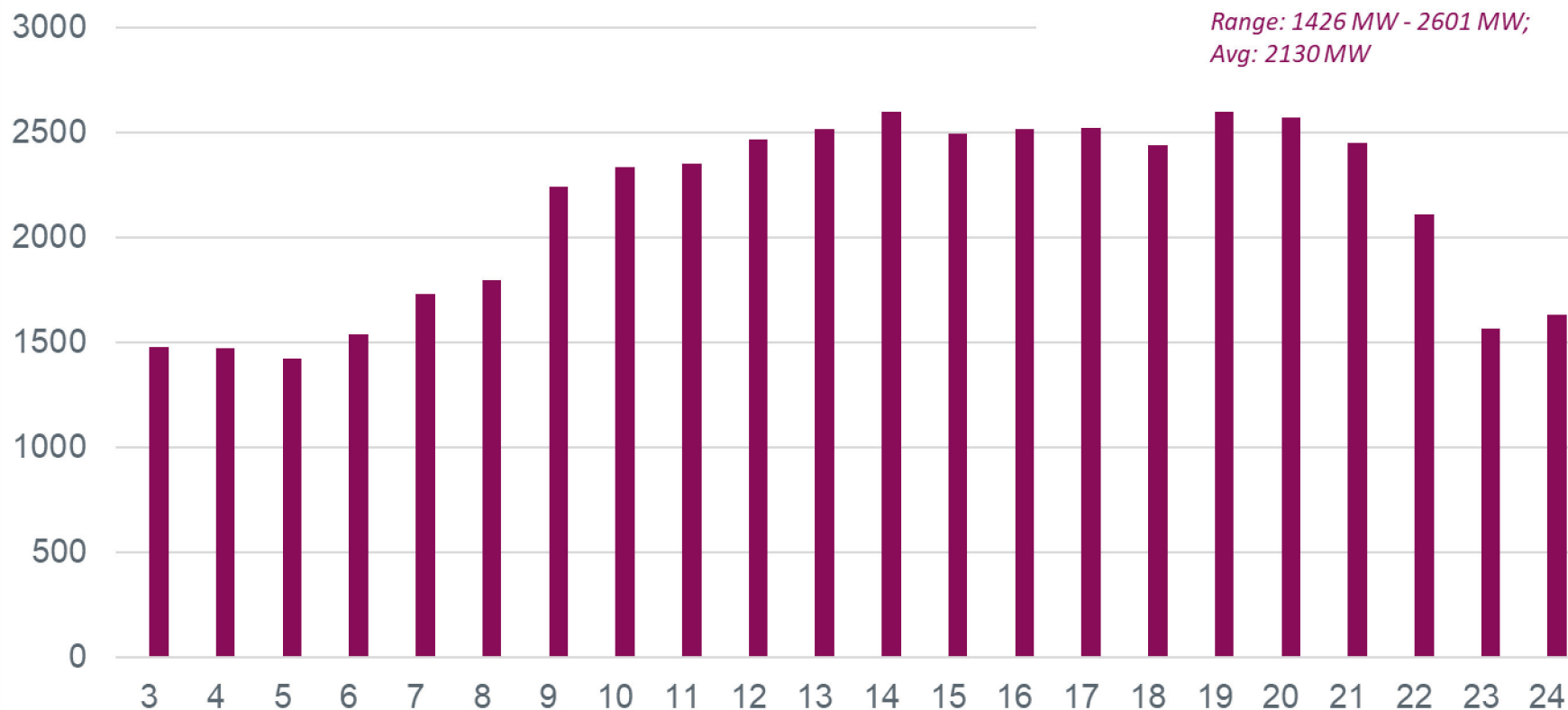
Range: 1430 MW - 3038 MW;
Avg: 2115 MW



ECRS Requirement Comparison for June

■ 2023

Range: 1426 MW - 2601 MW;
Avg: 2130 MW

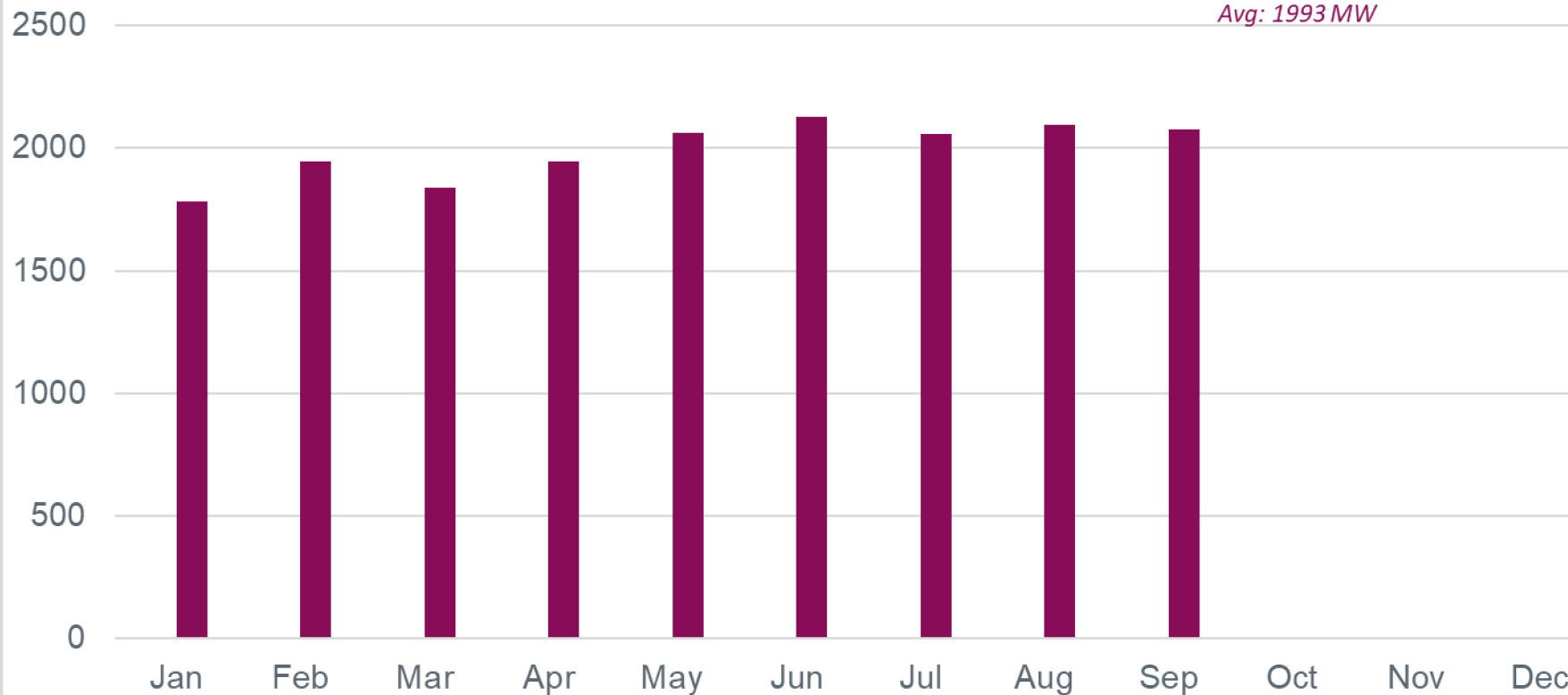


Hourly Average ECRS

Hourly Average ECRS Requirement Comparison

■ 2023

Range: 2130 MW - 1782 MW;
Avg: 1993 MW



PROPOSED 2023 ANCILLARY SERVICE METHODOLOGY AND PRELIMINARY QUANTITIES



ERCOT Staff

Nov 2, 2022
WMS

Stakeholder Discussion Timeline

- ✓ September 14, 2022 – PDCWG (Methodology Discussion)
- ✓ September 23, 2022 – WMWG (Methodology Discussion)

- ✓ October 21, 2022 – WMWG (Proposed Methodology)
- ✓ October 27, 2022 – OWG (Proposed Methodology)
- ✓ October 28, 2022 – PDCWG (Proposed Methodology)

- November 02, 2022 - WMS
- November 07, 2022 - ROS

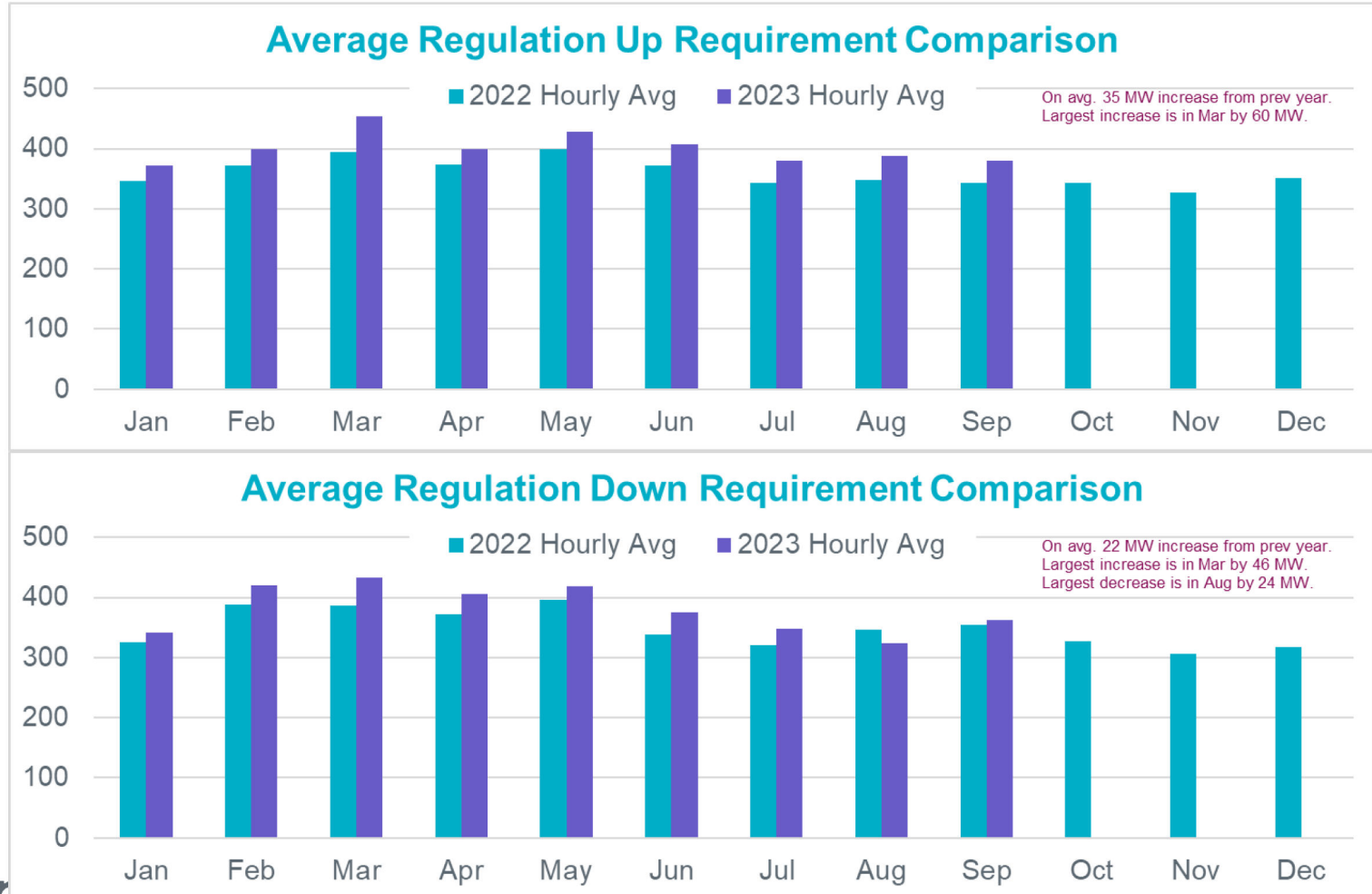
- December 5, 2022 - TAC
- December 20, 2022 – BoD

Discussion Scope for Today

- This presentation will discuss the proposed methodology for computing Ancillary Service (A/S) quantities in 2023.
 - ERCOT is not proposing any changes in the methodologies used to compute Regulation Service and Responsive Reserve Service (RRS) requirements for 2023.
 - NERC's preliminary BAL-003 Interconnection Frequency Response Obligation (IFRO) for Operating Year (OY) 2023 assessment for ERCOT shows an increase in ERCOT's IFRO. To align with ERCOT's 2023 IFRO, minimum RRS-PFR limit for 2023 will change to 1,390 MW.
 - ERCOT is proposing some changes in the methodology used to compute minimum Non-Spinning Reserve Service (Non-Spin) requirements in 2023. Specifically,
 - Prior to ECRS: Use 85th to 95th percentile of 10 Hours Ahead (HA) max. net load forecast error
 - After ECRS: Use 75th to 95th percentile of 6 HA hourly avg. net load forecast error
 - Upon its implementation, ERCOT is proposing to compute ECRS requirements as the sum of capacity needed to recover frequency following a large unit trip and capacity needed to support sustained net load ramps.
- The Ancillary Service (A/S) quantities for 2023 contained in this presentation are based on the methodology that was approved in December 2021.
 - The quantities for 2023 reflect moving forward the historic data on which these are based, unless otherwise noted.
 - Spreadsheets that contain the associated quantities have been posted on today's meeting page.

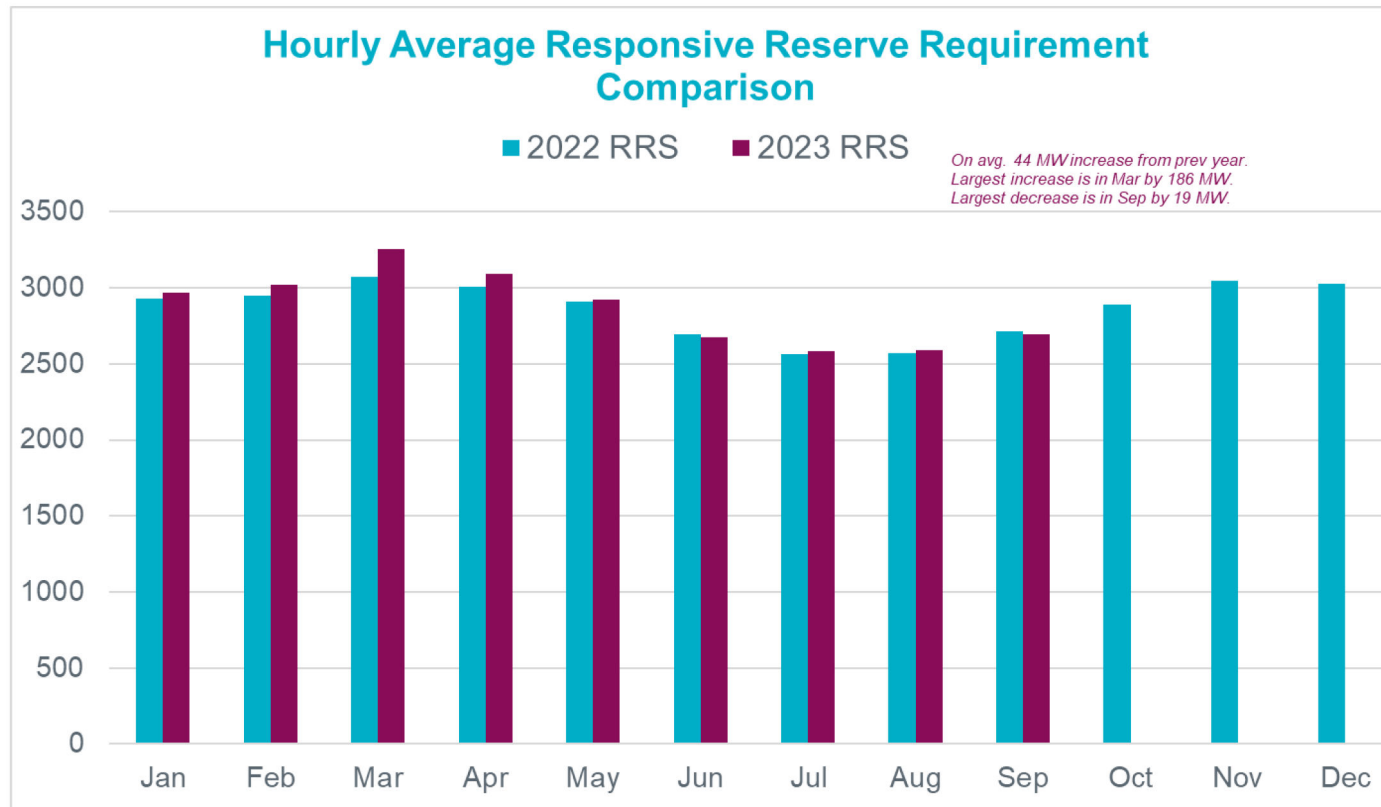
Regulation Service Methodology

- ERCOT is not proposing any change to the methodology used to compute the minimum Regulation Service requirements in 2023.
 - The preliminary Regulation quantities for January 2023 through September 2023 have been computed using 2021 and 2022 five-minute net load variability, updated Wind Adjustment and Solar Adjustment tables*.



Responsive Reserve Service (RRS) Methodology

- ERCOT is not proposing any changes to methodology used to compute the minimum RRS requirements for 2023.
 - The preliminary RRS quantities for January 2023 through September 2023 have been computed using 2021 and 2022 system inertia conditions and updated RRS table*.
 - NERC's preliminary BAL-003 Interconnection Frequency Response Obligation (IFRO) for Operating Year (OY) 2023 assessment for ERCOT shows an increase in ERCOT's IFRO. To align with ERCOT's 2023 IFRO, minimum RRS-PFR limit for 2023 will change to 1,390 MW.



NPRR 1128 | FFR Prioritization during Low Inertia Hours

- If ERCOT comments dated July 15, 2022 on NPRR 1128 are approved and implemented, during certain selected hours when FFR is beneficial in improving reliability, FFR procurement up to FFR limit will be prioritized. In this regard,
 - ERCOT is proposing to use a methodology that selects hours in the last two years wherein 25% of the time the system inertia in a 4-hour block is less than 185 GW-s for FFR prioritization. The hours marked with a “1” in the table below represent hours for FFR prioritization.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	1	1	1	1	0	0	0	0	0	1	1	1
2	1	1	1	1	0	0	0	0	0	1	1	1
3	1	1	1	1	1	0	0	0	0	1	1	1
4	1	1	1	1	1	0	0	0	0	1	1	1
5	1	1	1	1	1	0	0	0	0	1	1	1
6	1	1	1	1	1	0	0	0	0	1	1	1
7	0	1	1	1	0	0	0	0	0	0	1	1
8	0	1	1	1	0	0	0	0	0	0	1	1
9	0	1	1	1	0	0	0	0	0	0	1	1
10	0	1	1	1	0	0	0	0	0	0	1	1
11	0	1	1	1	0	0	0	0	0	0	1	1
12	0	1	1	1	0	0	0	0	0	0	1	1
13	0	1	1	1	0	0	0	0	0	0	1	1
14	0	1	1	1	0	0	0	0	0	0	1	1
15	0	1	1	1	0	0	0	0	0	0	0	0
16	0	1	1	1	0	0	0	0	0	0	0	0
17	0	1	1	1	0	0	0	0	0	0	0	0
18	0	1	1	1	0	0	0	0	0	0	0	0
19	0	1	1	1	0	0	0	0	0	0	1	1
20	0	1	1	1	0	0	0	0	0	0	1	1
21	0	1	1	1	0	0	0	0	0	0	1	1
22	0	1	1	1	0	0	0	0	0	0	1	1
23	1	1	1	1	0	0	0	0	0	1	1	1
24	1	1	1	1	0	0	0	0	0	1	1	1

Comparison between ECRS and Non-Spin

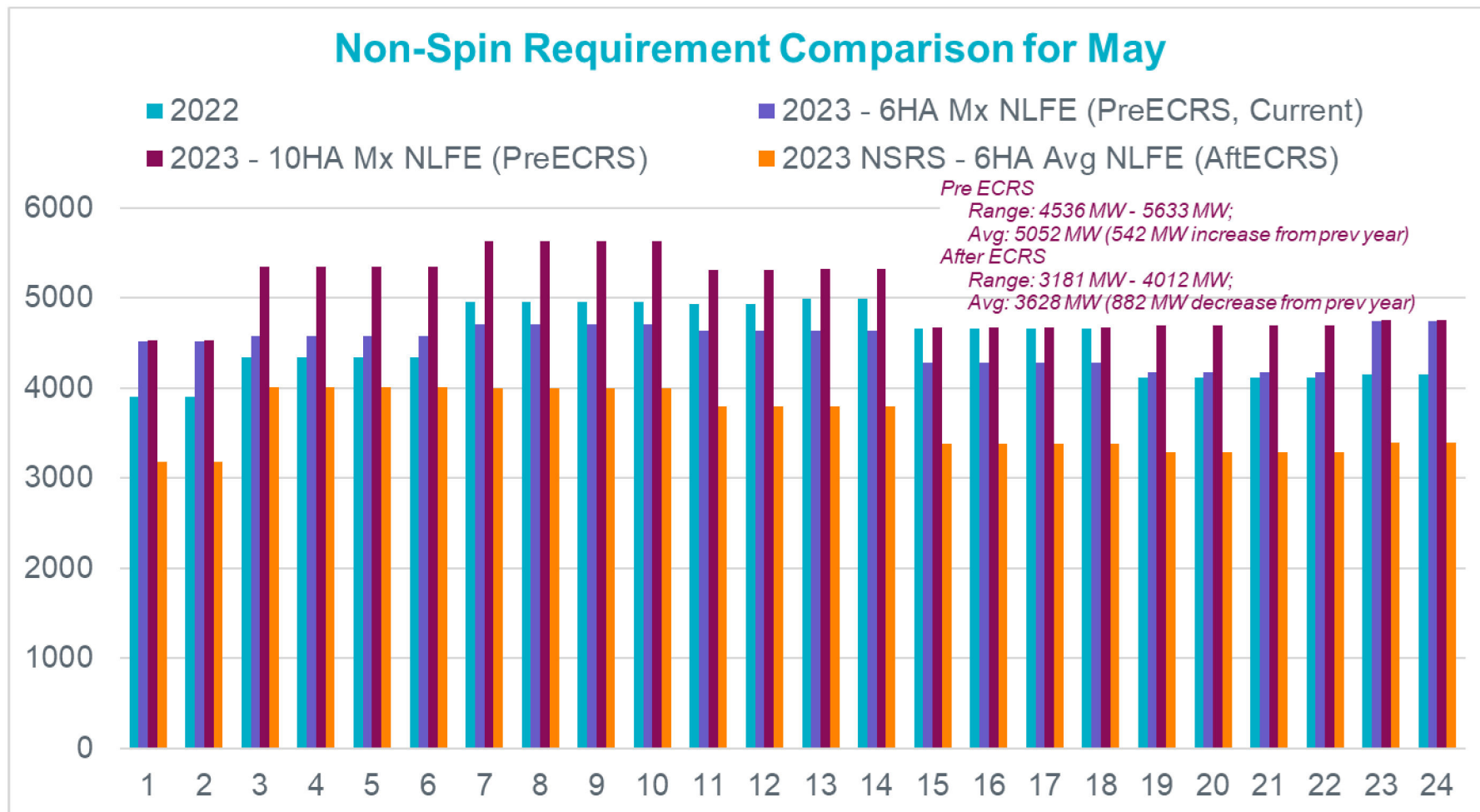
ECRS and Non-Spin differ in the reliability risks these services address, qualification criteria, response time and duration. As a result, upon ECRS' implementation, Non-Spin requirement cannot entirely be substituted by the amount of ECRS procured as was originally proposed during NPPR863 discussions.

	ECRS	Non-Spin
RELIABILITY OBJECTIVE	<p>ECRS may be deployed to</p> <ul style="list-style-type: none"> a) Help restore the frequency to 60 Hz following a significant frequency deviation b) Provide energy upon detection of insufficient capacity for net load ramps c) Provide energy to avoid or during the implementation of an EEA d) Provide backup to Reg-Up 	<p>Non-Spin may be deployed to provide additional capacity,</p> <ul style="list-style-type: none"> a) During situations when there isn't sufficient capacity for energy dispatch b) For intra-day forced outage of units and during sustained frequency decay or sustained low frequency operations. c) When SCED does not have enough energy available to execute successfully
PRIMARY FORECAST RISK	Errors in intra-hour load/wind/solar forecast that is used in SCED	Errors in hourly load/wind/solar forecast that is used in RUC
QUALIFICATION CRITERIA	Provided using capacity that can be sustained at a specified level for two consecutive hours	Provided using capacity that can be sustained at a specified level for four consecutive hours
RESPONSE	Deployed within 10 minutes upon the receipt of deployment instruction	Deployed within 30 minutes upon the receipt of deployment instruction

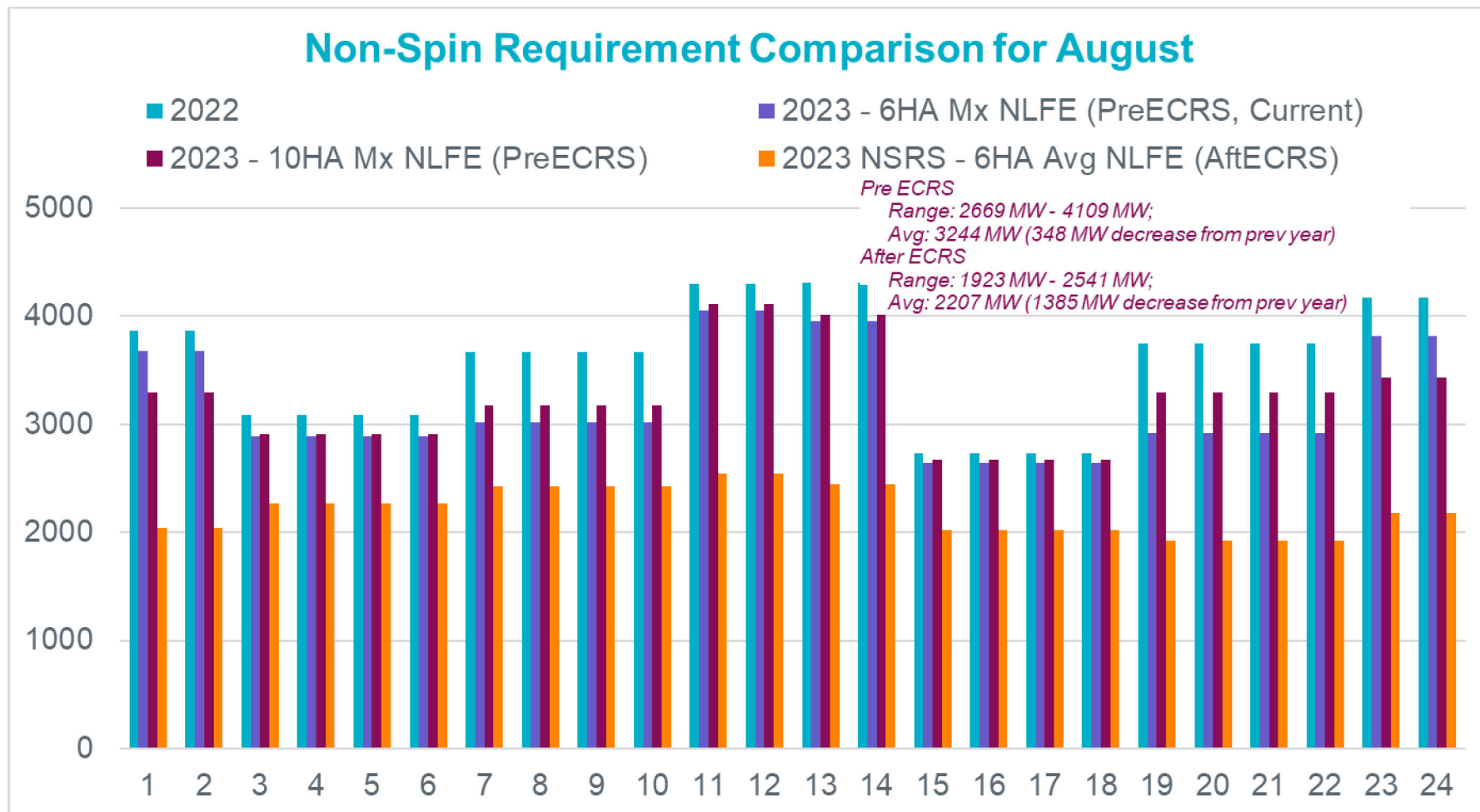
Non-Spinning Reserve Methodology - 2023

- ERCOT is proposing the following changes in the methodology used to compute minimum Non-Spin requirements in 2023,
 - ***Before ECRS is implemented:*** Use 85th to 95th percentile of 10 HA max. net load forecast error
 - ***After ECRS is implemented:*** Use 75th to 95th percentile of 6 HA hourly avg. net load forecast error
- In 2023, ERCOT will continue the practice of monitoring the weather near Real Time and may procure up to an additional 1,000 MW of Non-Spin for specific Operating Hours.
- The preliminary Non-Spin quantities for January 2023 through September 2023 in subsequent slides have been computed using 2020, 2021 and 2022 Net load and Net load Forecast, updated Wind and Solar Over-Forecast Error Adjustment tables and the updated Intra-day Outage table*.

Non-Spin Comparison May

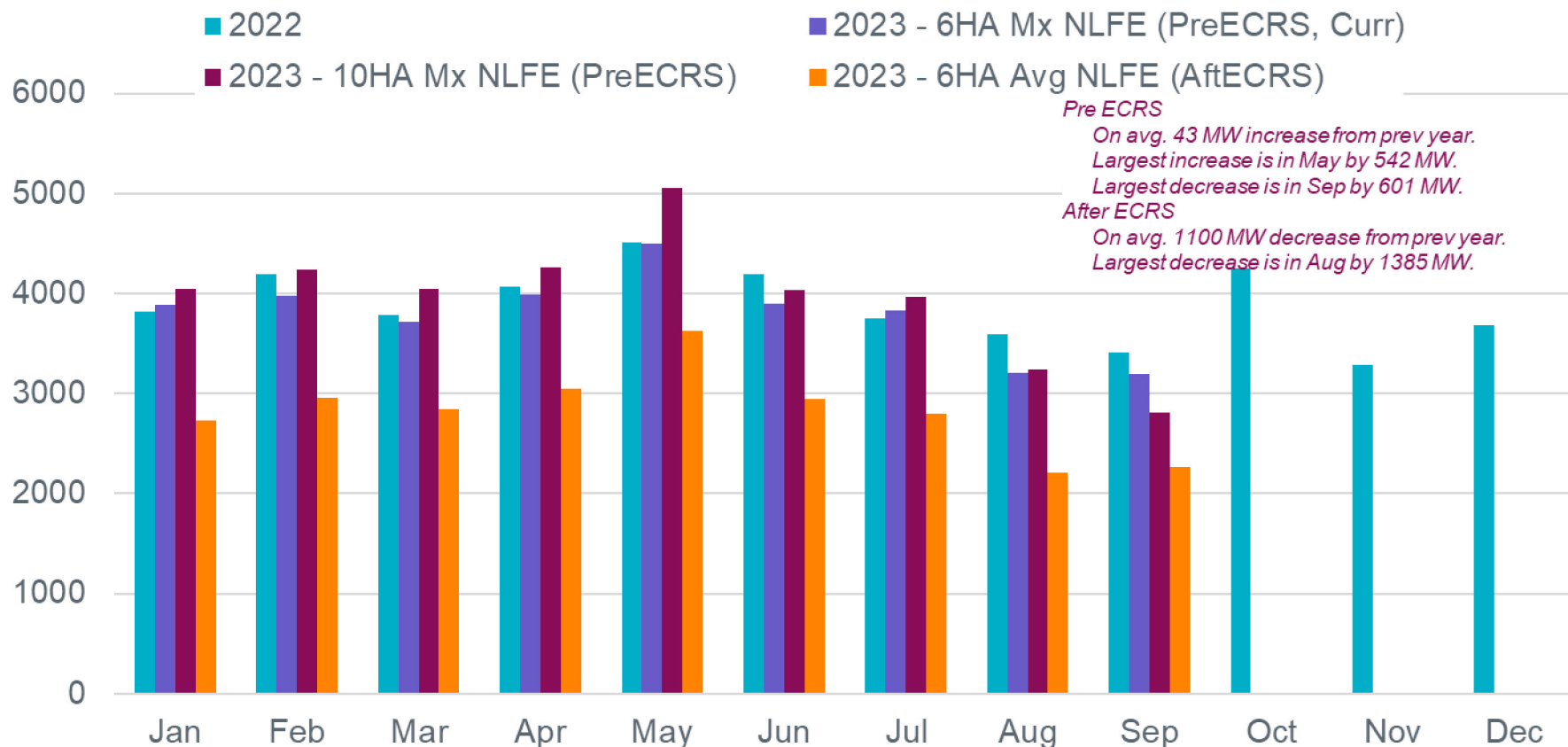


Non-Spin Comparison August



Hourly Average Non-Spin Comparison

Hourly Average Non-Spin Requirement Comparison



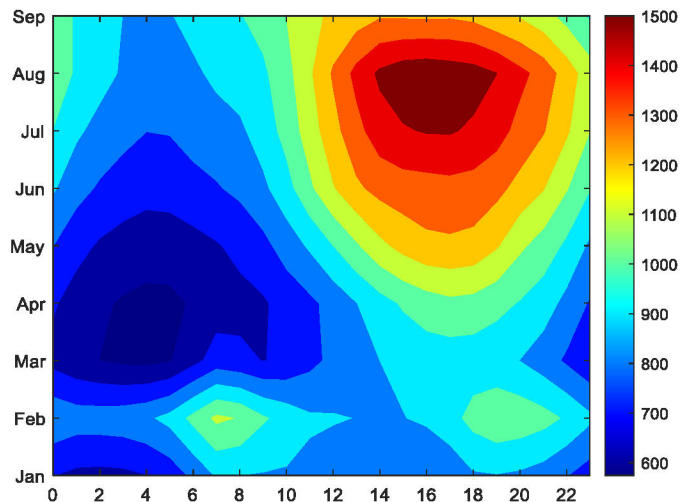
ECRS Requirements Methodology - 2023

- In 2023, ERCOT is proposing to compute ECRS requirements as the sum of capacity needed to recover frequency following a large unit trip and capacity needed to support net load forecast errors during sustained net load ramps.
- **Frequency Recovery Portion**
 - For various inertia levels, a medium-sized supply-side resource is tripped such that frequency nadir is just above 59.7 Hz. Amount of response needed equals to return frequency to 59.98 Hz is determined

$$MW_{\text{need}} = (59.98 \text{ Hz} - \text{Freq}_{\text{B-point}}) * (1\% \text{ load in MW}/0.1 \text{ Hz})$$
 - Calculated for each hour of each month from last two-year data
- **Intra-Hour Net Load Forecast errors (NLFE)**
 - 85th – 95th percentile of 30-minute ahead intra-hour netload forecast errors for last two years
 - The percentile is associated with the risk of net load ramp. The larger the netload ramp, the higher the percentile.
 - An additional adjustment will be included to account for the impact of increase in the solar generation installed capacity on the net load forecast error.
- The preliminary ECRS quantities for January 2023 through September 2023 in subsequent slides have been computed using the proposed methodology.

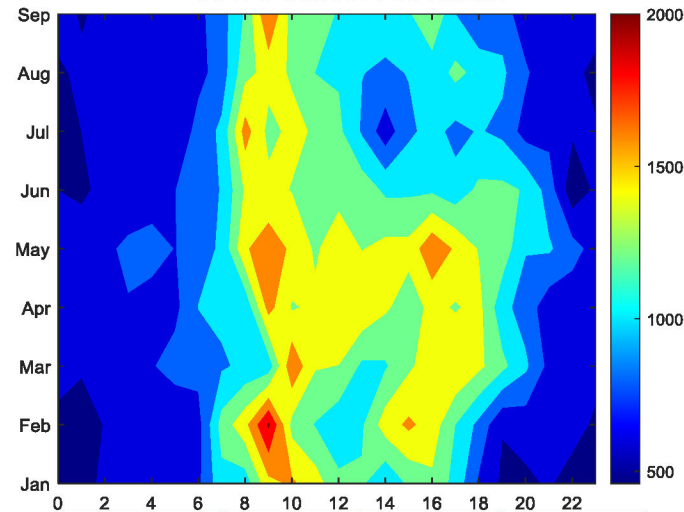
ECRS Requirement for 2023

FREQUENCY RECOVERY (F.R.)



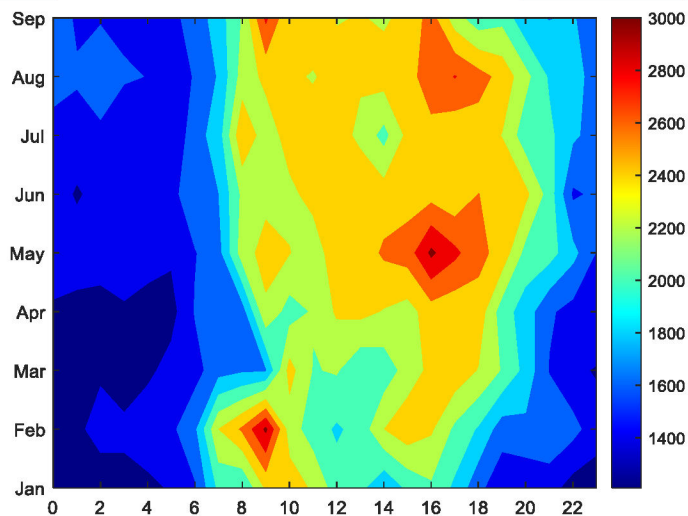
	Min	Mean	Max
F.R.	574 MW	974 MW	1,572 MW

INTRA-HOUR NLFE
W SOLAR ADJUSTMENT



	Min	Mean	Max
NLFE w Adj	460 MW	1008 MW	2,027 MW

+



	Min	Mean	Max
ECRS	1,209 MW	1,981 MW	3,039 MW

Summary

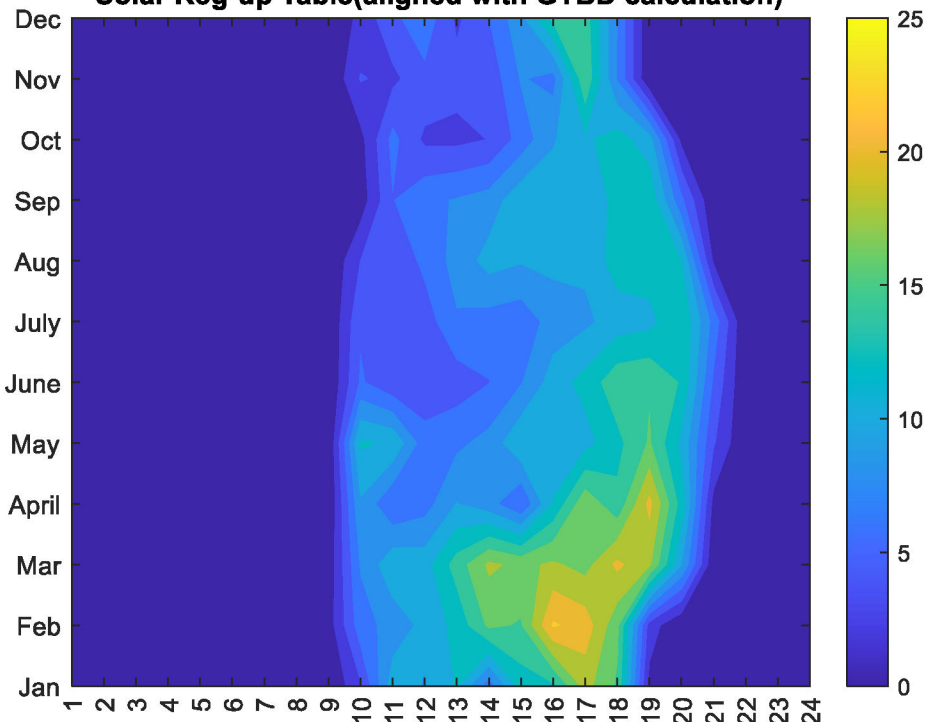
- In summary,
 - ERCOT is not proposing any changes in the methodologies used to compute Regulation Service and RRS requirements for 2023.
 - To align with in ERCOT's 2023 IFRO, minimum RRS-PFR limit for 2023 will change to 1,390 MW.
 - ERCOT is proposing some changes in the methodology used to compute minimum Non-Spin requirements in 2023. Specifically,
 - Prior to ECRS: Use 85th to 95th percentile of 10 Hours Ahead (HA) max. net load forecast error
 - After ECRS: Use 75th to 95th percentile of 6 HA hourly avg. net load forecast error
 - Upon its implementation, ERCOT is proposing to compute ECRS requirements as the sum of capacity needed to recover frequency following a large unit trip and capacity needed to support sustained net load ramps.
- ERCOT is requesting WMS' endorsement of the 2023 A/S Methodology.

SUGGESTIONS?

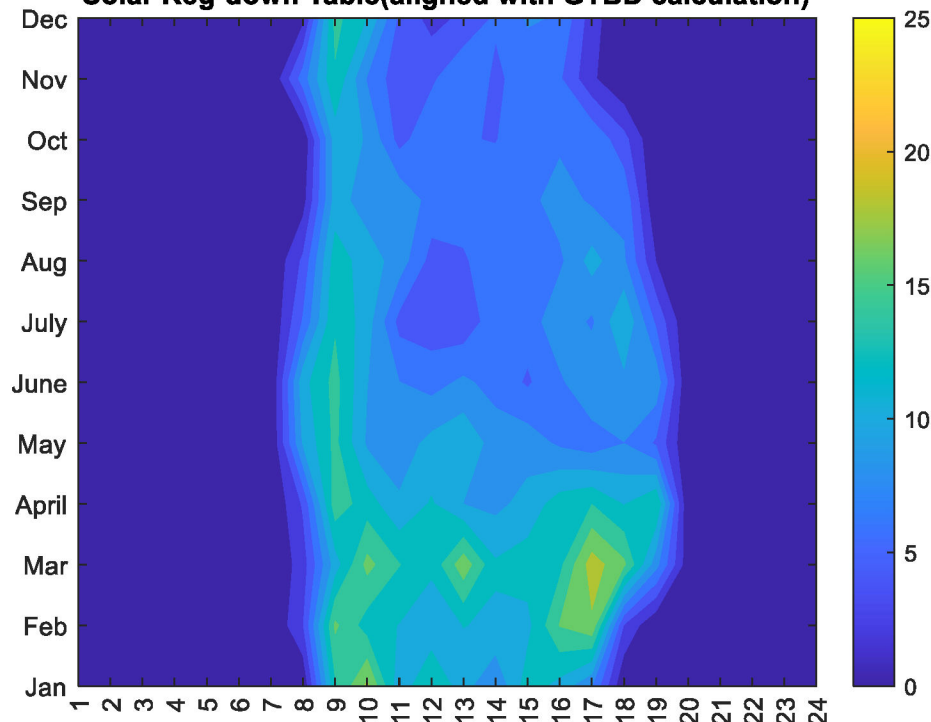
2023 Solar Adjustment Tables

Solar Adjustment Tables track incremental MWs of Regulation needed to account for additional variability per 1000 MW increase in installed solar capacity. *The methodology for 2023 Solar Adjustment tables has been updated to better align it with how 5-minute wind and solar forecasted ramps are currently used in operations.*

Solar Reg-up Table(aligned with GTBD calculation)



Solar Reg-down Table(aligned with GTBD calculation)

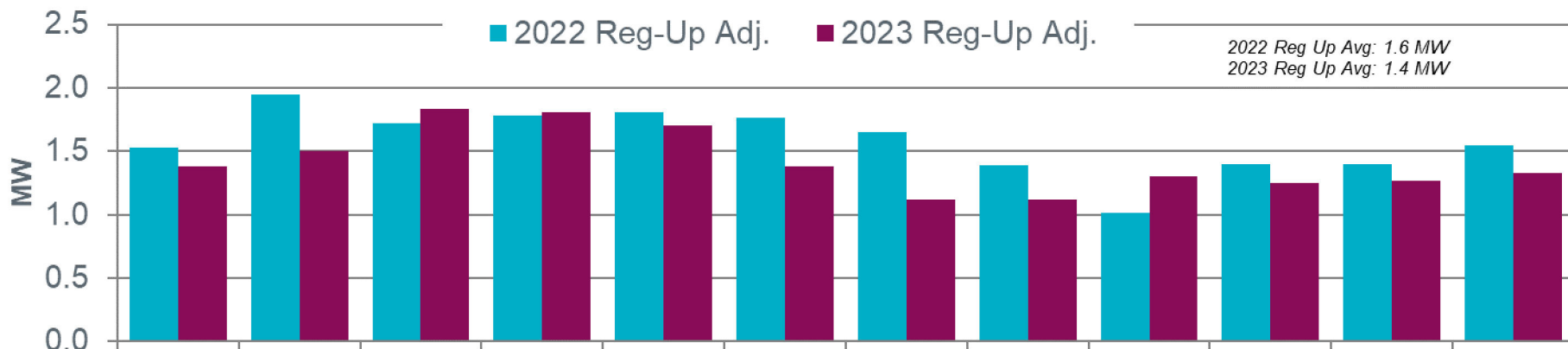


	Min (MW)	Max (MW)	Average (MW)
Reg Up	0	25.4	9.9
Reg Down	0	22.4	8.2

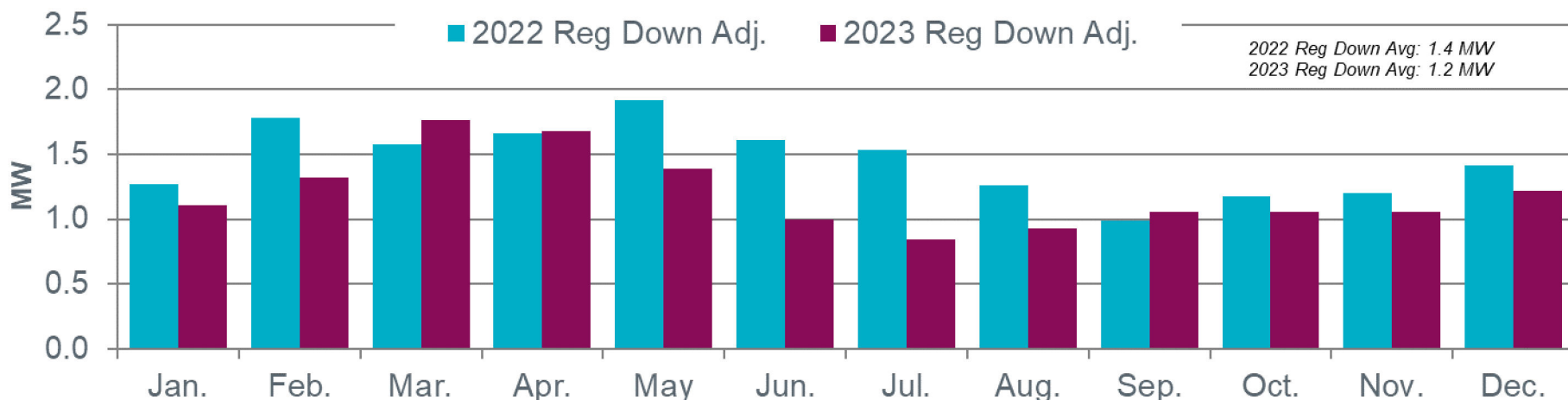
2023 Wind Adjustment Tables

Wind Adjustment Tables track incremental MWs of Regulation needed to account for additional variability per 1000 MW increase in installed wind capacity.

Reg-Up Adjustment per 1000 MW increase in Wind Installed Capacity



Reg-Down Adjustment per 1000 MW increase in Wind Installed Capacity



2023 RRS Table

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8	Scenario 9	Scenario 10	Scenario 11	Scenario 12
LR/PFR	2.35:1	2.2:1	2.06:1	1.94:1	1.83:1	1.74:1	1.65:1	1.58:1	1.51:1	1.44:1	1.39:1	1.33:1
Inertia (GW-s)	130	140	150	160	170	180	190	200	210	220	230	240
PFR Req. (no LR) (MW)	5960	5563	5200	4892	4622	4329	4114	3920	3744	3522	3314	3139
*RRS Curr IFRO (MW)	3293	3234	3178	3128	3088	3015	2982	2936	2898	2825	2732	2668
**RRS Upd IFRO (MW)	3335	3287	3239	3195	3156	3079	3041	2991	2949	2871	2774	2705

	Scenario 13	Scenario 14	Scenario 15	Scenario 16	Scenario 17	Scenario 18	Scenario 19	Scenario 20	Scenario 21	Scenario 22	Scenario 23	Scenario 24	Scenario 25
LR/PFR	1.28:1	1.24:1	1.19:1	1.15:1	1.12:1	1.08:1	1.04:1	1.01:1	1:1	1:1	1:1	1:1	1:1
Inertia (GW-s)	250	260	270	280	290	300	310	320	330	340	350	360	370
PFR Req. (no LR) (MW)	3004	2890	2784	2686	2595	2510	2421	2353	2290	2230	2173	2119	2068
*RRS Curr IFRO (MW)	2618	2571	2538	2498	2450	2416	2375	2342	2290	2230	2173	2119	2068
**RRS Upd IFRO (MW)	2651	2600	2562	2517	2466	2427	2381	2344	2290	2230	2173	2119	2068

*RRS quantity is calculated for RCC of 2805 with limit of 60% limit on LRs and min RRS-PFR limit of 1,240 MW.

**RRS quantity is calculated for RCC of 2805 with limit of 60% limit on LRs and min RRS-PFR limit of 1,390 MW.

***Red font in table above identifies study scenario where RRS needed < 2300 MW. RRS requirement during these is based on the applicable floor.

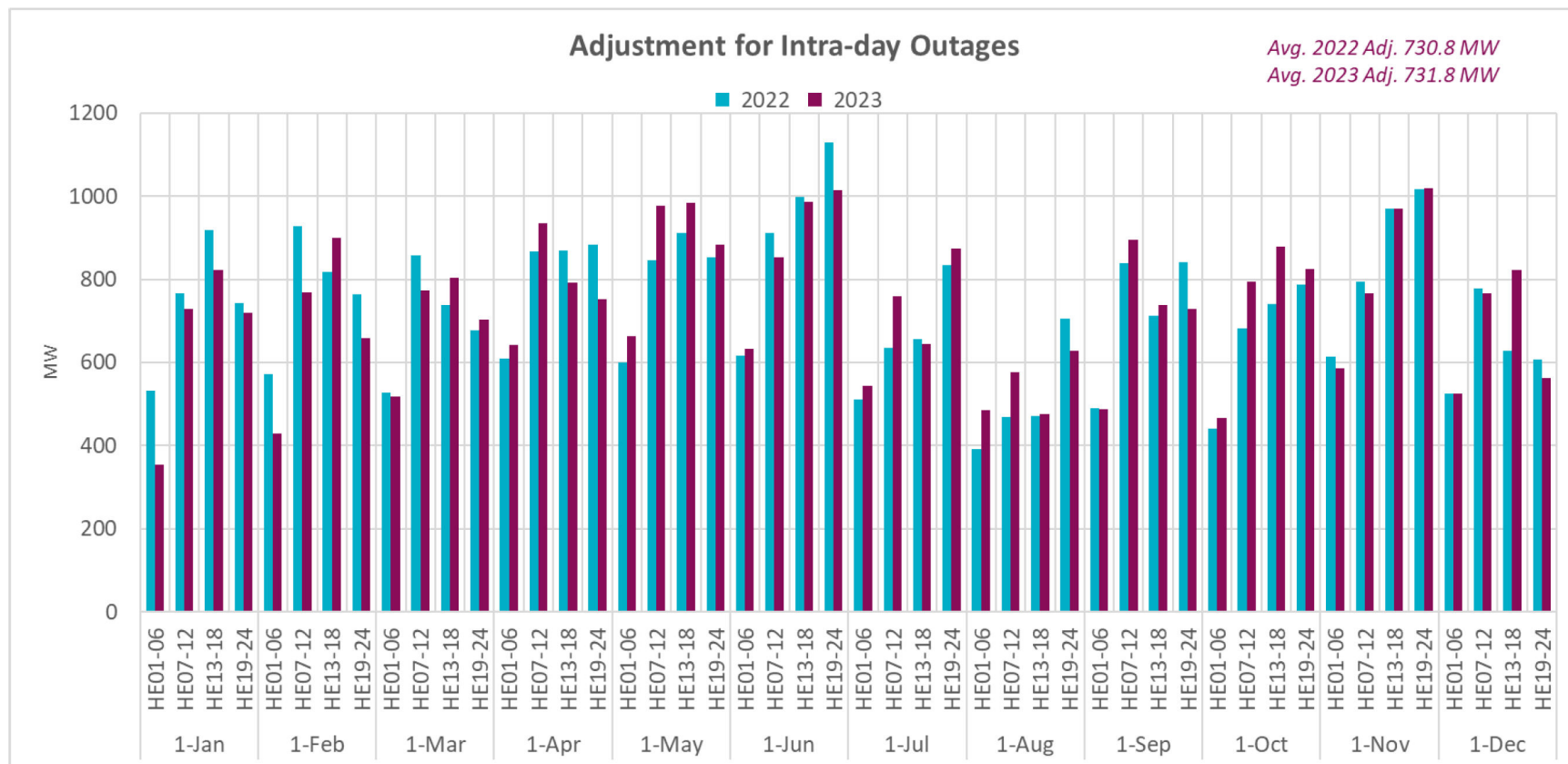
****Generation mix (CCs, Gas, SC, Coal, Steam) providing 1150 MW of PFR has been aligned with actual historic system operations.

Inertia < 250 GW-s: 30% Coal + 70% Rest. Inertia ≥ 250 GW-s: 15% Coal + 85% Rest



2023 Intra-day Outage Table

The Intra-day Outage table helps account for increased capacity needs following forced outages of thermal resources within an operating day.



ECRS Adjustment for Increase in Solar Installed Capacity

Intra-hour Solar Over-Forecast Error Adjustment Table tracks estimated increase in 30-min ahead solar over forecast error per 1000 MW increase in installed solar capacity.

ADDITIONAL ECRS PER 1,000 MW INCREASE IN SOLAR INSTALLED CAPACITY

	HE 1-2, 23	HE 3-6	HE 7-10	HE 11-14	HE 15-18	HE 19-22
Jan	0	0	0	25	19	0
Feb	0	0	23	16	39	3
Mar	0	0	0	32	37	10
Apr	0	0	0	18	42	13
May	0	0	0	20	48	15
Jun	0	0	0	32	30	36
Jul	0	0	17	25	21	16
Aug	0	0	3	24	38	17
Sep	0	0	0	17	27	7

ADJUSTMENT FOR 2023 (MIN: 0 MW | MEAN: 74 MW | MAX 283 MW)

	H01	H02	H03	H04	H05	H06	H07	H08	H09	H10	H11	H12	H13	H14	H15	H16	H17	H18	H19	H20	H21	H22	H23	H24	
Jan	0	0	0	0	0	0	0	0	0	0	150	150	150	150	113	113	113	113	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	0	138	138	138	138	93	93	93	93	232	232	232	232	16	16	16	16	0	0
Mar	0	0	0	0	0	0	0	0	0	0	192	192	192	192	221	221	221	221	62	62	62	62	0	0	
Apr	0	0	0	0	0	0	0	0	0	0	106	106	106	106	248	248	248	248	78	78	78	78	0	0	
May	0	0	0	0	0	0	0	0	0	0	121	121	121	121	283	283	283	283	90	90	90	90	0	0	
Jun	0	0	0	0	0	0	0	0	0	0	191	191	191	191	178	178	178	178	211	211	211	211	0	0	
Jul	0	0	0	0	0	0	0	103	103	103	103	150	150	150	150	124	124	124	124	96	96	96	96	0	0
Aug	0	0	0	0	0	0	0	20	20	20	20	141	141	141	141	223	223	223	223	99	99	99	99	0	0
Sep	0	0	0	0	0	0	0	0	0	0	103	103	103	103	161	161	161	161	42	42	42	42	0	0	

PROPOSED 2023 ANCILLARY SERVICE METHODOLOGY AND PRELIMINARY QUANTITIES



ERCOT Staff

Nov 7, 2022
ROS

Stakeholder Discussion Timeline

- ✓ September 14, 2022 – PDCWG (Methodology Discussion)
- ✓ September 23, 2022 – WMWG (Methodology Discussion)

- ✓ October 21, 2022 – WMWG (Proposed Methodology)
- ✓ October 27, 2022 – OWG (Proposed Methodology)
- ✓ October 28, 2022 – PDCWG (Proposed Methodology)

- ✓ November 02, 2022 - WMS
 - November 07, 2022 - ROS

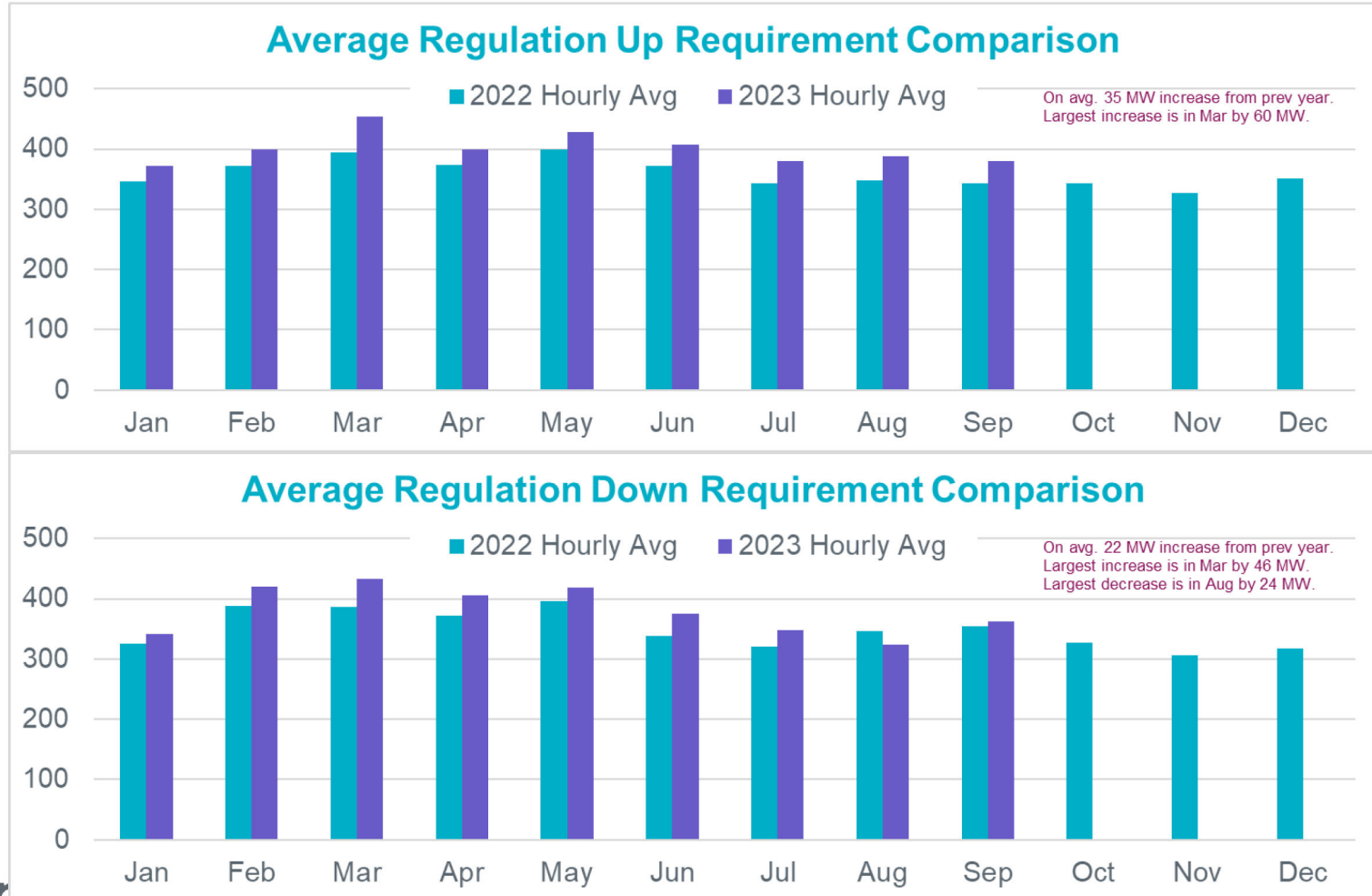
- December 5, 2022 - TAC
- December 20, 2022 – BoD

Discussion Scope for Today

- This presentation will discuss the proposed methodology for computing Ancillary Service (A/S) quantities in 2023.
 - ERCOT is not proposing any changes in the methodologies used to compute Regulation Service and Responsive Reserve Service (RRS) requirements for 2023.
 - NERC's preliminary BAL-003 Interconnection Frequency Response Obligation (IFRO) for Operating Year (OY) 2023 assessment for ERCOT shows an increase in ERCOT's IFRO. To align with ERCOT's 2023 IFRO, minimum RRS-PFR limit for 2023 will change to 1,390 MW.
 - ERCOT is proposing some changes in the methodology used to compute minimum Non-Spinning Reserve Service (Non-Spin) requirements in 2023. Specifically,
 - Prior to ECRS: Use 85th to 95th percentile of 10 Hours Ahead (HA) max. net load forecast error
 - After ECRS: Use 75th to 95th percentile of 6 HA hourly avg. net load forecast error
 - Upon its implementation, ERCOT is proposing to compute ECRS requirements as the sum of capacity needed to recover frequency following a large unit trip and capacity needed to support sustained net load ramps.
- The Ancillary Service (A/S) quantities for 2023 contained in this presentation are based on the methodology that was approved in December 2021.
 - The quantities for 2023 reflect moving forward the historic data on which these are based, unless otherwise noted.
 - Spreadsheets that contain the associated quantities and a redline version of the A/S Methodology document have been posted on today's meeting page.

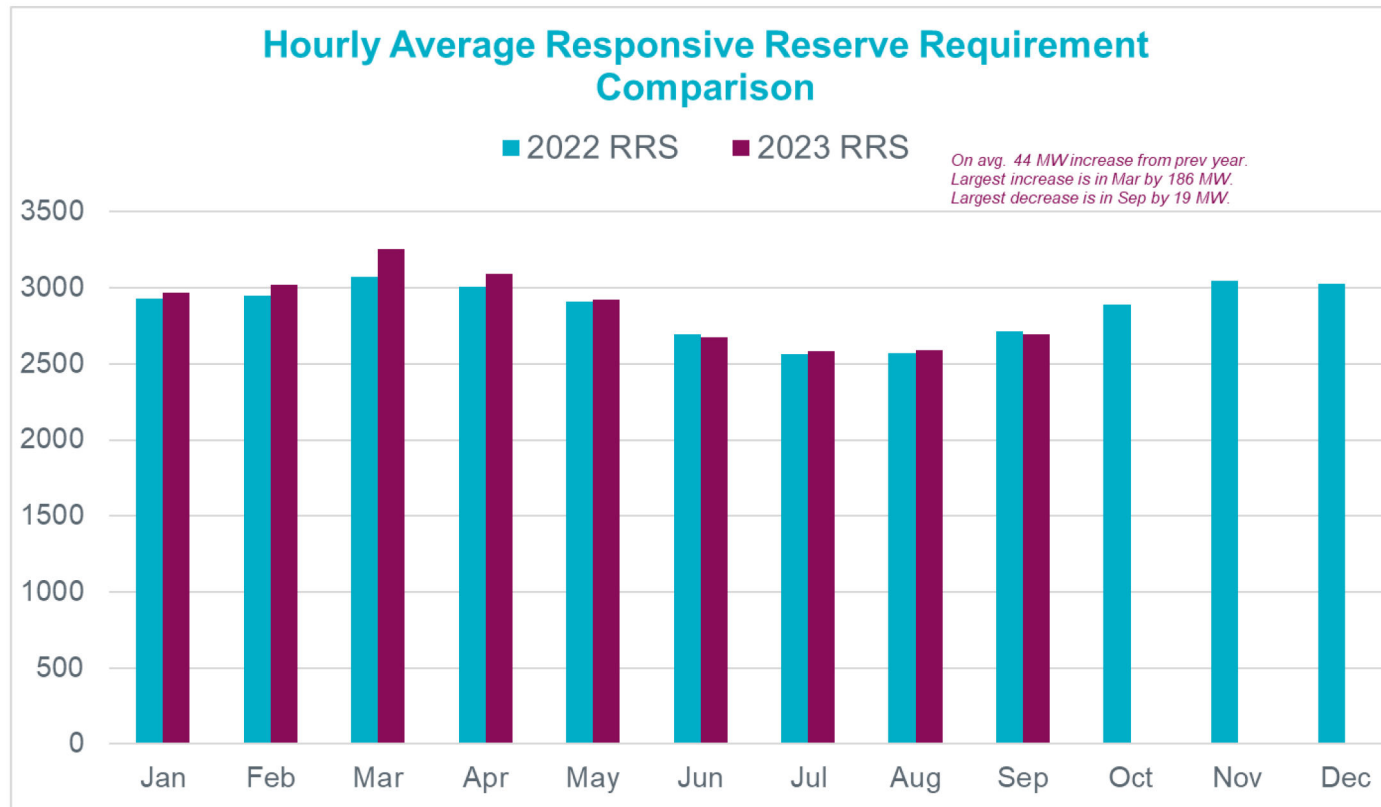
Regulation Service Methodology

- ERCOT is not proposing any change to the methodology used to compute the minimum Regulation Service requirements in 2023.
 - The preliminary Regulation quantities for January 2023 through September 2023 have been computed using 2021 and 2022 five-minute net load variability, updated Wind Adjustment and Solar Adjustment tables*.



Responsive Reserve Service (RRS) Methodology

- ERCOT is not proposing any changes to methodology used to compute the minimum RRS requirements for 2023.
 - The preliminary RRS quantities for January 2023 through September 2023 have been computed using 2021 and 2022 system inertia conditions and updated RRS table*.
 - NERC's preliminary BAL-003 Interconnection Frequency Response Obligation (IFRO) for Operating Year (OY) 2023 assessment for ERCOT shows an increase in ERCOT's IFRO. To align with ERCOT's 2023 IFRO, minimum RRS-PFR limit for 2023 will change to 1,390 MW.



NPRR 1128 | FFR Prioritization during Low Inertia Hours

- If ERCOT comments dated July 15, 2022 on NPRR 1128 are approved and implemented, during certain selected hours when FFR is beneficial in improving reliability, FFR procurement up to FFR limit will be prioritized. In this regard,
 - ERCOT is proposing to use a methodology that selects hours in the last two years wherein 25% of the time the system inertia in a 4-hour block is less than 185 GW-s for FFR prioritization. The hours marked with a “1” in the table below represent hours for FFR prioritization.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	1	1	1	1	0	0	0	0	0	1	1	1
2	1	1	1	1	0	0	0	0	0	1	1	1
3	1	1	1	1	1	0	0	0	0	1	1	1
4	1	1	1	1	1	0	0	0	0	1	1	1
5	1	1	1	1	1	0	0	0	0	1	1	1
6	1	1	1	1	1	0	0	0	0	1	1	1
7	0	1	1	1	0	0	0	0	0	0	1	1
8	0	1	1	1	0	0	0	0	0	0	1	1
9	0	1	1	1	0	0	0	0	0	0	1	1
10	0	1	1	1	0	0	0	0	0	0	1	1
11	0	1	1	1	0	0	0	0	0	0	1	1
12	0	1	1	1	0	0	0	0	0	0	1	1
13	0	1	1	1	0	0	0	0	0	0	1	1
14	0	1	1	1	0	0	0	0	0	0	1	1
15	0	1	1	1	0	0	0	0	0	0	0	0
16	0	1	1	1	0	0	0	0	0	0	0	0
17	0	1	1	1	0	0	0	0	0	0	0	0
18	0	1	1	1	0	0	0	0	0	0	0	0
19	0	1	1	1	0	0	0	0	0	0	1	1
20	0	1	1	1	0	0	0	0	0	0	1	1
21	0	1	1	1	0	0	0	0	0	0	1	1
22	0	1	1	1	0	0	0	0	0	0	1	1
23	1	1	1	1	0	0	0	0	0	1	1	1
24	1	1	1	1	0	0	0	0	0	1	1	1

Comparison between ECRS and Non-Spin

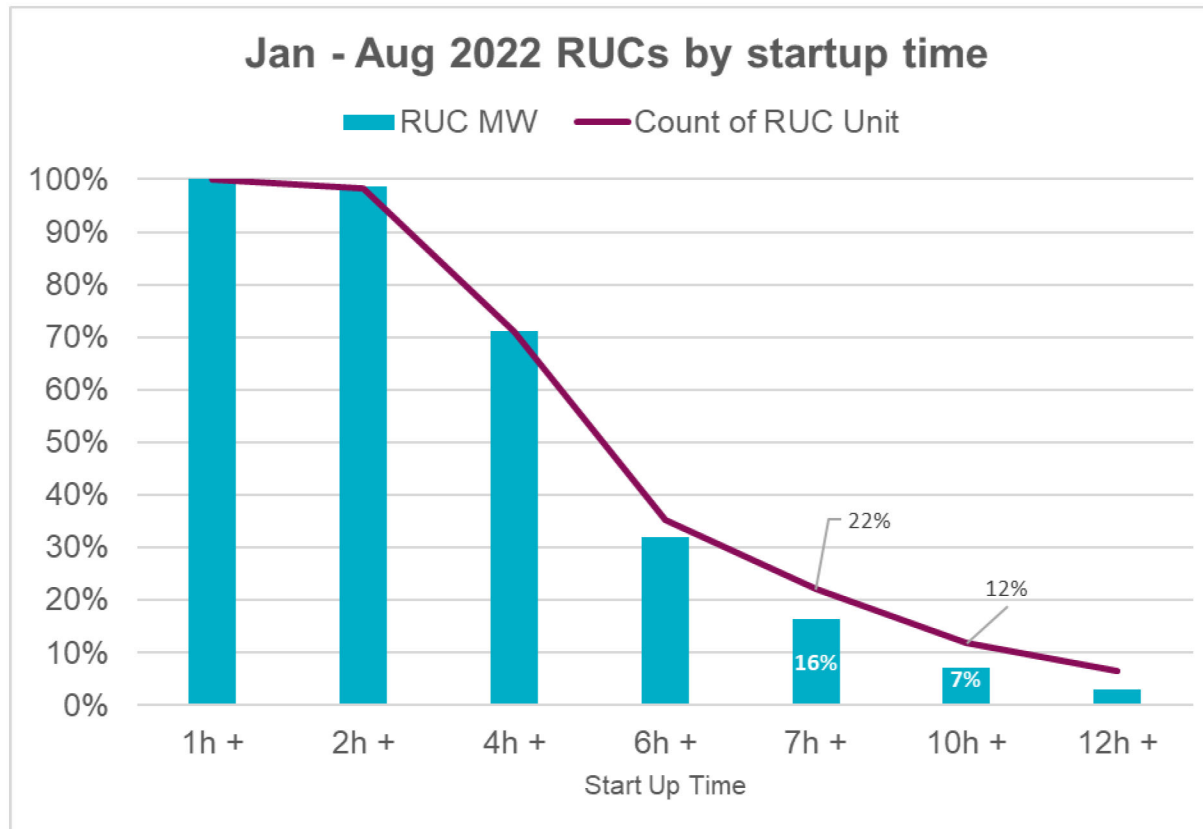
ECRS and Non-Spin differ in the reliability risks these services address, qualification criteria, response time and duration. As a result, upon ECRS' implementation, Non-Spin requirement cannot entirely be substituted by the amount of ECRS procured as was originally proposed during NPPR863 discussions.

	ECRS	Non-Spin
RELIABILITY OBJECTIVE	<p>ECRS may be deployed to</p> <ul style="list-style-type: none"> a) Help restore the frequency to 60 Hz following a significant frequency deviation b) Provide energy upon detection of insufficient capacity for net load ramps c) Provide energy to avoid or during the implementation of an EEA d) Provide backup to Reg-Up 	<p>Non-Spin may be deployed to provide additional capacity,</p> <ul style="list-style-type: none"> a) During situations when there isn't sufficient capacity for energy dispatch b) For intra-day forced outage of units and during sustained frequency decay or sustained low frequency operations. c) When SCED does not have enough energy available to execute successfully
PRIMARY FORECAST RISK	Errors in intra-hour load/wind/solar forecast that is used in SCED	Errors in hourly load/wind/solar forecast that is used in RUC
QUALIFICATION CRITERIA	Provided using capacity that can be sustained at a specified level for two consecutive hours	Provided using capacity that can be sustained at a specified level for four consecutive hours
RESPONSE	Deployed within 10 minutes upon the receipt of deployment instruction	Deployed within 30 minutes upon the receipt of deployment instruction

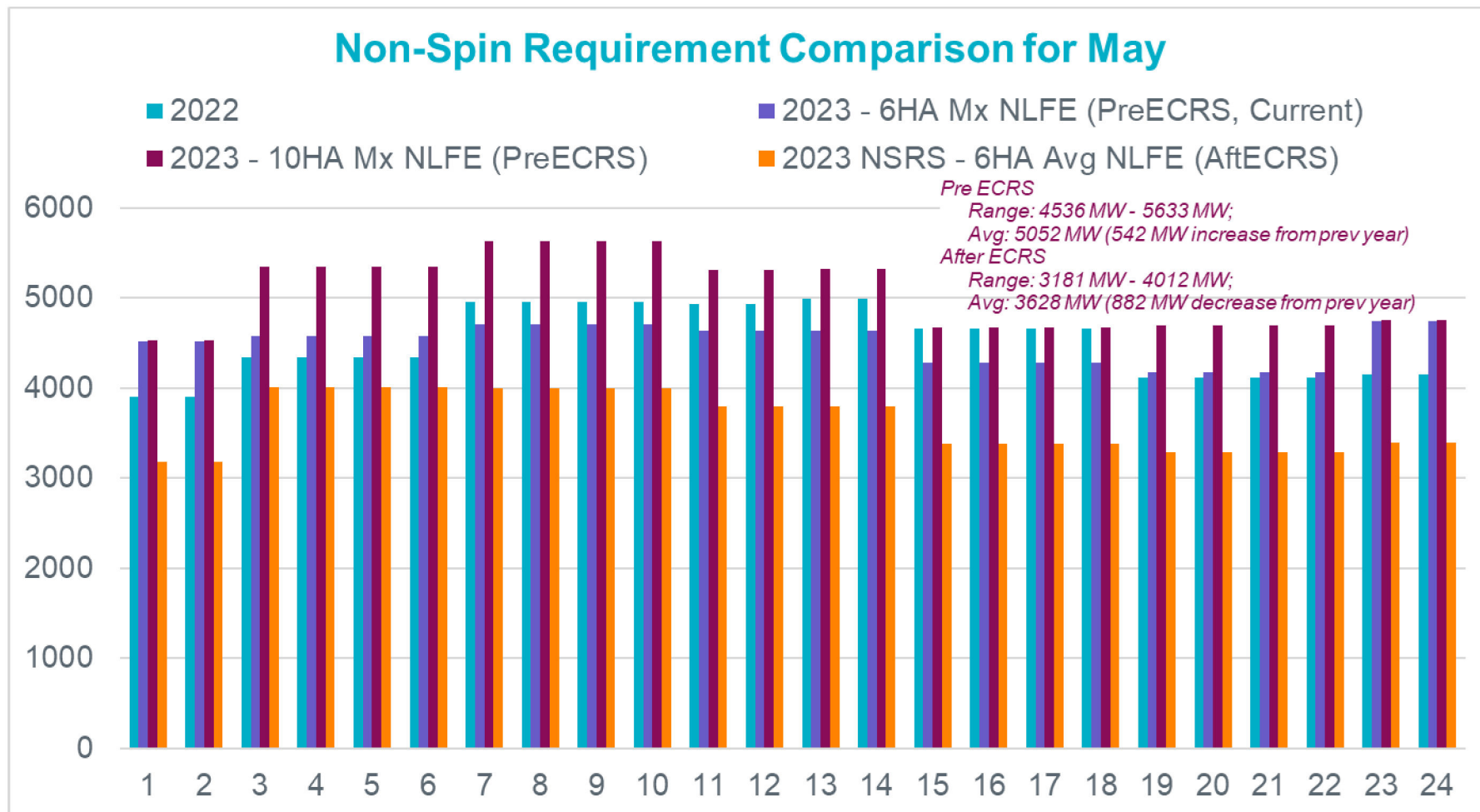
Non-Spinning Reserve Methodology - 2023

- ERCOT is proposing the following changes in the methodology used to compute minimum Non-Spin requirements in 2023,
 - **Before ECRS is implemented:** Use 85th to 95th percentile of 10 HA max. net load forecast error
 - **After ECRS is implemented:** Use 75th to 95th percentile of 6 HA hourly avg. net load forecast error
- In 2023, ERCOT will continue the practice of monitoring the weather near Real Time and may procure up to an additional 1,000 MW of Non-Spin for specific Operating Hours.
- The preliminary Non-Spin quantities for January 2023 through September 2023 in subsequent slides have been computed using 2020, 2021 and 2022 Net load and Net load Forecast, updated Wind and Solar Over-Forecast Error Adjustment tables and the updated Intra-day Outage table*.

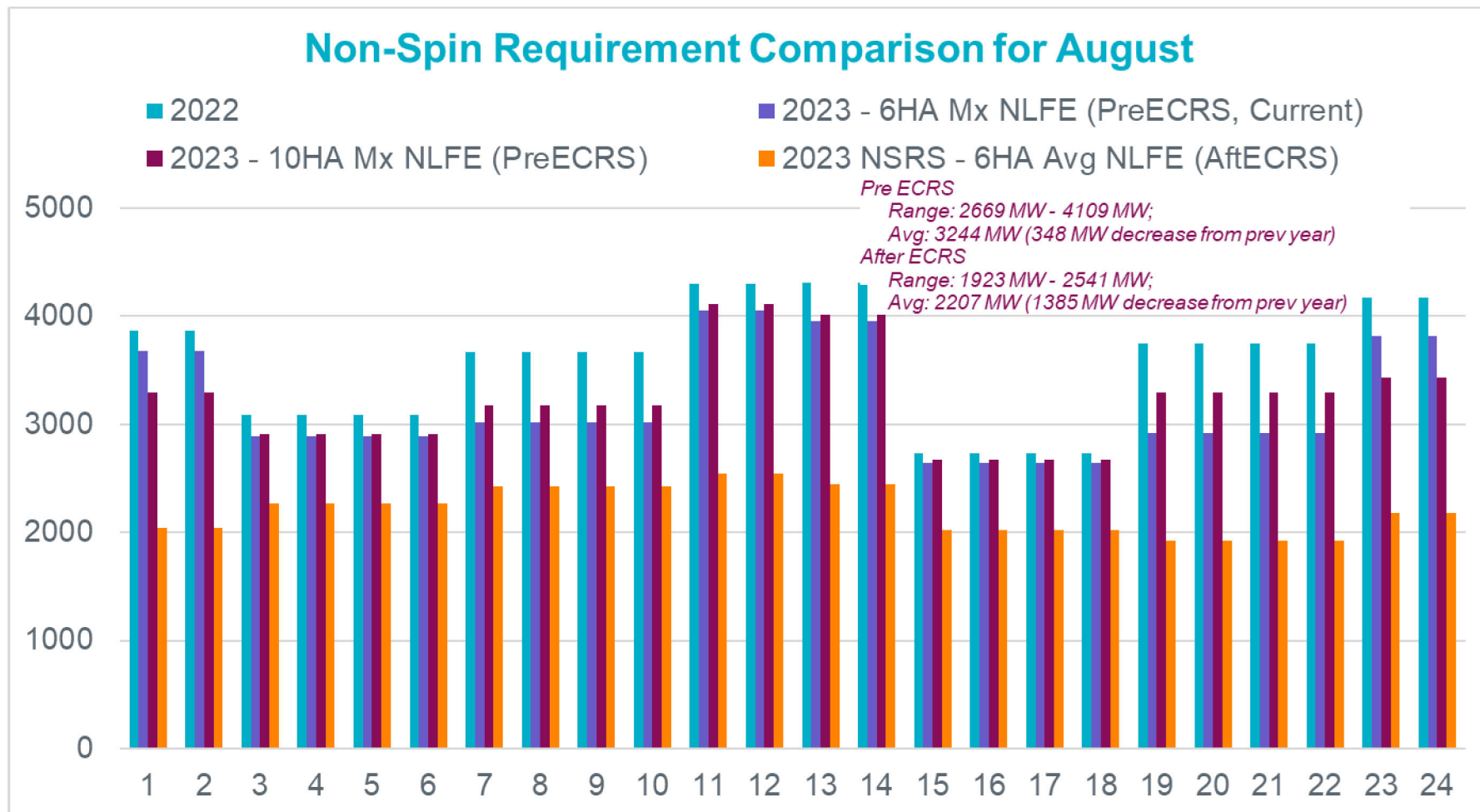
2022 RUCs by Startup Time



Non-Spin Comparison May

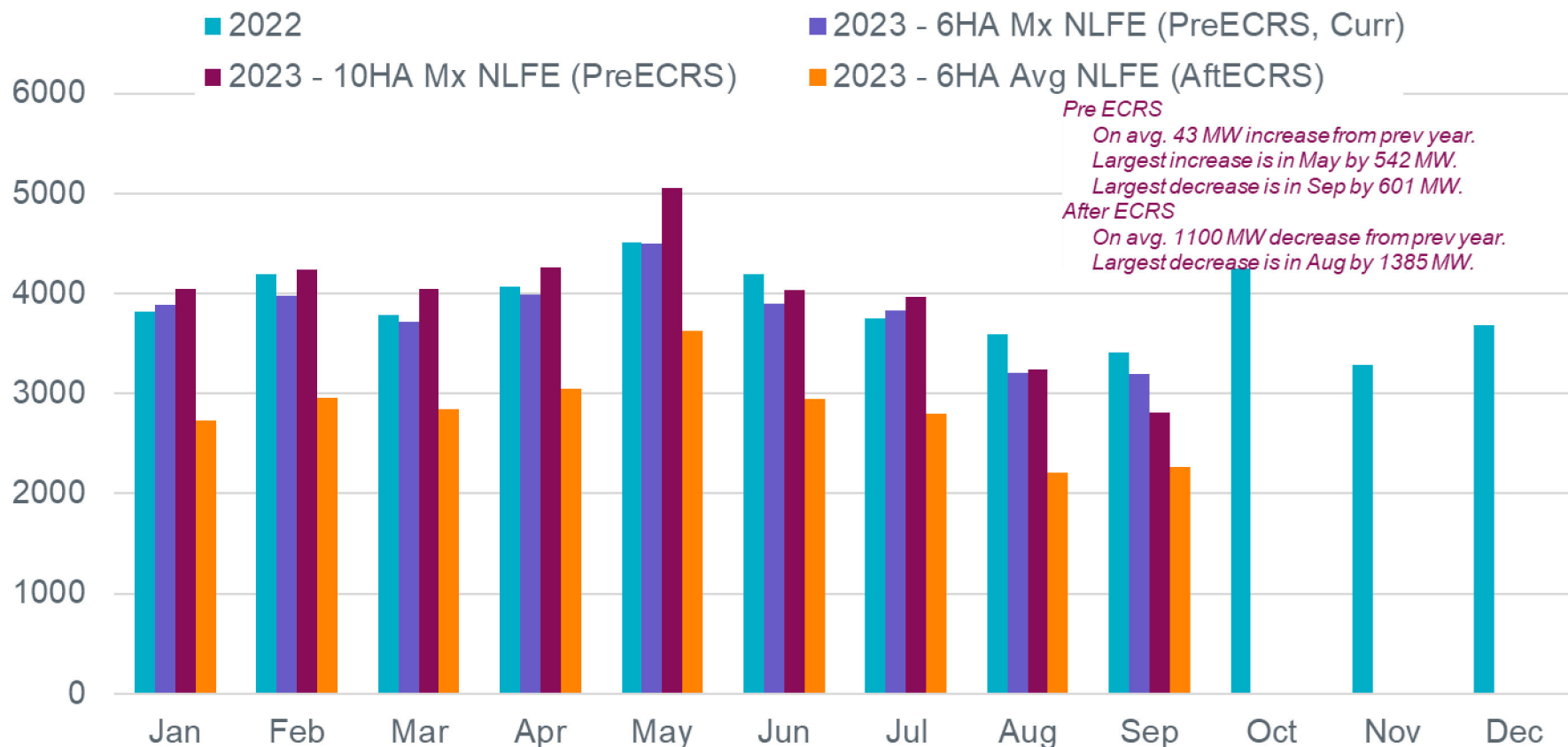


Non-Spin Comparison August



Hourly Average Non-Spin Comparison

Hourly Average Non-Spin Requirement Comparison



ECRS Deployment/Release Conditions

- ERCOT will deploy ECRS-Gen i.e. ECRS from SCED Dispatchable Resources when frequency drops below 59.91 Hz and available Reg-Up is not sufficient to restore frequency.
- ERCOT may deploy ECRS-Gen under the following conditions,
 - Trigger 1 : $(\text{PRC} - 3200 \text{ MW}) - (\text{projected 10min Net Load ramp}) + \text{Remaining QSGR capacity} < X \text{ MW}$
 - Trigger 2: $(10\text{min ramp capacity}) - (\text{projected 10min Net Load ramp}) < 0 \text{ MW}$
 - ECRS will be deployed when there is lack of 10min ramping capacity.
- Non-Controllable Load Resources that are providing ECRS will be separated into deployment groups as defined in Nodal Protocol Section 6.5.9.4.2 EEA Levels paragraph (2).
 - Non-Controllable Load Resources that are providing ECRS can be deployed during an Emergency Condition either individually, in groups, or as an entire block providing Non-Spin. Deployments that do not encompass an entire block may be done to manage inertia, congestion, or for other local needs.
- If a condition other than those listed above indicates that additional capacity may be needed to manage reliability, operators will evaluate the system condition and deploy ECRS as needed if no other better options are available to resolve the system condition. Under emergency, the emergency process will govern the deployment of ECRS.
- As work on implementing ECRS in ERCOT systems progresses, ERCOT may further refine the procedure for ECRS deployment.
 - Going forward, ERCOT plans to include a document that summarizes the procedure for ECRS deployment in the A/S Methodology posting.