



Control Number: 55999



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PROJECT NO. 55999

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REPORTS OF THE ELECTRIC
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PUBLIC UTILITY COMMISSION
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OF TEXAS

ORDER GRANTING GOOD CAUSE EXCEPTIONS

On March 27, 2025, Electric Reliability Council of Texas, Inc. (ERCOT) filed with the Public Utility Commission of Texas (Commission) in this project a request for good cause exceptions to vary from the requirements set forth in PUC rules, the ERCOT Protocols, and other ERCOT standards addressing the processes for interconnecting, operating, and settlement of certain mobile generating generators owned and operated by Prime Power Solutions LLC, d/b/a Life Cycle Power (Life Cycle), which ERCOT anticipates will be contractually committed to address potential overloads of certain transmission lines importing power from South Texas into the San Antonio area (hereinafter, the Interconnection Reliability Operating Limits lines).

Additionally, prior to submitting its request for good cause exceptions, ERCOT filed in this project information regarding, *inter alia*, the Interconnection Reliability Operating Limits lines; the impacts that the proposed retirements of three CPS Energy generation resources could have on the ERCOT system, including the Interconnection Reliability Operating Limits lines; related Reliability Must-Run and Must-Run Alternative processes ERCOT conducted; and other mitigation solutions being explored.¹ ERCOT also provided information on these topics to the Commission at certain open meetings, including those concurrently held as meetings of the ERCOT Board of Directors.²

¹ E.g. ERCOT's Notice Regarding New South Texas Export and Import Generic Transmission Constraints (Mar. 18, 2024); ERCOT's Update Regarding South Texas Export Constraint Mitigation Solutions (April 22, 2024); ERCOT's Notice of Reliability Analysis Determination and Request for Good Cause Exception (Apr. 23, 2024); ERCOT's Update Regarding a Timeline for Reliability Must-Run (RMR) and Must-Run Alternative (MRA) Activities (July 9, 2024); ERCOT's Clarified and Supplemented Update... (Aug. 9, 2024); ERCOT's Update Regarding MRA Activities and Withdrawal of Request for Good Cause Exceptions (Aug. 28, 2024); and ERCOT's Update Regarding CPS Braunig Potential RMR Efforts (Sep. 19, 2024).

² E.g. Commission open meetings held on March 21, April 25, May 2, July 11, August 15, August 29, September 26, November 21, and December 19, 2024 and January 31, February 20, and April 3, 2025 and Commission open meetings that were also ERCOT board meetings on August 20, October 10, and December 3, 2024 and February 4, February 25, and April 7, 2025.

ERCOT is required by 16 Texas Administrative Code (TAC) § 25.361(b)(16) to follow the ERCOT Protocols, and those protocols in turn require ERCOT to adhere to ERCOT's "Other Binding Documents," which include the ERCOT Planning Guide. Because ERCOT has concluded that the Life Cycle generating units at issue are needed by summer 2025 to support ERCOT system reliability, because certain timelines and requirements that would ordinarily apply to the generator interconnection process could pose an obstacle to achieving the operation of these generators by summer 2025, and because other requirements could result in unreasonable market or operational outcomes, ERCOT requested exceptions to the following PUC rule, ERCOT Protocol, and ERCOT Planning Guide provisions:

- ERCOT Planning Guide section 5.3.5(1), regarding shortening the timeline under which ERCOT must conduct a Quarterly Stability Assessment to assess the combined stability impacts of large generators interconnecting to the ERCOT System;
- ERCOT Protocol Section 3.10.1, regarding shortening the timeline Resource Entities are required to submit complete initial Resource Registration data for inclusion in the ERCOT Network Operations Model;
- ERCOT Planning Guide section 5.3.2.5(2), regarding shortening the timeline for any Transmission Service Provider that is materially impacted to review each of the study reports that constitute the Full Interconnection Study;
- 16 TAC § 25.502(e) and ERCOT Protocol Section 3.14.1.1, regarding shortening the timeline by which Life Cycle would need to notify ERCOT that Life Cycle intends to cease or suspend operation of the generating units from the required 150 days' notice in those provisions to the 30 days' notice reflected in the anticipated contract between Life Cycle and ERCOT;
- ERCOT Protocol Section 3.9.1(12), which limits the use of the "EMR" Resource Status code to certain scenarios that do not reflect the Life Cycle scenario, but which is a Resource Status code that most closely corresponds to using the units only to address emergency operations;
- ERCOT Protocol Section 4.4.9.4.1, which governs Mitigated Offer Cap curves used by ERCOT's Security-Constrained Economic Dispatch engine, but for which the input

parameters required must be adjusted in order to reflect the limited use of the Life Cycle units for emergency operations;

- ERCOT Protocol Section 6.6.5.1.1, regarding allowing the Life Cycle units to be exempted from Base Point Deviation Charges, which the Protocols do allow for RMR units, but which the Life Cycle generators do not fall into;
- ERCOT Protocol Section 6.6.5.6(2) language currently “gray-boxed” that would go into effect during the term of the contract between Life Cycle and ERCOT, which concerns allowing the Life Cycle units to be exempted from “Set Point Deviation Charges” under the Real-Time Co-optimization (RTC) construct.

ERCOT also requested that the Commission grant good cause exceptions on a prospective basis for any requirements that ERCOT may identify as presenting an obstacle to the timely, reliable, and cost-effective interconnection, operation, and settlement of the Life Cycle units. ERCOT’s request included that such prospective exceptions be expressly conditioned on ERCOT’s prompt submission of a filing in this proceeding identifying each such provision for which a good cause exception has been invoked and reservation of the Commission’s ability to reject ERCOT’s assertions of good cause thereafter.

Section 39.151(d) of the Public Utility Regulatory Act (PURA)³ gives the Commission complete authority over ERCOT’s operations, and PURA § 39.151(g-6) provides that any protocols adopted by ERCOT are subject to the Commission’s continuing oversight. Also, in accordance with 16 TAC § 25.361(b)(16), ERCOT must perform any duties required by Commission order.

In accordance with 16 TAC § 25.3(b), the Commission determines that good cause exists to grant ERCOT’s requested exceptions for the reasons outlined in ERCOT’s March 27, 2025 request and prior ERCOT filings and oral updates on this topic. Therefore, the Commission grants ERCOT good cause exceptions to Commission rules 16 TAC §§ 25.361(b)(16) and 25.502(e); ERCOT Protocols §§ 3.9.1(12), 3.10.1, 3.14.1.1, 4.4.9.4.1, 6.6.5.1.1, and 6.6.5.6(2); and the

³ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016.

ERCOT Planning Guide §§ 5.3.2.5(2), 5.3.5(1), 5.3.5(2), and 5.3.5(4) for the purposes outlined in ERCOT's March 27, 2025 request.

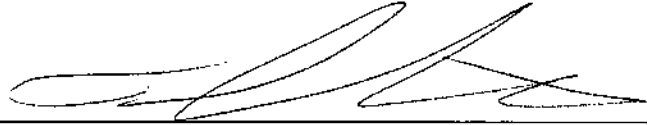
The Commission also grants, on a prospective basis, ERCOT's requested good cause exception to any requirements that ERCOT may identify as presenting an obstacle to the timely, reliable, and cost-effective interconnection, operation, and settlement of the Life Cycle units. This exception is conditioned upon ERCOT promptly submitting a filing in this project that identifies the provision for which good cause has been invoked and the grounds for ERCOT's assertion of good cause. In such cases, the Commission reserves the right to consider and reject ERCOT's assertion of good cause.

ERCOT and Commission Staff must file in this project a proposed compliance process for any future ERCOT filings regarding invocations of the good cause exceptions granted in this Order and Commission Staff's filing of recommendations thereafter.

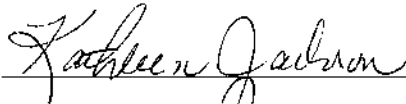
The Commission denies all other requests for general or specific relief that have not been expressly granted in this Order.

Signed at Austin, Texas the 22nd day of April 2025.

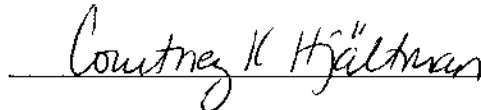
PUBLIC UTILITY COMMISSION OF TEXAS



THOMAS J. GLEESON, CHAIRMAN



KATHLEEN JACKSON, COMMISSIONER



COURTNEY K. HJALTMAN, COMMISSIONER

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