



Control Number: 55999



Item Number: 157

PROJECT NO. 55999

**REPORTS OF THE ELECTRIC
RELIABILITY COUNCIL OF TEXAS**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

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ORDER GRANTING GOOD CAUSE EXCEPTIONS

On July 21, 2025, Electric Reliability Council of Texas, Inc. (ERCOT) filed with the Public Utility Commission of Texas (Commission) a request for exceptions for good cause pursuant to 16 Texas Administrative Code (TAC) § 25.3(b). ERCOT requested an exception for itself to 16 TAC § 25.361(b)(16) requiring ERCOT to perform any duties under the ERCOT rules in order to deviate from ERCOT Protocols §§ 6.6.5.1.1(1), 6.6.5.1.1.1(1), 6.6.5.1.1.2(1), 6.6.5.1.1.3(1), 6.6.5.1.1.4(1), and 6.6.5.2(1). Pursuant to 16 TAC § 25.361(a), ERCOT rules include the ERCOT Protocols. ERCOT also requested an exception for Qualified Scheduling Entities (QSEs) managing Resources to 16 TAC § 25.503(f)(2) requiring market participants to comply with ERCOT procedures in order to deviate from ERCOT Protocols § 6.6.5.1(1). Pursuant to 16 TAC § 25.503(c)(3), ERCOT procedures include the ERCOT Protocols. Under such exceptions, ERCOT requests that it not be required to charge Base Point Deviation Charges for Base Point Deviations that occur during the closed-loop tests of Real-Time Co-optimization Plus Batteries (RTC+B) systems and that QSEs managing Resources not be required to pay Base Point Deviation Charges for the Base Point Deviations of Resources that the QSE manages that occur during the closed-loop tests.

Two closed-loop tests of RTC+B systems are planned to occur in September 2025, each lasting for two hours. In the closed-loop tests, ERCOT and QSEs with Resources will test RTC+B functionality in live production systems of RTC+B's Security-Constrained Economic Dispatch (SCED) and Load Frequency Control (LFC) to ensure that dispatch and frequency control are working effectively prior to RTC+B launch. A Base Point is the megawatt (MW) output level produced by SCED for a specific Resource and a Base Point Deviation occurs when a Resource fails to stay within a Protocols-designated range of its Adjusted Aggregated Base Point. Because the current ERCOT market's SCED system will continue to run in parallel while the live closed-loop tests of RTC+B-SCED are occurring, there is potential that the Base Points produced by the current market's SCED will differ from the Base Points produced by the RTC+B-SCED. For

market activity during the closed-loop tests, Market Participants will be settled by ERCOT based on the data from the current market's SCED, not RTC+B-SCED. Resources are expected to follow Base Points produced by RTC+B-SCED during the closed-loop tests, not the current market's SCED. For this reason, Resources following RTC+B-SCED during the closed-loop tests may have Base Point Deviations from the Base Points issued by the current market's SCED.

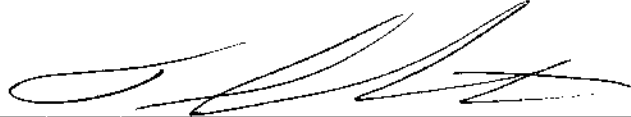
ERCOT does not anticipate negative impacts to the reliability of the ERCOT System from the closed-loop tests and will utilize Regulation Service to address any frequency issues that arise during the tests. Processes will also be in place to, if necessary, end the closed-loop tests early and transition from the RTC+B-SCED to solely the current market's SCED.

ERCOT Protocols §§ 6.6.5.1.1(1), 6.6.5.1.1.1(1), 6.6.5.1.1.2(1), 6.6.5.1.1.3(1), 6.6.5.1.1.4(1), and 6.6.5.2(1) require ERCOT to charge Base Point Deviation Charges for Base Point Deviations. ERCOT Protocols § 6.6.5.1(1) requires a QSE to pay a Base Point Deviation Charge for its Resources' Base Point Deviations.

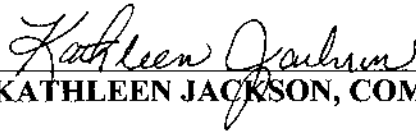
In accordance with 16 TAC § 25.3(b), the Commission agrees that there is good cause to grant the requested exceptions and therefore grants ERCOT an exception to the requirement of 16 TAC § 25.361(b)(16) such that ERCOT is permitted to deviate from ERCOT Protocols §§ 6.6.5.1.1(1), 6.6.5.1.1.1(1), 6.6.5.1.1.2(1), 6.6.5.1.1.3(1), 6.6.5.1.1.4(1), and 6.6.5.2(1) to not charge Base Point Deviation Charges for Base Point Deviations that occur during the RTC+B closed-loop tests. The Commission also grants QSEs managing Resources an exception to the requirement of 16 TAC § 25.503(f)(2) such that such QSEs managing Resources are permitted to deviate from ERCOT Protocols § 6.6.5.1(1) to not pay Base Point Deviation Charges for Base Point Deviations that occur by their managed Resources during the RTC+B closed-loop tests. Good cause exists due to the need to ensure through the closed-loop tests that RTC+B-SCED systems are functioning appropriately and that QSEs are able to manage their Resources to follow RTC+B-SCED Base Points. Furthermore, granting these exceptions will not present an unreasonable risk to the reliability of the ERCOT System because of ERCOT's ability to manage frequency with Regulation Service or, if necessary, by ending the closed-loop test early.

Signed at Austin, Texas the 21st day of August 2025.

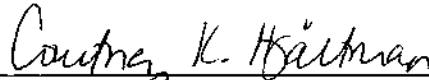
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