

Control Number: 56759



Item Number: 17

DOCKET NO. 56759

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SETTLEMENT AGREEMENT AND §
REPORT TO THE COMMISSION §
REGARDING SE ARAGORN, LLC, SE §
JUNO, LLC, AND SE TITAN, LLC'S §
VIOLATIONS OF PURA § 39.151(j); 16 §
TAC § 25.503(f)(2) AND (10); ERCOT §
NODAL OPERATING GUIDE §§ 2.9(2), §
2.9.1(8), 5.1(1)(c), AND 6.1.3.4(2); AND §
ERCOT PLANNING GUIDE §§ 6.2(5)(c) §
AND (7) RELATED TO VOLTAGE §
RIDE THROUGH (VRT) §

PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

ORDER

This Order addresses the agreement between the Commission Staff and SE Aragorn, LLC, SE Juno, LLC, and SE Titan, LLC, relating to Commission Staff's investigation of Aragorn, Juno, and Titan for violations of PURA¹ § 39.151(j); 16 Texas Administrative Code (TAC) § 25.503(f)(2) and (10); Electric Reliability Council of Texas, Inc. (ERCOT) Nodal Operating Guide §§ 2.9.1(8), 5.1(1)(c), and 6.1.3.4(2); and ERCOT Planning Guide §§ 6.2(5)(c) and (7); and the alleged violation of ERCOT Nodal Operating Guide § 2.9(2). The agreement also serves as a report to the Commission under 16 TAC § 22.246(h)(1). Commission Staff recommends that Aragorn, Juno, and Titan, pay to the Commission an administrative penalty of \$360,000. Aragorn, Juno, and Titan agree to pay the administrative penalty recommended by Commission Staff. The Commission approves the agreed administrative penalty to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Respondents

1. Aragorn is a Delaware limited liability company registered with the Texas secretary of state under filing number 802732979.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

2. Juno is a Delaware limited liability company registered with the Texas secretary of state under filing number 803090865.
3. Titan is a Delaware limited liability company registered with the Texas secretary of state under filing number 802903450.
4. Aragorn is registered with the Commission as a power generation company under PGC registration number 20580, is registered with ERCOT as a resource entity, and operates solar generation resource "SE Aragon LLC," which generates electricity to be sold at wholesale in the ERCOT region.
5. Juno is registered with the Commission as a power generation company under PGC registration number 20586, is registered with ERCOT as a resource entity, and operates solar generation resources "Juno LLC" and "Juno LLC 2," which generate electricity to be sold at wholesale in the ERCOT region.
6. Titan is registered with the Commission as power generation company under PGC registration number 20577, is registered with ERCOT as a resource entity, and operates solar generation resource "SE Titan LLC," which generates electricity to be sold at wholesale in the ERCOT region.
7. As power generation companies, Aragorn, Juno, and Titan are ERCOT market entities.

Violations of PURA § 39.151(i), 16 TAC § 25.503(f)(2) and (10), ERCOT Nodal Operating Guide §§ 2.9.1(8), 5.1(1)(c), and 6.1.3.4(2), and ERCOT Planning Guide §§ 6.2(5)(c) and (7); and alleged violations of ERCOT Nodal Operating Guide § 2.9(2)

8. On June 4, 2022, Aragorn, Juno, and Titan each failed to ride through a voltage disturbance event (event 1) on the ERCOT transmission system.
9. On October 3, 2022, Aragorn failed to ride through a second voltage disturbance event.
10. On March 24, 2023, Aragorn failed to ride through a third voltage disturbance event.
11. Following event 1, ERCOT required Aragorn, Juno, and Titan to provide phasor measurement unit, digital fault recorders, and relay data related to event 1. Aragorn and Titan did not timely submit phasor measurement unit, digital fault recorders, and relay data related to event 1.

12. Following event 1, ERCOT required Aragorn, Juno, and Titan to provide mitigation plans and implementation timelines. Aragorn, Juno, and Titan did not timely submit mitigation plans or implementation timelines.
13. Following event 1, ERCOT required Aragorn, Juno, and Titan to provide dynamic modeling data updates and related documentation. Aragorn, Juno, and Titan did not timely submit dynamic modeling data updates and related documentation.

Respondents' Corrective Actions

14. Aragorn, Juno, and Titan have taken the following corrective actions, and will maintain such measures going forward:
 - a. Aragorn, Juno, and Titan worked with the original equipment manufacturer and ERCOT to implement changes to relay settings, upgrades to software and firmware, and overcurrent protections. Aragorn, Juno, and Titan remained in contact with ERCOT after event 1 and held multiple technical conferences to address concerns;
 - b. Aragorn, Juno, and Titan underwent an audit of their communications protocols to identify improvements to their policies;
 - c. Aragorn, Juno, and Titan have implemented a communication protocol to ensure timely responses to ERCOT requests;
 - d. Aragorn, Juno, and Titan provided relevant employees additional compliance training on communication protocols to ensure inquiries from ERCOT are responded to in accordance with improved communications protocols;
 - e. Aragorn, Juno, and Titan have improved their compliance programs;
 - f. Aragorn, Juno, and Titan have changed data overwrite settings from 10 days to 20 days and have implemented a secured cloud back up that will retain data for two years; and
 - g. Aragorn, Juno, and Titan also updated policies to allow for additional personnel to have access to relevant data.

Seriousness of Violations

15. Failure to ride through frequency and voltage disturbances, and the failure to correct the causes of the failures to ride through, jeopardize system stability and can lead to severe consequences, such as cascading generation resource outages or triggering the first stage of a load shed event. Failure to timely provide a mitigation plan and timeline, relevant data, and dynamic modeling updates represents significant increased risk to grid reliability as diagnostic efforts, such as data sharing, allows ERCOT to support asset maintenance and protection and improve grid reliability, including avoiding outages and load shed.
16. The alleged ERCOT Nodal Operating Guide § 2.9(2) violations have the potential to harm the reliability of the entire ERCOT power system.

Compliance History and Deterrence of Future Violations

17. Commission Staff is unaware of a history of similar violations involving Aragorn, Juno, or Titan.
18. The agreed administrative penalty of \$360,000 imposed by this Order is appropriate and necessary to promote compliance with and deter future violations of PURA § 39.151(j); 16 TAC § 25.503(f)(2) and (10); ERCOT Nodal Operating Guide §§ 2.9.1(8), 5.1(1)(c), and 6.1.3.4(2); and ERCOT Planning Guide §§ 6.2(5)(c) and (7); and the alleged violation of ERCOT Nodal Operating Guide § 2.9(2).

Agreement

19. Aragorn, Juno, and Titan cooperated with Commission Staff's investigation.
20. Aragorn, Juno, and Titan acknowledge the factual basis for the violations detailed in this Order.
21. Aragorn, Juno, and Titan maintain their position that ERCOT Nodal Operating Guide § 2.9(2) does not apply to intermittent renewable resources and that ERCOT Nodal Operating Guide § 2.9(2) is a settings standard, not a performance standard. The parties acknowledge that execution of the agreement does not constitute admission by Aragorn, Juno, and Titan of a violation of ERCOT Nodal Operating Guide § 2.9(2).
22. On December 3, 2024, Commission Staff and Aragorn, Juno, and Titan entered into an agreement resolving the alleged violations described in this Order. Commission Staff

recommended, and Aragorn, Juno, and Titan agreed to pay an administrative penalty of \$360,000 in final settlement of the alleged violations.

23. On December 3, 2024, Commission Staff filed a copy of the executed agreement with the Commission's filing clerk.

Notice

24. On March 19, 2024, Commission Staff provided notice to Aragorn, Juno, and Titan of the results of its investigation and provided information about the opportunity to explain their activities, and rights to a hearing.

Evidentiary Record

25. In Order No. 6 filed on January 14, 2025, the administrative law judge admitted the following into the record of this proceeding:
- a. The parties' settlement agreement and all attachments filed on December 3, 2024; and
 - b. The parties' joint clarification and motion to admit evidence filed on January 9, 2025.

Informal Disposition

26. More than 15 days have passed since the completion of all notice requirements.
27. No person filed a protest or motion to intervene.
28. Aragorn, Juno, Titan, and Commission Staff are the only parties to this proceeding.
29. No party requested a hearing, and no hearing is needed.
30. Commission Staff recommended approval of the agreement.
31. This decision is not adverse to any party

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this matter under PURA §§ 14.001, 14.003, 14.051, 14.054, 15.023, 15.024, and 39.151.

2. Aragorn, Juno, and Titan are power generation companies as that term is defined in PURA § 31.002(10) and 16 TAC § 25.5(82).
3. Aragorn, Juno, and Titan are market entities as defined in 16 TAC § 25.503(c)(5).
4. Aragorn, Juno, and Titan violated ERCOT Nodal Operating Guide § 2.9(2) when Aragorn, Juno and Titan failed to ride through event 1, and on October 3, 2022, and March 4, 2023, when Aragorn again failed to ride through disturbance events.
5. Aragorn, Juno, and Titan violated ERCOT Nodal Operating Guide § 2.9.1(8) when they failed to timely provide mitigation plans and timelines for corrective actions taken after event 1.
6. Aragorn, Juno, and Titan violated ERCOT Nodal Operating Guide § 5.1(1) when they failed to timely provide modeling data.
7. Aragorn and Titan violated ERCOT Planning Guide § 6.1.3.4(2) when they failed to record capture, record, and retain, and then provide ERCOT disturbance data after event 1.
8. Aragorn, Juno, and Titan violated ERCOT Planning Guide § 6.2(5)(c) when, after changing settings, they failed to timely submit updated dynamic models and associated files.
9. Under PURA § 15.023, the Commission has the authority to impose administrative penalties against Aragorn, Juno, and Titan for violations of PURA and Commission rules.
10. Under 16 TAC § 25.8(b)(3)(B)(ii), the violations described herein are class A violations.
11. Under 16 TAC § 25.8(b)(3)(A), the Commission may impose a penalty against Aragorn, Juno, and Titan up to \$25,000 per violation per day for a class A violation.
12. Aragorn, Juno, and Titan were provided proper notice of Commission Staff's investigation into this matter, the results of the investigation, information about the right to a hearing, and an opportunity to explain its activities, as required under 16 TAC §§ 22.241(a)(2) and 22.246(f)(2).
13. The filing of the agreement meets the requirements of 16 TAC § 22.246(h)(1).
14. The Commission processed this docket in accordance with the requirements of applicable statutes and Commission rules.

15. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

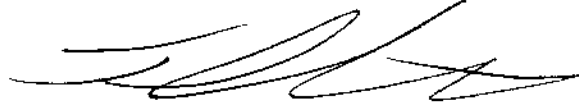
In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the agreed administrative penalty to the extent provided in this Order.
2. Aragorn, Juno, and Titan must comply with the terms of the agreement and this Order.
3. Aragorn, Juno, and Titan must pay an administrative penalty in the amount of \$360,000 to the Commission. Aragorn, Juno, and Titan must remit payment of the full amount of the administrative penalty on or before 30 calendar days after the date the Commission signs this Order. Payment of the administrative penalty may be made by check payable to the Public Utility Commission of Texas. The check must reference this docket and must be sent to the following address:

Public Utility Commission of Texas
ATTN: Fiscal Services
P.O. Box 13326
Austin, Texas 78711
4. Aragorn, Juno, and Titan must each file, in this docket, an affidavit of payment of the administrative penalty in this docket no later than five calendar days after remitting the payment.
5. This Order resolves only the claims identified in this Order.
6. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
7. The Commission denies all other motions and any other requests for general or specific relief that are not expressly granted.

Signed at Austin, Texas the 29th day of April 2025.

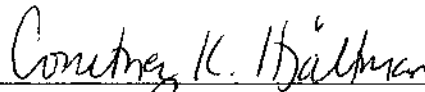
PUBLIC UTILITY COMMISSION OF TEXAS



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