
# Filing Receipt

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| | **PROJECT NO. 57236** | |
| **PROJECT TO DEVELOP THE TEXAS BACKUP POWER PACKAGE PROGRAM** | **§ § §** | **PUBLIC UTILITY COMMISSION OF TEXAS** |

**COMMENTS OF ONCOR ELECTRIC DELIVERY COMPANY LLC IN RESPONSE TO COMMISSION STAFF'S JANUARY 23, 2025 QUESTIONS FOR COMMENT**

**TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:**

COMES NOW Oncor Electric Delivery Company LLC ("Oncor") and files these comments in response to Commission Staff's "Questions for Comment on the Texas Backup Power Package Program Research Entity Final Report" dated January 23, 2025 in this Project No. 57236.

## I. Introduction

Oncor appreciates the opportunity to provide its comments on the questions raised by the Commission Staff in its January 23, 2025 filing. Oncor's comments relate solely to Staff's Question for Comment No. 3.[1]

Oncor offers these comments only to ensure that the Commission is aware of these considerations as this Texas Backup Power Package ("TBPP") program is developed and implemented. Oncor's primary interest is achieving clarity on three points: (1) that all components of a TBPP must be co-located with, and connected behind the meter of, the critical facility;[2] (2) whether the TBPP facilities will operate islanded from the grid, parallel to the grid, or in some combination of the two; and (3) the expected Battery Energy Storage System ("BESS") charging interconnection arrangement. Patrick Engineering Inc.'s Final Report ("Final Report") filed in this Project No. 57236 is not clear on which

[1] Question for Comment No. 3. In Sections 2-4 and 2-5, the Final Report outlines design requirements and assumptions; technology specifications; operating sequences; and installation requirements.
A. How, if at all, could the specifications described in these sections affect implementation of the TBPP program?
B. How, if at all, should the specifications be modified to ensure effective implementation of the TBPP program?

[2] Oncor uses the term "critical" throughout these comments for consistency with the term's use in Patrick Engineering Inc.'s Final Report ("Final Report") filed in this Project No. 57236 and not as that term is defined in various sections of the Texas Administrative Code, such as in 16 Tex. Admin. Code § 25.5(21) ("Critical loads"), § 25.52(c)(1) ("Critical loads"), § 25.52(c)(2) & (h) ("Critical natural gas facility"), and § 25.497 ("Critical Load Public Safety Customer," "Critical Load Industrial Customer," "Chronic Condition Residential Customer," and "Critical Care Residential Customer."

operation alternative it intends for TBPP facilities. While the Final Report appears to be based on the premise that TBPP facilities will only be used for backup power, it also appears to leave open the question of interconnecting the BESS facilities directly to the grid without being co-located with a qualifying customer behind the same load serving meter. The Final Report is also unclear about BESS charging interconnection arrangements. In these comments, Oncor presents some additional facts that the Commission should consider when developing and implementing the TBPP program.

## II. TBPP Facilities Must be Co-Located With, and Connected Behind the Meter of, the Critical Facility

The TBPP program allows backup power systems to serve critical facilities upon a loss of grid power. A fundamental assumption of this approach is that the TBPP facilities will be co-located with, and will be connected behind the meter of, the critical facility. While the Final Report appears to follow this fundamental assumption, it could be clearer, and the Commission should be clear, that *all* components of a TBPP must meet this requirement, regardless of whether the TBPP consists of a genset/BESS/Solar panel design or an Electric School Bus ("ESB") to provide backup power. As discussed further below, the Final Report leaves open the possibility of a BESS being charged from the grid. Further, the Final Report notes that the use of ESBs assumes that the critical facility would be in a location where ESBs are available; the location of ESBs could conceivably be a charging facility separately metered from the critical facility. The Commission may want to consider standardizing the requirements for such mobile energy resources before supporting that type of application through TBPP.

Without further clarity, confusion could arise around how a TBPP, or any of its components, can be connected with respect to the critical facility. To avoid that confusion and to ensure that all energy is appropriately accounted for, Oncor respectfully suggests that the Commission should clarify that a TBPP must be co-located with, and connected behind the meter of, the critical facility.

## III. Having Clarity on How the TBPP Facilities Will Operate Is Crucial To Understanding How the Grid and Participating Customers Could be Affected.

### A. Islanded Operation

If the TBPP facilities are operated solely as islands off the grid, then Oncor has no concerns with how the grid could be affected. Fully islanded operation off the grid is

common on Oncor's system. It allows customers to participate as a load resource and requires the installation of a transfer switch. If fully islanded operation is intended, then it needs to be understood that parallel operation would *not* be possible.

The additional technical questions that arise if fully islanded operation is intended are whether the Commission contemplates that TBPP facilities will use (1) a true open transition (fully islanded) from receiving power from the grid to receiving power from the TBPP; or (2) a closed transition with a short-term transitionary period of parallel operation with the grid of less than 100 milliseconds; or (3) a closed transition with extended parallel operation of more than 100 milliseconds.

The easiest approach requiring the least utility interaction would be to use only an open transition. A true open transition has no parallel operation to the utility system, so it does not meet the definition of "on-site distributed generation"[3] and would not be subject to Oncor's Distributed Generation process. Oncor has no insight into how many facilities with this arrangement may be on its system currently. The Commission should be aware, however, that this open transition could result in "blinking of the customer lights" as the transfer switch opens during the throwover of customer load to the backup power package equipment.

A closed transition requires the entity to have an interconnection agreement with the connecting utility, which would add more steps, time, and costs to the process of implementing the TBPP program. Currently, Oncor has interconnection agreements with just under 50 customers for closed transition arrangements of less than 100 milliseconds, and just over 60 customers for extended transition, and these arrangements are generally with larger commercial or industrial customers. The closed transition requires the customer to install packaged switching equipment that must meet the utility's technical requirements for transition in less than 100 milliseconds. Oncor reviews that switching equipment as part of its interconnection study. Oncor's experience with the closed transition arrangements shows that customers often believe that the switching equipment they intend to install meets Oncor's requirements, but in reality, it does not and requires

[3] 16 Texas Admin Code ("TAC") § 25.211(c)(10) defines "on-site distributed generation (or distributed generation)" as follows: "An electrical generating facility located at a customer's point of delivery (point of common coupling) of ten megawatts (MW) or less and connected at a voltage less than 60 kilovolts (kV) which may be connected in parallel operation to the utility system."

a full utility interconnection study. For the safety and reliability of the grid, the customer's compliance with Oncor's technical requirements for the switching equipment is of paramount importance.

### B. Parallel Operation[4]

If the TBPP facilities are intended to operate concurrently with the grid, then Oncor is concerned with the customer's ability to inject energy onto the grid. Clearly, this approach would require the customer to have an interconnection agreement with the connecting utility. From Oncor's perspective, any level of parallel operation by any component of the TBPP facility would require Oncor to review and analyze the TBPP facility prior to interconnection, which could also have implications for the customer. For example, allowing full parallel operation could create issues for customers in the following ways:

- **Rates/Demand Charges** – Charging the battery from the grid will increase the facility's load and could introduce demand billing for smaller customers or set a new demand ratchet. As a result, the customer may be placed in a new rate class pursuant to its new kW demand.
- **Facility upgrades** – Oncor's interconnection analysis may identify that facility upgrades are required as a result of interconnecting in parallel with the grid. In these circumstances, the customer may incur costs for the facility upgrades required to interconnect to the grid.
- **Terms & Conditions** – The facility may be subject to terms and conditions that could regulate charging and export behavior or operating limits identified by Oncor analysis of the interconnection. These limitations could be removed but would likely require additional costs from the customer.

[4] Note that there is a distinction between "transient" parallel operation (< 100 milliseconds) and "full" parallel operation (> 100 milliseconds) and the associated study requirements. 16 TAC § 25.211(c)(11) defines "parallel operation" as follows: "The operation of on-site distributed generation while the customer is connected to the company's utility system."

### C. Possible Paths Forward for TBPP Operation

After reviewing the Patrick Engineering, Inc.'s Final Report on the TBPP program, Oncor respectfully suggests there are three possible paths forward as it relates to TBPP operation. The easiest path with the least utility interaction would be for the Commission to allow the TBPP facilities to use only an open transition to fully islanded operation. Oncor takes no position on whether the TBPP can or should participate in the ERCOT market as a load resource.

The second easiest possible path would be to allow the TBPP facility to use transitionary parallel operation for less than 100 milliseconds while moving to fully islanded operation.

The third and most challenging path would be to allow the TBPP facility to operate in parallel with the grid, which presents more utility interaction, and possible implications for customers as described above.

## IV. Having Clarity on BESS Charging Is Important To Understanding How the Grid and Participating Customers Could be Affected.

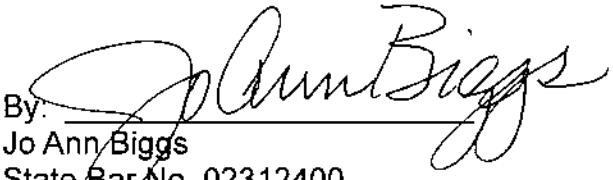
Oncor respectfully suggests that further clarity is also needed on BESS charging. If a BESS is allowed to connect to the grid for charging, then it is not operating as an island, which creates many of the same potential implications and complications to the grid and to customers that are addressed in section III above. In the circumstance that a BESS seeks interconnection with a utility's grid for charging, utilities will likely treat those interconnections as new loads, and those new loads must be evaluated to determine both their potential impact on the grid and the rates and terms and conditions that would apply to those loads. Oncor is not aware whether all utilities have existing rates that would apply to the situation in which a BESS is seeking charging from the grid.

Without further clarity or guidance on this topic, each utility might choose to approach requests for interconnection for BESS charging in a different manner, which could lead to different treatment for BESS charging across different utility service areas.

## V. Conclusion

Oncor appreciates the opportunity to present these comments and is available if the Commission or the Commission Staff need any additional information related to these comments.

Respectfully submitted,



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**EXECUTIVE SUMMARY OF**
**COMMENTS OF ONCOR ELECTRIC DELIVERY COMPANY LLC IN RESPONSE TO COMMISSION STAFF'S JANUARY 23, 2025 QUESTIONS FOR COMMENT**

- Oncor seeks clarification on three points within Patrick Engineering's Final Report on the Texas Backup Power Package ("TBPP") program:
  - that all components of a TBPP must be co-located with, and connected behind the meter of, the critical facility;
  - whether the TBPP facilities will operate islanded from the grid, parallel to the grid, or in some combination of the two; and
  - the expected Battery Energy Storage System ("BESS") charging interconnection arrangement.
- **Fully Islanded Operation**: If fully islanded operation is intended, then it should be understood that it would *not* be possible to charge the BESS from the grid or to export power to the grid.
  - Additional questions then arise: Will the TBPP facilities use (1) a true open transition (fully islanded) from receiving power from the grid to receiving power from the TBPP; or (2) a closed transition (short-term transitionary period of parallel operation with the grid of less than 100 milliseconds); or (3) a closed transition with extended parallel operation of more than 100 milliseconds.
- The easiest approach with the least utility interaction would be to use only an open transition.
- A closed transition requires the entity to have an interconnection agreement with the connecting utility and requires the customer to provide switching equipment that meets the utility's technical requirements.
- **Parallel Operation**: Customer must have an interconnection agreement with the connecting utility. This approach could also have implications for the customer, such as the customer being placed in a new rate class pursuant to its new kW demand.
- **Possible Paths Forward**: Three possible paths forward – The easiest path with the least utility interaction would be for the Commission to allow the TBPP facilities to use only an open transition to fully islanded operation.
- Second easiest possible path – Allow the TBPP facility to use transitionary parallel operation for less than 100 milliseconds while moving to fully islanded operation.
- Third and most challenging path – Allow the TBPP facility to operate in parallel with the grid. This has numerous complications and possible implications for customers.
- **Clarity on BESS Charging**: Further clarity is needed on whether a BESS can be interconnected with the grid for charging as part of the TBPP. Utilities will likely treat those interconnections as new loads, and they will need to evaluate the potential impact those new loads on their systems and the rates and terms and conditions that would apply to those loads.