



Control Number: 57381



Item Number: 14

**DOCKET NO. 57381**

**SETTLEMENT AGREEMENT AND  
REPORT TO THE COMMISSION  
REGARDING ENERWISE GLOBAL  
TECHNOLOGIES LLC'S VIOLATIONS  
OF PURA § 39.151(j); 16 TAC  
§§ 25.503(f)(2), (f)(6), (f)(8), AND (g)(3),  
AND 25.507(d)(6), AND ERCOT NODAL  
PROTOCOLS §§ 8.1.1.3(3), RELATED  
TO RESPONSE RESERVE SERVICE,  
AND §§ 8.1.3.1.4 AND 8.1.3.2, RELATED  
TO EMERGENCY RESERVE SERVICE**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

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**ORDER**

This Order addresses the agreement between Commission Staff and Enerwise Global Technologies LLC regarding Commission Staff's investigation of Enerwise Global for violations of PURA<sup>1</sup> § 39.151(j); 16 Texas Administrative Code (TAC) §§ 25.503(f)(2), (f)(6), (f)(8), and (g)(3), and 25.507(d)(6); the Electric Reliability Council of Texas (ERCOT) Nodal Protocols<sup>2</sup> § 8.1.1.3(3), related to response reserve service; and ERCOT Nodal Protocols §§ 8.1.3.2(1) and 8.1.3.1.4(3), related to emergency response service. The agreement also serves as a report to the Commission under 16 TAC § 22.246(h)(1). Commission Staff recommends, and Enerwise Global agrees to pay, an administrative penalty of \$240,000. 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.

**Respondent**

1. Enerwise Global is a Delaware limited liability company registered with the Texas secretary of state under filing number 800017266.
2. Enerwise Global is a qualified scheduling entity.

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

<sup>2</sup> Citations to ERCOT rules and procedures are to those that were in effect at the time of the violations.

3. As a qualified scheduling entity, Enerwise Global is an ERCOT market participant.
4. Enerwise Global is registered with ERCOT as a qualified scheduling entity and resource entity for five non-modeled generators capable of providing approximately 31 megawatts (MWs) of generation and 88 non-controllable load resources capable of providing ancillary service supply, specifically responsive reserve service.

**Responsive Reserve Service Violations of 16 TAC § 25.503(f)(2) and (f)(8) and ERCOT Nodal Protocols § 8.1.1.3(3)**

5. Responsive reserve service is an ancillary service that ERCOT uses to stabilize the ERCOT grid and provide energy during an energy emergency alert.
6. Between September 17, 2021 and December 30, 2022, Enerwise Global repeatedly failed to provide sufficient responsive reserve services or provide ERCOT appropriate justification and a plan to correct the shortfall within ten minutes of notification from ERCOT. The following violations occurred:

	<b><u>Date</u></b>	<b><u>Security constrained economic dispatch (SCED)</u></b>
a.	September 17, 2021:	12 five-minute SCED intervals
b.	July 13, 2022:	104 five-minute SCED intervals
c.	November 25, 2022:	14 five-minute SCED intervals
d.	November 26, 2022:	12 five-minute SCED intervals
e.	December 8, 2022:	3 five-minute SCED intervals
f.	December 15, 2022:	5 five-minute SCED intervals
g.	December 16, 2022:	12 five-minute SCED intervals
h.	December 21, 2022:	18 five-minute SCED intervals
i.	December 25, 2022:	30 five-minute SCED intervals
j.	December 27, 2022:	7 five-minute SCED intervals
k.	December 28, 2022:	15 five-minute SCED intervals
l.	December 29, 2022:	158 five-minute SCED intervals
m.	December 30, 2022:	45 five-minute SCED intervals

7. Enerwise Global failed to telemeter sufficient ancillary service supply responsibility to meet its responsive reserve service requirements or, if unable to telemeter sufficient supply, provide ERCOT appropriate justification and a plan to correct the shortfall within ten minutes of notification from ERCOT.
8. Enerwise Global committed this violation on 13 days for a total of 435 SCED intervals.

**Emergency Reserve Service Testing Violations of 16 TAC § 25.503(f)(2) and (g)(3) and ERCOT Nodal Protocols § 8.1.3.2(1)**

9. Emergency response service is a reliability and demand response tool used by ERCOT to ensure that the electrical grid is operating at the required system-wide target frequency of 60-hertz. Emergency response service can be used to decrease load, which provides a corresponding increase in frequency.
10. As shown in confidential attachment 1 to the parties' joint clarification and motion to admit evidence filed on January 24, 2025, between June 22, 2021 and September 6, 2023, ERCOT performed unannounced tests of Enerwise Global's emergency response service resources.
11. On each of the test days, one or more of Enerwise Global's resources failed to achieve both a test performance factor of 0.95 or greater and an emergency response service interval performance factor for the full first interval of the test of 0.95 or greater.
12. Despite multiple emergency response service resources failing three or more consecutive tests, Enerwise Global continued to offer those resources in the emergency response service program.
13. Enerwise Global failed emergency response service deployment testing on 19 days and continued to bid resources despite repeated failures of deployment tests.

**Emergency Reserve Service Performance Violations of 16 TAC §§ 25.503(f)(2) and 25.507(d)(6) and ERCOT Nodal Protocols § 8.1.3.1.4(3)**

14. When ERCOT deploys emergency response services, the emergency response service resources' event performance factor (ERSPF) is the time-weighted average of the event performance factors (EVENTPF) for all events for which the emergency response service resource was deployed.

15. To satisfy ERCOT Nodal Protocols § 8.1.3.1.4 requirements, an ERS resource must achieve a MW response 95% or more of its ERS obligation for the first full interval of the deployment event, and the time and capacity weighted average performance across all event intervals.
16. On July 13, 2022, at approximately 2:55 p.m., ERCOT issued instructions to Enerwise Global to deploy a non-weather sensitive emergency response service with a 30-minute ramp period (ERS-30) and, at approximately 4:03 p.m., issued another deployment of ERS-30 for the new time period. Enerwise Global failed, during both deployments, to provide the full emergency response service obligation during the first full interval for ERS-30 and had an overall EVENTPF of 83.30%.
17. On September 6, 2023, at approximately 7:44 p.m., ERCOT issued instructions to Enerwise Global to deploy ERS-30. Enerwise Global failed to provide the full emergency response service obligation during the first full interval for ERS-30 and had an overall EVENTPF of 90.02%.
18. Enerwise Global failed to provide adequate performance in response to two ERS-30 deployments on July 13, 2022, and one ERS-30 deployment on September 6, 2023.

**Corrective Action**

19. In an effort to correct the responsive reserve service violations of 16 TAC § 25.503(f)(2) and (f)(8) and ERCOT Nodal Protocols § 8.1.1.3(3), Enerwise Global has done the following:
  - a. Implemented revisions to its approach of moving the obligation of a load resource when its telemetry is affected and its ability to provide responsive reserve service may be compromised;
  - b. Increased the automation of its load scheduler; and
  - c. Implemented a proactive approach to contacting ERCOT when Enerwise Global observes that its portfolio is experiencing issues providing responsive reserve service.

20. In an effort to correct the emergency resource service testing and deployment violations of 16 TAC §§ 25.503(f)(2) and (g)(3) and 25.507(d)(6,) and ERCOT Nodal Protocols §§ 8.1.3.1.4(3) and 8.1.3.2(1), Enerwise Global has done the following:
- a. Removed several resources from its portfolio;
  - b. Ceased offering one resource, pending further testing to ensure appropriate performance;
  - c. Retained customers that have shown consistent passing performance of 100% or greater since December 12, 2022;
  - d. Increased internal staffing and implemented internal process changes to improve customer communication and compliance, testing compliance, and bid development; and
  - e. Increased automation in its dispatch system.
21. Enerwise Global and Commission Staff note that Enerwise Global used additional load resources to meet its responsive reserve service obligations in most instances of violation.
22. Enerwise Global and Commission Staff also note that Enerwise Global's portfolio availability has consistently been greater than 95% since the February-May 2020 contract period.

#### **Notice**

23. On March 25, 2024, Commission Staff provided Enerwise Global notice of its investigation, the results of the investigation, information about Enerwise Global's right to a hearing, and an opportunity to explain its activities.

#### **Agreement**

24. Enerwise Global cooperated with Commission Staff's investigation.
25. Enerwise Global acknowledges the bases for the violations detailed in this Order.
26. Enerwise Global has undertaken the remedial efforts outlined in the agreement.
27. On November 26, 2024, Commission Staff and Enerwise Global entered into an agreement in which Commission Staff recommended, and Enerwise Global agreed to pay, an

administrative penalty of \$240,000, payable in 12 monthly payments of \$20,000, for the violations described in this Order.

28. Enerwise Global agreed to remove certain ERS resources identified in confidential attachment 1 to the agreement from the program and agreed not to offer them as ERS resources.
29. In confidential attachment 1 to the agreement, an additional ERS resource is identified which Enerwise Global agreed not to offer again as an ERS resource until the resource demonstrates that it is able to meet its performance obligations by performing an Enerwise Global orchestrated test demonstrating the resource's ability to meet or exceed the MW value to be enrolled in ERS-30 for the intended enrollment period.
30. On December 6, 2024, Commission Staff filed a copy of the executed agreement with the Commission's filing clerk.

#### **Seriousness of Violations**

31. Failure to provide responsive reserve service, or in the event of such failure, to provide ERCOT with appropriate justification of the failure to provide service and a plan to correct the shortfall as required, failure to provide emergency reserve service, and failure of emergency reserve service testing can jeopardize the reliability of a transmission or distribution system.

#### **Compliance History and Deterrence of Future Violations**

32. Enerwise Global does not have a history of previous violations of PURA § 39.151(j); 16 TAC §§ 25.503(f)(2), (f)(6), (f)(8), (g)(3), and 25.507(d)(6); and ERCOT Nodal Protocols §§ 8.1.1.3(3), 8.1.3.2(1) and 8.1.3.1.4(3).
33. The agreed administrative penalty of \$240,000 imposed by this Order is appropriate and necessary to promote compliance with responsive reserve service and emergency response service requirements.

#### **Evidentiary Record**

34. In Order No. 1 filed on January 3, 2025, the administrative law judge (ALJ) admitted the December 6, 2024 agreement and all attachments, as evidence into the record of this proceeding.

35. In Order No. 3 filed on January 27, 2025, the ALJ admitted the parties' joint clarification, including confidential attachment 1, as evidence into the record of this proceeding.

**Informal Disposition**

36. More than 15 days have passed since the completion of all notice requirements.
37. No person filed a protest or motion to intervene.
38. Enerwise Global and Commission Staff are the only parties to this proceeding.
39. No party requested a hearing, and no hearing is needed.
40. Commission Staff recommended approval of the agreement.
41. This decision is not adverse to any party.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has authority over this matter under PURA §§ 14.051, 14.054, 15.023, 15.024, and 39.151(j).
2. Enerwise Global is a qualified scheduling entity as defined in 16 TAC § 25.5(95).
3. Enerwise Global is an ERCOT market entity and market participant as defined in 16 TAC § 25.503(c)(5) and (c)(6).
4. Enerwise Global must comply with PURA § 39.151(j); 16 TAC §§ 25.503(f)(2), (f)(6), (f)(8), and (g)(3), and 25.507(d)(6); and ERCOT Nodal Protocols §§ 8.1.1.3(3), 8.1.3.2(1) and 8.1.3.1.4(3).
5. Enerwise Global violated PURA §39.151(j), 16 TAC § 25.503(f)(2) and (f)(8), and ERCOT Nodal Protocols § 8.1.1.3(3) on 13 days between September 17, 2021 and December 30, 2022 by failing to telemeter sufficient ancillary service supply responsibility to meet its responsive reserve service requirements or, if unable to telemeter sufficient supply, provide ERCOT appropriate justification and a plan to correct the shortfall within ten minutes of notification from ERCOT.
6. Enerwise Global violated PURA §39.151(j), 16 TAC § 25.503(f)(2) and (g)(3), and ERCOT Nodal Protocols § 8.1.3.2(1) over 19 non-consecutive days between June 22, 2021



- and September 6, 2023 by one or more resources failing ERS deployment testing and continuing to bid resources despite repeated failures of deployment tests.
7. Enerwise Global violated PURA §39.151(j), 16 TAC §§ 25.503(f)(2) and 25.507(d)(6) and ERCOT Nodal Protocols § 8.1.3.1.4(3) on three separate instances by failing to provide adequate MWs in response to two ERS-30 deployments on July 13, 2022 and one ERS-30 deployment on September 6, 2023.
  8. Under PURA § 15.023, the Commission has authority to impose administrative penalties against Enerwise Global for violations of PURA and Commission rules.
  9. Under 16 TAC § 25.8(b)(3)(B)(xi), the violations described herein are Class A violations.
  10. Under 16 TAC § 25.8(b)(3)(A), the Commission may impose a penalty against Enerwise Global of up to \$25,000 per violation per day for a Class A violation.
  11. Enerwise Global was provided proper notice of Commission Staff's investigation into this matter, the results of the investigation, information about Enerwise Global's 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).
  12. The filing of the agreement meets the requirements of 16 TAC § 22.246(h)(1).
  13. The Commission processed this docket in accordance with applicable statutes and Commission rules.
  14. 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. Enerwise Global must comply with the terms of the agreement and this Order.

3. Enerwise Global must pay an administrative penalty in the amount of \$240,000, payable in 12 monthly payments of \$20,000, with the first payment being due 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 78711-3326

4. Enerwise Global must file an affidavit of payment in this docket no later than five calendar days after remitting each payment.
5. Enerwise Global must remove certain ERS resources identified in confidential attachment 1 to the agreement from the program and must not offer them as ERS Resources. In confidential attachment 1 to the agreement, an additional ERS resource is identified which Enerwise Global must not offer again as an ERS resource until the resource demonstrates that it is able to meet its performance obligations by performing an Enerwise Global orchestrated test demonstrating the resource's ability to meet or exceed the MW value to be enrolled in ERS-30 for the intended enrollment period.
6. This Order resolves only the claims identified in this Order related to Enerwise Global's violations of PURA § 39.151(j); 16 TAC §§ 25.503(f)(2), (f)(6), (f)(8) and (g)(3), and 25.507(d)(6); and ERCOT Nodal Protocols §§ 8.1.1.3(3), 8.1.3.2(1), and 8.1.3.1.4(3).
7. 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.
8. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas on the 3<sup>rd</sup> day of April 2025.

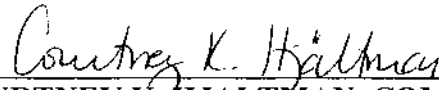
**PUBLIC UTILITY COMMISSION OF TEXAS**



**THOMAS J. GLEESON, CHAIRMAN**



**KATHLEEN JACKSON, COMMISSIONER**



**COURTNEY K. HJALTMAN, COMMISSIONER**