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PROJECT NO. 58479

RULEMAKING FOR NET METERING	§	PUBLIC UTILITY COMMISSION
ARRANGEMENTS INVOLVING A	§	
LARGE LOAD CO-LOCATED WITH	§	OF TEXAS
AN EXISTING GENERATION	§	
RESOURCE UNDER PURA §39.169	§	

TCPA RESPONSE TO STAFF QUESTIONS & COMMENTS ON PFP

Texas Competitive Power Advocates (TCPA) appreciates the opportunity to provide comments on Commission Staff's questions for comment and the Proposal for Publication filed on September 18, 2025. TCPA represents thirteen companies in the ERCOT competitive market that are independent generation resource owners, independent power marketers, or both. The generation assets in our companies' portfolios are primarily thermal dispatchable generation comprised of natural gas, nuclear, coal, and some energy storage resources. Our members own approximately 56,000 megawatts (MW) of generation capacity in ERCOT and represent approximately half of the MWs under due diligence review or with executed loan agreements in the Texas Energy Fund (TEF). In addition, several TCPA member companies are also building new thermal generation resources in ERCOT through conventional market financing, outside of the TEF.

Senate Bill 6 (SB 6) sought to balance the need for forecasting accuracy, reliability, appropriate allocation of transmission costs, and keeping Texas open for business development and growth. TCPA supports that mission and views co-location of large loads with generation resources as a stabilizing arrangement for the grid and the market. Co-location provides a dependable long-term revenue stream, particularly for reliable thermal dispatchable generators, that the ERCOT energy-only market does not currently provide. It offers a market-based mechanism to support and retain existing resources that are nearing the end of their economic life, ensuring those MWs do not prematurely exit the market. This ensures those MW are contributing inertia to system stability and excess capacity is available for ERCOT to dispatch when needed, while also supporting the energy needs for all loads when more cost-effective resources are available.

It is important to note that Public Utilities Regulatory Act (PURA) §39.169(d) specifies a 180-day timeframe in which implementation of certain co-location “net metering arrangements” must be reviewed by ERCOT and decided by the Commission. In fact, PURA §39.169(e) provides that if the Commission does not take action within the 180-day timeframe allotted, the “commission is considered to have approved the arrangement.” While there are several notice periods contained in the PfP, it is critical that any notices required be contained within the total 180 days provided in statute. TCPA comments reflect an understanding that all aspects of the process from notice requirements to ERCOT study through Commission action to either approve, deny, or impose conditions will be accomplished within the statutorily-required 180 days.

STAFF QUESTIONS

1. *Does the commission have authority to approve a net metering arrangement if retail electric service to the large load customer would not be provided by the municipally owned utility or electric cooperative that is certificated to provide retail electric service to the area in which the large load customer is located?*

TCPA RESPONSE: TCPA has no comment at this time but reserves the right to provide comment at a later time, if needed.

- a. *PURA §39.169(c) authorizes the electric cooperative, transmission and distribution utility, or municipally owned utility that provides electric service at the location of the new net metering arrangement to object to the arrangement for reasonable cause, including a violation of other law.*

- a. *How should the commission interpret “electric service” in PURA §39.169(c)?*

TCPA RESPONSE: TCPA interprets “electric service” in this context to refer to retail electric delivery service by the entity in whose certificated service territory the large load of a proposed net metering arrangement will be located.

- b. *What process should be used for addressing an objection to a net metering arrangement based on a violation of other law?*

TCPA RESPONSE: TCPA recommends establishing a procedural schedule for briefing on the issue within the allotted timeframe for completing the contested case. Since the PtP would require notice of the arrangement to the interconnecting Transmission and Distribution Service Provider (TDSP)¹ and to the electric utility that provides service at the location of the new net metering arrangement, there should be plenty of time at that point to submit and adjudicate any objections within the timeframe for completing the contested case process and before the Commission's 60-day review segment of that timeline even begins.

3. *PURA §39.169(g) limits the parties to a proceeding under PURA §39.169 to the commission, ERCOT, the interconnecting electric cooperative, transmission and distribution utility, or municipally owned utility, and a party in the net metering arrangement. How should the commission interpret "interconnecting" in PURA §39.169(g)?*

TCPA RESPONSE: "Interconnection" typically refers to the transmission going into the power plant. These interconnections are no different than an interconnection of any other power plant to the transmission system, and the Commission should interpret "interconnection" the same way for this section. In other words, the Commission should apply this provision based on which of those entities is a party to a Standard Generation Interconnection Agreement (SGIA) with the generator.

4. *Is there a scenario where the electric cooperative, transmission and distribution utility, or municipally owned utility that objects to a net metering arrangement under PURA §39.169(c) is not a party to the proceeding under PURA §39.169(g)? If so, how can these two statutory provisions be reconciled?*

TCPA RESPONSE: TCPA has no comments at this time but reserves the right to provide comment at a later time, if needed.

5. *PURA §39.169(d) states that if the commission imposes conditions on a proposed net metering arrangement, the conditions must require a generation resource that makes dispatchable capacity available to the ERCOT region before the implementation of a net metering arrangement under this section to make at least that amount of dispatchable capacity available to the ERCOT power region after the implementation of the*

¹ Notice of Proposed Net Metering Arrangement.docx

arrangement at the direction of the independent organization in advance of an anticipated emergency condition.

TCPA RESPONSES:

a. How should the commission interpret “dispatchable capacity”?

PURA §39.159(a) defines “non-dispatchable” in terms of establishing a reliability requirement and identifying resources that are needed to meet that requirement in different seasons of extreme temperatures. Since the definition of “non-dispatchable” provided is “if the facility’s output is controlled primarily by forces outside of human control,” a reasonable interpretation of “dispatchable capacity” would be if a facility’s output is controlled primarily by forces within human control.

b. How should the commission interpret “make available”?

PURA § 39.169(d) does not specify that the dispatchable capacity must be the same capacity from the existing generator plant itself – for example, as a practical matter, the only way that provision can be effectuated is through contractual arrangements with the co-located load to curtail, utilize backup generation, or some combination thereof. But load curtailments, backup generation utilization, and new generation capacity have the same net effect for resource adequacy even if not at the site of the co-location net metering arrangement. While TCPA recognizes that the most common reference model is for those activities to be focused on the co-located existing generator and new large load, the Commission should not foreclose in its rule the use of other paths to achieve the same objective but with greater ability to leverage the creative energy of the competitive market to do so at lower cost and/or greater value to the parties involved.

In the context of the existing generator itself, TCPA recommends defining “make available” as being on notice to be ready to perform if called upon, but not a pre-deployment of the resource. Given ERCOT’s access to real-time telemetry of both load and resources (as well as contemplated information regarding how quickly a large load could curtail or move to backup

generation), control room operators can assess what is needed, what is possible to deploy and can take action if needed. The concept of what constitutes availability was discussed as part of the Performance Credit Mechanism (PCM) design ERCOT provided as the Commission was evaluating the cost and benefit of implementing that program in Project 55000, *Performance Credit Mechanism*. ERCOT defined “available generating capacity” as “a generator’s capacity that is online or offline and 1) has a status other than “OUT”, 2) has enough state of charge to be able to dispatch in that hour (for energy-limited like battery storage), and 3) is not subject to direct contracts with ERCOT (e.g., reliability must-run contracts). There are potential additional considerations that the PUCT and ERCOT can consider within this definition, such as the inclusion or exclusion of “EMR” resources.”²

TCPA recommends, however, against counting “OUT” status against the definition of “make available” in the context of SB6. While the PCM framework was meant to incentivize and reward resource performance during periods of system needs, SB 6 offers no such incentive. And, as a practical matter, ERCOT cannot compel a resource to no longer be on outage (for SB 6 or any other purposes) nor should it punish a resource for being on outage (over and above the already-significant market discipline). If a generator has a status of “OUT” during a period that ERCOT exercises PURA §39.169(d) authority, that would have nothing to do with the net metering arrangement and would have been the same case without the co-located load.

ERCOT also noted that whether resources with Emergency Must Run (EMR) status should be included or excluded in the definition would be a policy decision for the Commission to make. TCPA recommends that the Commission do consider EMR status as “available” for purposes of this (or any other rule), since that status reflects availability in emergencies – precisely the kinds

² Project 55000, Performance Credit Mechanism (PCM), E3 and ERCOT PCM Strawman Design White Paper, filed August 21, 2024, p. 29 footnote 30

of situations SB 6 contemplates. This could be instructive for Staff and the Commission as the definition of “make available” is considered for this rulemaking.

c. How far in advance of an anticipated emergency condition should ERCOT be able to direct a generation resource to make dispatchable capacity available to the ERCOT region? Should “advance” be measured based on time, megawatt, or some other metric?

ERCOT’s 2024 Energy Emergency Alert Overview provides specific markers for when different resources are deployed and in what order, based on pre-defined degradation in frequency and/or physically responsive capacity (PRC) reserves. Applying a similar criteria to resources associated with large loads would be appropriate. However, the Commission should avoid (or at the very least, minimize) any discriminatory treatment based on whether a resource is behind the meter or in front of the meter. Configuration should not impact the merit or timing of when these resources are deployed, as response time is the same without respect to configuration. In ERCOT’s presentation to the Commission ([link](#)), ERCOT recommended that “load curtailment duration will determine whether a Large Load in a net metering arrangement will existing generation will be curtailed in anticipation of an EEA or during an EEA” yet they proposed a curtailment example that prioritizes curtailment of Co-located loads over other large load customers. TCPA recommends that for both front of the meter and behind the meter loads, the curtailment merit order should be consistent based on the load’s ability to respond to a curtailment order.

Currently, ERCOT dispatches demand response resources, operating reserves carried by large loads, TDSP load management programs, and any remaining emergency response service

(ERS) and voltage reductions by transmission companies after ERCOT reaches EEA Level 2.³ Since firm load shed of distribution level customers is initiated at EEA Level 3,⁴ it would be reasonable for the Commission to establish an “EEA Level 2.5.” At this level co-located large loads could be deployed appropriately after programs ERCOT has procured and consumers are paying for and prior to any firm load shed of distribution customers.

d. How should the commission interpret an “anticipated emergency condition”?

The “EEA 2.5” discussed above would be an appropriate interpretation of “anticipated emergency condition.” The North American Electric Reliability Corporation (NERC) defines an “energy emergency” as “a condition when a Load Serving Entity (LSE) or Balancing Authority (BA) has exhausted all other resource options and can no longer meet its expected Load obligations.”⁵ ERCOT captures this definition as ERCOT EEA Level 3 in which transmission and distribution service providers are directed to reduce their load on the system by ERCOT.⁶

The Commission’s rule 16 TAC § 25.57 established in Project 52287, *Power Outage Alert Criteria*, offers additional perspective into what constitutes an emergency condition through its discussion in the rule adoption order, specifically regarding the timing of when a power outage alert should occur. In the order, the Commission explains, “[p]ower outage alerts will only be issued on a system-wide basis and the commission clarifies throughout the rule that ERCOT and TSPs in power regions other than ERCOT only need to notify the commission when the load shed instructions are issued, or are likely to be issued, on a system-wide basis.”⁷

³ ERCOT Energy Emergency Alert Overview, June 20, 2024, p. 1. [2024-Energy-Emergency-Alert-Overview.pdf](#)

⁴ *Id.*

⁵ Glossary of Terms Used in NERC Reliability Standards, Updated October 1, 2025, p. 17

⁶ ERCOT Energy Emergency Alert Overview, June 20, 2024, p. 1. [2024-Energy-Emergency-Alert-Overview.pdf](#)

⁷ PUC Project 52287, *Power Outage Alert Criteria*, ORDER ADOPTING NEW 16 TAC §25.57 AS APPROVED AT THE MAY 26, 2022 OPEN MEETING, p. 8

Further discussion of emergency conditions continued in the summarization of stakeholder comments as part of the order, with the Commission responding to comments filed by TCPA member company Vistra. Vistra suggested a need to define when a true emergency is likely and load shed is fairly certain, and the Commission opined that it “agrees with Vistra that a power outage alert should only be issued when there is an actual likelihood of supply being inadequate to meet demand and modifies the rule accordingly”⁸

Based on these recent Commission rulings, TCPA cautions that uncompensated emergency action should only occur when the risk of EEA Level 3 firm load shed is likely as a result of resource insufficiency. This should not apply to a transmission emergency but should be effectuated only due to a system-wide emergency based on a lack of resources to provide power to the grid. Both the NERC standard and an ERCOT directive to implement an EEA Level 2.5 in which uncompensated load resources are deployed after the compensated load resources but before firm load shed offer a useful framework for deployment sequencing. Additionally, the Commission’s Power Outage Alert Criteria, in which there is a high degree of certainty that load shed instructions will be issued, offers further support to this deployment.

TCPA RECOMMENDED REDLINE CHANGES TO PFP

TCPA provides recommended changes to PFP language in red below and provides an explanation for its recommended changes following each section of the PFP. If no changes are recommended to a section or subsection, the section is not included below.

§25.205. Net Metering Arrangements Involving a Large Load Customer Co-Located with an Existing Generation Resource

⁸ PUC Project 52287, *Power Outage Alert Criteria*, ORDER ADOPTING NEW 16 TAC §25.57 AS APPROVED AT THE MAY 26, 2022 OPEN MEETING, p. 10

(a) **Applicability.** This section applies to implementation of a net metering arrangement involving a large load customer and an existing generation resource. This section does not apply to a generation resource or energy storage resource:

(1) the registration for which included a co-located large load customer at the time of the generation resource or energy storage resource's energization, regardless of whether the large load customer was energized at a later date; or

(2) a majority interest of which is owned indirectly or directly as of January 1, 2025, by a parent company of a customer that participates in the new net metering arrangement.

REASON FOR RECOMMENDATIONS: TCPA makes the recommendation above because a net metering arrangement is defined as a contract, which is a legally binding agreement between two entities. Therefore, the Commission is not approving the *actual* contract but is approving the implementation of certain aspects, as defined in statute, of that net-metering arrangement.

(b) **Definitions.** The following words and terms, when used in this section, have the following meanings unless the context indicates otherwise:

(1) Applicants -- the parties to a net metering arrangement for which approval is sought under this section.

(2) Application -- filing for approval by the parties with the commission as required under subsection (d) to obtain commission approval to implement the net metering arrangement.

(3) Energy storage resource -- an energy storage system registered with ERCOT as an energy storage resource for the purpose of providing energy or ancillary services to the ERCOT grid and associated facilities that are behind the system's point of interconnection, necessary for the operation of the system, and not part of a manufacturing process that is separate from the generation of electricity.

(~~3~~ 4) Existing generation resource -- a generation resource registered with ERCOT as a stand-alone generation resource as of September 1, 2025 or an energy storage resource registered with ERCOT as a stand-alone energy storage resource as of September 1, 2025.

(4-5) Generation resource -- a generator registered with ERCOT as a generation resource and capable of providing energy or ancillary services to the ERCOT grid, as well as associated facilities that are behind the generator's point of interconnection,

necessary for the operation of the generator, and not part of a manufacturing process that is separate from the generation of electricity.

- (5 6) Large load customer -- a customer that requests a new ~~or expanded~~ interconnection where the total load at a single site is equal to or greater than 75 megawatts (MW), ~~and as of September 1, 2025, was not modeled in ERCOT's Network Operations Model as part of a generation resource private use network (PUN) or an energy storage resource PUN.~~
- (6 7) Large load interconnection study -- has the same meaning as defined in ERCOT protocols.
- (7 8) Net metering arrangement -- a contractual arrangement in which an existing generation resource and a large load customer agree to net the generation resource's output with the customer's load for settlement purposes based on a metering scheme approved by ERCOT.
- (8 9) Stand-alone energy storage resource -- an energy storage resource that, as of September 1, 2025, was included in ERCOT's Network Operations Model and such model of the resource site did not include a PUN load.
- (9 10) Stand-alone generation resource -- a generation resource that, as of September 1, 2025, was included in ERCOT's Network Operations Model and such model of the resource site did not include a PUN load.
- (110) Stranded or underutilized transmission asset -- a transmission asset that, as a result of a net metering arrangement, is no longer providing service to the public or may otherwise be retired from service without impairing the ability of the transmission system to provide adequate transmission service to customers.
- (+12) System -- the bulk power system in the ERCOT region.
- (123) Underutilized transmission asset -- a transmission asset that, as a result of a net metering arrangement, is expected to transmit on an average, annual basis at least ~~25~~ 75% less power and is not providing significant reliability benefits to the system commensurate with its maximum capacity to transmit power.

REASON FOR RECOMMENDATIONS: TCPA recommends the addition of "application" to the definitions for this rule to ensure there is a clear point in time that triggers the beginning of the statutory 180-day timeframe for this process as well as the discovery timeline for the contested case.

TCPA appreciates Staff's attempt to provide a number for determining when a transmission asset is "underutilized," but is concerned with the proposal to use 25% as the number, as that could

be overbroad and arbitrarily result in too many assets being deemed “underutilized” in the context of co-locations with existing generation assets. This is a new process and new definition, and TCPA recommends that the Commission track statutory language in PURA §39.169(d)(3) by defining a single term “stranded or underutilized transmission assets” under the Pfp’s currently proposed definition of “stranded transmission asset” rather than splitting into two definitions. Transmission infrastructure is not valued on its annual average power flow generally, so to do so singularly in this rule would be an arbitrary distinction – especially given a fair presumption that many net metering arrangements subject to PURA §39.169(d)(3) will be flexible and include criteria for the generator’s output to flow back over those transmission facilities to other loads,

Alternatively, a higher threshold should be set initially and then the Commission would be able to review whether a lower or higher threshold should be established once there has been some experience to establish a data-driven threshold. If the Commission retains a %-based definition, then TCPA recommends a 75% threshold as a better indicator of under-utilized for multiple reasons, none of which are due to reduced usage by the net-metering participants. First, energization of a nearby asset could potentially lower the output of the net-metering arrangement participants such that a 25% threshold could be triggered by the external asset and not by a change in use rate of the parties to the net-metering arrangement. For example, a solar farm that is energized in the vicinity could lower the output without a change in the net-metering participants’ usage. Second, a line derating by the transmission utility could also reduce the amount of power used by the asset, again through no change in their use. Third, the utilities in comments during the PUC Workshops on July 21, 2025 and September 2, 2025 made it very clear that they generally need to assume a 100% utilization rate (i.e., full export and full import) at a proposed new co-location for planning purposes (i.e., for co-locations with new generation resources). Therefore, unless the planning for the transmission system ceases to plan for the full firm load scenario then a 25% threshold is disconnected from transmission planning criteria, unjustified by relevant factual context(s), and would apply a discriminatory standard to co-locations with existing assets (which could be required to pay for “underutilized” assets in a hold harmless proceeding) compared to that applied to other net metering arrangements with assets that are not subject to SB 6 review.

To deem assets as “under-utilized,” the assets should be clearly stranded and not being used with no expectation that it will be used in the future. If a percentage-based test is required by the Commission, however, then utilizing a lower threshold (e.g., 25%) would add to regulatory

uncertainty and a potential for higher unexpected costs, which could have a chilling effect on investment, counter to legislative intent to support business development in the state – and thus a higher threshold (e.g., 75%) would better achieve SB 6’s objectives under that framework.

- (c) **Commission approval required.** A power generation company, municipally owned utility, or electric cooperative must not implement a net metering arrangement involving a large load customer and an existing generation resource unless the implementation of the net metering arrangement is approved by the commission . The commission shall issue the final order in a proceeding initiated under this section not later than the 180th day after the filing of a complete, non-deficient request. If the commission does not approve, deny, or impose reasonable conditions on a proposed net metering arrangement before the 180th day, the commission is considered to have approved implementation of the arrangement.

REASON FOR RECOMMENDATIONS: The statute is very clear that approval, denial or conditions to be imposed must be issued by the 180th day after the application is filed.⁹ The statute provides that if the Commission does not act within that timeframe, the Commission is considered to have approved implementation of the arrangement. Therefore, the language in the PfP prohibiting the implementation of the arrangement without approval from the Commission is inconsistent with the statute. The additional sentence TCPA recommends adding is borrowed from 16 TAC § 25.199(i), which governs the adjudication of transmission and distribution rate cases, which are also subject to a 180-day timeframe. The final sentence added by TCPA tracks the statutory language that specifically deems the arrangement approved absent action by the Commission within the 180-day timeframe and is needed to ensure that the rule complies with the statutory requirements.

- (d) **Initiating the process for approval of the implementation of a net metering arrangement.** Prior to ERCOT commencing its study under subsection (g) of this section, the applicants seeking approval of a net metering arrangement implementation must:
- (1) apply to the commission, using a new docket number, for approval of the net metering arrangement by filing an application that meets the requirements of §22.73 of this title (relating to General Requirements for Applications) and includes a copy of the notice submitted to ERCOT; and

⁹ PURA §39.169 (c)

- (2) upon filing its application with the commission, serve copies of the application, consistent with the requirements in §22.74 of this title (relating to Service of Pleadings and Documents), on:
 - (A) ERCOT;
 - (B) the interconnecting electric cooperative, transmission and distribution utility, or municipally owned utility; and
 - (C) the electric cooperative, transmission and distribution utility, or municipally owned utility that provides electric service at the location of the new net metering arrangement.

REASON FOR RECOMMENDATIONS: Consistent with other comments, TCPA reiterates that the Commission is not approving the *actual* contract but is approving the implementation of certain aspects, as defined in statute, of that net-metering arrangement.

(g) **Commencement of ERCOT study.**

- (1) The parties to a net metering arrangement must provide ERCOT all the required information that ERCOT deems necessary regarding the net metering arrangement as set out below.

(a) Required information is as follows:

- (i) project information including name, county, point of interconnection, voltage, demand and coordinates;
 - (ii) anticipated peak demand;
 - (iii) customer, TSP, TDSP, and LSE contact information;
 - (iv) anticipated net-metered load details; and
 - (v) anticipated curtailment and back-up generation capabilities.
- (2) The interconnecting electric cooperative, transmission and distribution utility, or municipally owned utility must submit the following to ERCOT:
 - (A) a large load interconnection study; and
 - (B) the results of power flow modeling or any other information relevant to a determination of whether stranded or underutilized transmission assets may result from the arrangement; and

- ~~(C) any other information that ERCOT deems necessary.~~
- (3) Not later than 7 days after the parties to the net metering arrangement and the interconnecting electric cooperative, transmission and distribution utility, or municipally owned utility submit the required information to ERCOT, ERCOT shall issue a notice of sufficiency or a request for additional information needed to meet sufficiency to the parties.
- (4) Upon receipt of all ~~necessary~~ required information, ERCOT must conduct a study of the system impacts of the net metering arrangement, including transmission security and resource adequacy impacts, ~~and stranded or underutilized transmission assets associated with the net metering arrangement.~~ Not later than seven days after commencing its study, ERCOT must file notice in the docket indicating the date that ERCOT commenced its study and the date ERCOT must file its study results and recommendations.
- (5) ERCOT must provide to commission staff any access, information, support, or cooperation that commission staff determines is necessary to provide its recommendations under this section.

REASON FOR RECOMMENDATIONS: The provision in section (g)(2)(C) is duplicative and unnecessarily expansive in scope - as recommended above, the information deemed necessary should be fixed and objective. Inclusion of (g)(2)(C) would make the study scope also subject to ERCOT discretionary expansion, which is not consistent with legislative intent.

With a specific timeline allotted in statute for both ERCOT and the Commission to adjudicate these case, TCPA recommends ERCOT be required to issue a notice of sufficiency, similar to that issued by Commission Staff in utility rate case proceedings. At that time, if ERCOT is lacking any information from any of the parties required to submit information to ERCOT, the specific information that is lacking should be provided and parties should be afforded seven (7) business days to remedy the insufficiency. TCPA has proposed adding a new subsection (g)(3) to effectuate this proposal.

In proposed subsection (g)(3) of the PfP (which would be (g)(4) with TCPA's recommended changes), TCPA recommends striking the reference to "stranded or underutilized transmission assets associated with the net metering arrangement," because that review would only be necessitated if the Commission, following ERCOT's recommendation, determined that

conditions were warranted in the first place based on a reliability concern. As noted, SB 6 is clear that “conditions” (including potentially a hold harmless condition for stranded or underutilized transmission assets) are only to be imposed “as necessary to maintain system reliability, including transmission security and resource adequacy impacts.”¹⁰ It would not be a good use of ERCOT or stakeholder resources for ERCOT to perform a review on stranded or underutilized assets for every net metering arrangement, before determining that conditions are warranted based on reliability concerns.

TCPA also recommends including the specific language in rule delineating the information that parties must provide to ERCOT so there is full transparency and defined criteria upfront for parties to use as a checklist when compiling their application and the required components to fully study the arrangement. TCPA referred to the checklist provided in ERCOT’s September 2, 2025 presentation to the Commission in this project¹¹ as a starting point that ERCOT had determined would enable it to comprehensively study the arrangements and issue recommendations and a report to the Commission. While TCPA included most of the items on that list in the proposed language above, it excluded a few items, which are either not necessary for ERCOT to evaluate the proposed net metering arrangement’s impact on reliability, which is the key directive under SB 6 for purposes of determining if conditions are warranted, or appears no longer relevant for the scope described in subsequent ERCOT filings and the PFP.

First, TCPA did not include 4CP in the list to be included in rule for a few reasons. As an initial matter, the Commission has a separate project underway, at the direction of the Legislature, to evaluate 4CP and possibly replace it with another cost allocation mechanism. It seemed premature to include 4CP since the Commission has not issued a report, a recommendation, or an order in that project; but a large majority of stakeholders appeared to support implementation of another methodology in place of 4CP. Further, cost allocation and cost causation in transmission planning are areas fully within the Commission’s, and not ERCOT’s, purview. In addition, the structure of the statute dictates that the Commission not entertain placing conditions on the arrangement unless there is a reliability concern, which further supports limiting the information

¹⁰ 89th Tex. Leg., R.S., Senate Bill 6, § 4 (effective Jun. 20, 2025) (codified in PURA § 39.169(d)).

¹¹ The filing can be accessed here: https://interchange.puc.texas.gov/Documents/58479_6_1535271.PDF.

required to that necessary for assessing impact on reliability (and thus not including 4CP, which is unrelated to reliability impacts).

Second, TCPA excluded qualification to provide ancillary services or as a controllable load resource from the list above, as that qualification is completed separately by ERCOT and typically occurs later in the process when the resource undergoes commissioning. At the time ERCOT is conducting this study, those components would not have been ascertained, and ERCOT will receive all information necessary to do so if the resource seeks qualification during the commissioning phase. If ERCOT is trying to ascertain whether or not the load anticipates seeking qualification, that is information that can be provided with a simple “yes” or “no.” The same logic could also apply to deleting “wholesale price responsiveness,” but similarly, if ERCOT is simply looking for an anticipatory, non-binding indication, then specifying that ERCOT can request appropriately scoped input along those lines.

Third, TCPA also excluded the “net metering with generation” entry because any submission of a notice under this should be tacit knowledge with the submission of the notice in the first place (i.e., if the load or the generator is already part of a net metering arrangement, then PURA § 39.169 does not apply).

Fourth, TCPA excluded the SGIA because, while it is obvious that any existing generator will have an interconnection agreement, if this provision is presumed to reflect any changes to the generator interconnection agreement that reflects the new co-located large load, that is a step that is not expected to be completed until 6 months after the completion of the Large Load Interconnection Studies. In other words, ERCOT Planning Guide Section 9.4(9) sets a soft deadline of 180 days after the completion of the LLIS to complete the requirements of Planning Guide Section 9.5 - which, in the case of a Large Load co-located with a Generation Resource Facility, Planning Guide Section 9.5.2(1)(a)(i) includes execution of a new SGIA or confirmation that no change is needed.

Fifth, TCPA excluded SSWG Case Modeling because ERCOT’s description indicated that the load is included in ERCOT’s models, but that would not have occurred at the time of the Large Load Interconnection Studies.

Sixth, TCPA consolidated “Backup Generation” and “Curtailment & Backup Transition Times” into a single category since they are both addressing the same interests.

Finally, TCPA recommended that, where appropriate, the requested information be explicitly recognized “anticipated.” As noted above, existing load information is not applicable since the statute is only applicable to certain new loads, not existing loads, and therefore all information is anticipatory in nature. With a statutory timeframe to study and adjudicate these arrangements, providing a rubric to better ensure application sufficiency at the time of filing will be critical to thorough and timely reviews.

(h) **General requirements of ERCOT study.** ERCOT’s study of a net metering arrangement must include:

- (1) a resource adequacy analysis that is comprised of an evaluation of:
 - (A) the large load customer’s expected curtailment capability;
 - (B) expected on-site back up generation capability to offset the large load customer;
 - (C) expected net generation available to the ERCOT grid after implementation of the net metering arrangement;
 - (D) the existing generation resource’s expected availability to ERCOT for dispatch after implementation of the net metering arrangement; and
 - (E) the expected impacts ~~of reduced net capability or lower availability~~ on reserve margins or other ~~reliability resource adequacy~~ criteria; and
- (2) a transmission security analysis that is comprised of a steady state and stability load serving study with and without the generation, under peak scenarios and off-peak scenarios;
- ~~(3) an analysis identifying transmission assets that may become stranded or underutilized as a result of the net metering arrangement, including the identity of the transmission service provider (TSP) associated with each such asset and the degree to which any transmission assets are expected to be underutilized from both a delivery and a reliability perspective; and~~
- ~~(4) any other analysis or study that ERCOT determines is necessary.~~

REASON FOR RECOMMENDATIONS: TCPA has recommended changes above to conform with the recommendations that it proposed for the prior subsection (g). In addition, TCPA cautions that double counting could invalidate resource adequacy impact if the load is included in the load forecast and the generation is removed from available generation capacity. Furthermore, and

especially if the load will curtail or utilize backup generation in times of emergency, making more of the generation capacity available to the rest of ERCOT, then either the load should be removed from the load forecast or the generation capacity should remain in the expected generation forecast (but not both). If these adjustments are not properly accounted for, then the resource adequacy impact will appear to be double the actual impact. The resource adequacy review should be primarily focused on validating that the load is coming off the system and/or has sufficient back-up generation to do so. Resource adequacy is a system-wide evaluation, so technically should not be a one-off study for a specific load.

If the Commission does direct a one-off resource adequacy study, however, it is imperative that the large load being subjected to the study be given primary consideration over and above other loads that have not received approval to energize. There are many large loads under study, and many of those have received officer attestations to be deemed “substantiated load” that in turn feeds into ERCOT’s transmission planning and system-wide resource adequacy outlooks. But if ERCOT is tasked with evaluating a single load in a one-off study, it is not evaluating the full system under projected conditions including that officer-attested load (which is the subject of another concurrent rulemaking in Project No. 58480 with aims to discipline that forecast), but rather the marginal impact of a new load that, by virtue of the notice being sent, is wanting to move forward with its business development in Texas. Therefore, it would be improper to restrict that new large load that is subject to PURA § 39.169 review based on projections of other large loads that have not received approval to energize by ERCOT.

- (i) **ERCOT study results.** ~~Not later than ten days before ERCOT files its study results and recommendations, ERCOT must file notice in the docket indicating the date that ERCOT expects to file its study results and recommendations.~~ Not later than 120 days after ERCOT’s filing indicating ERCOT received all information it deems necessary to conduct its study regarding the net metering arrangement, ERCOT must file its study results and associated recommendations. ERCOT’s filing must include:
 - (1) direct testimony supporting the filing;
 - (2) an executive summary of the study, including any ERCOT recommendations, ~~that identifies:~~
 - (A) ~~the large load customer;~~

- ~~(B) — whether the large load customer seeks a new or expanded interconnection;~~
- ~~(C) — whether the large load customer or any other customer is already located at the requested interconnection site and if so, that customer's peak demand at the requested interconnection site;~~

REASON FOR RECOMMENDATIONS: TCPA proposes removing these provisions as they are not required by statute. The only time there is an application is if there's a new interconnection so these will only be for new interconnections, not expansions. If another customer is already at the location site, then, by definition, this is not a stand-alone generator and this does not apply. Only *new* large load customers with *new* interconnections are subject to the application, the ERCOT study, and the decision by the Commission. Regulatory policy tends to protect the identity of customers, particularly in competitive markets, and the statute has no requirements to include (A)-(C). An additional notice is also unnecessary as parties to the proceeding will already have attorneys actively involved in and following the activity in the proceeding. Adding an additional notice could provide the appearance of adding time to the 120-day required schedule, and that is not necessary and potentially creates confusion.

- (D) whether ERCOT identified any negative impacts to system reliability, including transmission security and resource adequacy impacts;
 - (E) ERCOT's recommendation to approve, with or without conditions, or deny the net metering arrangement; and
 - (F) whether ERCOT recommends conditions to mitigate an impact to transmission security, resource adequacy, or both;
- (3) the complete study, detailing:
- (A) ERCOT's analysis;
 - (B) the underlying assumptions used in the study;
 - (C) the sources of data used in the study;
 - (D) the capacity made available to the ERCOT region by ~~the existing generation resource~~ at the time of annual peak demand ~~each of the last 10 years of the preceding year~~ and how that existing generation resource can comply with a requirement to make at least that same amount of dispatchable capacity available after implementation of the net metering arrangement, as applicable; and

REASON FOR RECOMMENDATIONS: As outlined in TCPA's response to preamble question 5b, the statute does not limit that the capacity an existing generator makes available to the ERCOT region be only from that existing generator. The rule can therefore leave out the limiting phrase "by the existing generation resource" without losing that avenue for achieving the objective but not close off other potential avenues to achieve that same objective at lower cost, greater value, or both. Additionally, Generation output can reduce with age and wear-and-tear on the unit so output from five to ten years ago is not an indicator of likely performance in a current year or in the future. Output from the preceding year is a better indicator of likely output in the immediate future and is a more appropriate guide for these assessments.

- (E) whether ERCOT identified any negative impacts to resource adequacy that cannot be mitigated with curtailment of the large load customer; and
- (F) If any conditions are recommended, then whether any transmission assets ~~are~~ may be stranded or underutilized, including the degree to which any underutilized transmission assets ~~are~~ could be underutilized from a delivery or a reliability perspective, and the identity of the associated TSPs;

REASON FOR RECOMMENDATIONS: ERCOT's study should not be evaluating for potential stranded or under-utilized assets unless conditions are warranted due to resource adequacy concerns. Conditions would be imposed by the Commission in its review of the study and information filed by the parties to the proceeding in the PUC docket. To assume that conditions will be included in every case is premature and unnecessary.

- (j) **Procedural schedule.** After ERCOT files its study results and recommendations, the presiding officer must set a procedural schedule that will enable the commission to issue an order in the proceeding within 60 days of ERCOT's filing.
 - (1) The procedural schedule must be substantially similar to the following, unless otherwise agreed to by the parties:
 - (A) the deadline for the applicants to file a statement of position or direct testimony is five days after ERCOT files its study results and recommendations;
 - (B) the deadline for ERCOT and the interconnecting electric cooperative, transmission and distribution utility, or municipally owned utility to file a statement of position, direct testimony, or an objection to the net metering

arrangement is ten days after ERCOT files its study results and recommendations;

- (C) the deadline to request a hearing on the merits is ten days after ERCOT files its study results and recommendations;
 - (D) the deadline for ERCOT to file a response to other parties' filings is 15 days after ERCOT files its study results and recommendations;
 - (E) the deadline for commission staff to file a statement of position or direct testimony, including its recommendations, is 17 days after ERCOT files its study results and recommendations;
 - (F) if no hearing on the merits is requested, the deadline to file a stipulation or agreement, a joint motion to admit evidence, and a joint proposed order is 24 days after ERCOT files its study results and recommendations;
 - (G) if a hearing on the merits is requested, the hearing on the merits will commence up to 28 days after ERCOT files its study results and recommendations; and
 - (H) if a hearing on the merits is requested:
 - (i) the deadline for initial briefs is 34 days after ERCOT files its study results and recommendations; and
 - (ii) the deadline for reply briefs and proposed orders is 40 days after ERCOT files its study results and recommendations.
- (2) Notwithstanding any provision of this section, the presiding officer may set a different procedural schedule than the one set forth in this subsection or adjust any procedural deadlines to facilitate the commission issuing an order in the proceeding within 60 days after ERCOT files its study results and recommendations.

REASON FOR RECOMMENDATIONS: If the parties agree to a different procedural schedule that complies with the statutory timeline, there is no reason that schedule should not be adopted.

- (k) **Commission decision.** Not later than 60 days after ERCOT files its study results and recommendations, the commission will approve, with or without conditions, or deny an application for a net metering arrangement as necessary to maintain system reliability, including transmission security and resource adequacy impacts.
- (1) If the commission approves a net metering arrangement with conditions, then the conditions imposed on the net metering arrangement must include requiring the

existing generation resource to make dispatchable capacity available to the ERCOT region as directed by ERCOT in advance of an anticipated emergency condition. The dispatchable capacity made available to the ERCOT region in such an event must be at least equal to the amount of dispatchable capacity that was made available to the ERCOT region before implementation of the net metering arrangement.

- (2) The conditions imposed on a net metering arrangement may include requiring:
 - (A) the retail customer(s) served behind-the-meter to reduce load during certain events;
 - (B) the existing generation resource to make capacity available to the ERCOT region during certain events;
 - (C) initiation of a separate hold harmless proceeding for each net metering arrangement for which the commission has conditioned its approval because of a necessity to maintain system reliability that results in stranded or underutilized transmission assets in order to ensure TSPs and their customers are held harmless;
 - ~~(D)~~ ~~maximum ramp rates for load curtailment;~~ and
 - ~~(E)~~(D) any other reasonable requirement that is necessary to maintain system reliability.

REASON FOR RECOMMENDATIONS: TCPA appreciates the recognition that these deployments are out-of-market actions necessary for system reliability and that the PIP ensures reflection of the deployments in price formation. TCPA's recommended changes track the statutory language, ensuring the rule is compliant with the statute without going beyond it. It is critical that these rules regarding large loads accomplish the overarching policy directive of system reliability and are not reviewed for reliability as a one-off decision. Importantly, controls on how fast a load can curtail or come back online, not the overall ramp rate for total energy use, are used in system planning and therefore more appropriately taken up as a broader policy topic than in the narrow application to only one subset of loads based solely on their physical location relative to a generator. Additionally, TCPA recommends striking the reference to "TSPs and their customers" because statute only specifies customers being held harmless and the relevant TSPs are still able to argue their own interests in any hold harmless proceeding (if one arises – as noted by most

parties in the workshops, including the TSPs, stranded or underutilized transmission assets arising from net metering arrangements are not anticipated to be a frequent or material occurrence).

- (l) **Hold harmless proceeding.** Within 60 days of a commission order requiring a hold harmless proceeding, each TSP associated with stranded or underutilized transmission assets that result from a net metering arrangement must file an application to quantify the costs associated with such assets and to reflect removal of those costs from the TSP's rates. Such costs must not be included in the TSP's rates in future proceedings absent an explicit commission determination in a comprehensive base rate proceeding that the associated transmission assets are no longer stranded or underutilized, and that the TSP has not otherwise been compensated for those costs. Upon removal from rates, these costs must be collected by the TSP from the existing generation resource owner and the interconnecting large load customer in a proportion determined by the commission or by agreement between the existing generation resource owner and the interconnecting large load customer.
 - (1) The application must include information sufficient to identify the costs associated with the stranded or underutilized transmission assets.
 - (2) The parties to a hold harmless proceeding under this subsection are not limited to the parties identified in subsection (e) of this section.

REASON FOR RECOMMENDATIONS: Statute limits the parties under a proceeding in this section to those that are a party to the net metering arrangement and the interconnecting transmission service provider, electric cooperative, or municipally owned utility. The hold harmless proceeding is part of this section and to allow additional parties would be a direct conflict with the statute. Therefore, TCPA recommends the change to ensure statutory compliance.

- (m) **Periodic evaluation of conditions imposed.** If the conditions imposed on the implementation of a net metering arrangement under this section are not limited to a specific period, a party to the net metering arrangement must apply for a commission determination of whether the conditions should be extended, with or without modification, or rescinded ~~at least 36 months and~~ not more than 60 months after the order approving the net metering arrangement with conditions.

REASON FOR RECOMMENDATIONS: Statute puts the onus on the Commission to review the conditions imposed on a net metering arrangement at least every 5 years. SB 6 specifically states

“if conditions imposed under Subsection (d) are not limited to a specific period, the commission shall review the conditions at least every five years to determine whether the conditions should be extended or rescinded.”¹² The restriction for a party to the arrangement to initiate the review to no less than 36 months conflicts with statute. These arrangements can be placed on a 5 year review schedule, similar to the 4-year review schedule currently used for utility rate cases. If conditions are imposed, the conditions are on the implementation of the net metering arrangement, not the actual arrangement which is a contractual agreement between the parties to the arrangement. That is an important distinction, and TCPA makes a recommended change to reflect that.

CONCLUSION

TCPA appreciates the opportunity to provide comment on these important questions and on the PfP. TCPA looks forward to continuing to work with Staff, the Commission, and other stakeholders to ensure implementation of co-location agreements with existing generation resources are aligned with the statutory requirements and the goal of continuing Texas’s economic development success.

Dated: October 17, 2025

Respectfully submitted,

A handwritten signature in black ink that reads "Michele Richmond". The signature is written in a cursive, flowing style.

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¹² PURA §39.169 (f)

PROJECT NO. 58479

RULEMAKING FOR NET METERING	§	PUBLIC UTILITY COMMISSION
ARRANGEMENTS INVOLVING A	§	
LARGE LOAD CO-LOCATED WITH	§	OF TEXAS
AN EXISTING GENERATION	§	
RESOURCE UNDER PURA §39.169	§	

**EXECUTIVE SUMMARY OF TCPA RESPONSE STAFF QUESTIONS &
RECOMMENDED CHANGES TO THE PFP**

- In the context of PURA §39.169(c), TCPA interprets “electric service” to refer to retail electric delivery service by the entity in whose certificated service territory the large load of a proposed net metering arrangement will be located.
- To address an objection to a net metering arrangement based on a violation of other law, TCPA recommends establishing a procedural schedule for briefing on the issue within the allotted timeframe for completing the contested case. Since ERCOT requires notice of the arrangement to the interconnecting Transmission and Distribution Service Provider and utility providing service at the new net metering arrangement location, there should be plenty of time at that point to submit and adjudicate any objections within the contested case timeline and before the Commission’s review begins.
- The Commission should interpret “interconnecting” in PURA §39.169(c) in the typical manner of transmission going into a power plant. In other words, the Commission should apply this provision based on which of those entities is a party to a Standard Generation Interconnection Agreement (SGIA) with the generator.
- A reasonable interpretation of “dispatchable capacity” in PURA §39.169(d) would be if a facility’s output is controlled primarily by forces within human control.
- PURA § 39.169(d) does not specify that the dispatchable capacity must be the same capacity from the existing generator plant itself. Load curtailments, backup generation utilization, and new generation capacity have the same net effect for resource adequacy even if not at the site of the co-location net metering arrangement. The Commission should not foreclose in its rule the use of other paths to achieve the same objective but with greater ability to leverage the creative energy of the competitive market to do so at lower cost and/or greater value to the parties involved.
- In the context of an existing generator, TCPA recommends “make available” in PURA §39.169(d) being interpreted as being on notice to be ready to perform if called upon. TCPA recommends against counting “OUT” status against the definition of “make available” in the context of SB6. Further, TCPA recommends that the Commission consider Emergency Must Run status as “available.”
- In advance of an anticipated emergency condition, ERCOT utilize criteria similar to those found in ERCOT’s 2024 Energy Emergency Alert Overview for when different resources are deployed and in what order.

- TCPA recommends that for both front of the meter and behind the meter loads, the curtailment merit order should be consistent based on the load's ability to respond to a curtailment order.
 - Currently, ERCOT dispatches demand response resources, operating reserves carried by large loads, TDSP load management programs, and any remaining emergency response service (ERS) and voltage reductions by transmission companies after ERCOT reaches EEA Level 2.³ Since firm load shed of distribution level customers is initiated at EEA Level 3,⁴
 - It would be reasonable for the Commission to establish an "EEA Level 2.5" where co-located large loads could be deployed appropriately after programs ERCOT has procured at and consumers are paying for at EEA Level 2 and prior to any firm load shed of distribution customers at EEA Level 3.
 - The aforementioned "EEA Level 2.5" would be an appropriate interpretation of "anticipated emergency condition."
- b. TCPA cautions that uncompensated emergency action should only occur when the risk of EEA Level 3 firm load shed is likely as a result of resource insufficiency. Both the NERC standard and an ERCOT directive to implement an EEA Level 2.5 in which uncompensated load resources are deployed after the compensated load resources but before firm load shed offer a useful framework for deployment sequencing. Additionally, the Commission's Power Outage Alert Criteria, in which there is a high degree of certainty that load shed instructions will be issued, offers further support to this deployment.

SECTION OF RULE	RECOMMENDED CHANGE	RATIONALE
§25.205 (a)	Add " <u>implementation of</u> " to definition of "Applicability."	A net metering arrangement is defined as a contract which is between two entities. Therefore, the Commission is not approving the <i>actual</i> contract but is approving the implementation of certain aspects of that net-metering arrangement.
§25.205 (b)(2)	Add definition of " <u>Application – filing for approval by the parties with the commission as required under subsection (d) to obtain commission approval of the net metering arrangement.</u> " Renumber subsequent definitions.	To ensure there is a clear point in time that triggers the beginning of the statutory 180-day timeframe for this process as well as the discovery timeline for the contested case.
§25.205 (b)(6)	Strike "or expanded" from the definition of "Large load customer."	PURA §39.169(a) is clear that it applies to a "new large load customer as described by Section 37.0561(c)." While §37.0561(c) states, "The standards must apply only to

		customers requesting a new or expanded interconnection where the total load at a single site would exceed a demand threshold established by the commission...”, co-locating with an existing PUN generator is not in scope because PURA §39.169(a) is limited to “new” rather than “new or expanded” as in §37.0561.
§25.205 (b)(6)	Strike “and as of September 1, 2025, was not modeled in ERCOT’s Network Operations Model as part of a generation resource private use network (PUN) or an energy storage resource PUN,” from the definition of “Large load customer.”	This is not part of the statutory definition.
§25.205 (b)(11)	Amend the term “Stranded transmission asset” to “Stranded <u>or underutilized</u> transmission asset.”	Tracks language in PURA §39.169(d)(3) rather than splitting into two definitions.
§25.205 (b)(13)	In renumbered (13), amend the definition of “Underutilized transmission asset” to a transmission asset that is expected to transmit on an average, annual basis at least “75% less power.”	Concerned that 25% could be overbroad and arbitrarily result in too many assets being deemed “underutilized” in the context of co-locations with existing generation assets, adding regulatory uncertainty and creating a chilling effect on investment.
§25.205 (c)	Add “ <u>implementation of the</u> ” before “net metering arrangement.”	The Commission is not approving the <i>actual</i> contract but rather the implementation of certain aspects of the net metering arrangement.
§25.205 (c)	Add “ <u>The commission shall issue the final order in a proceeding initiated under this section not later than the 180th day after the filing of a complete, non-deficient request. If the commission does not approve, deny, or impose reasonable conditions on a proposed net metering arrangement before the 180th day, the commission is considered to have approved the arrangement.</u> ”	The statute is clear that approval, denial or conditions to be imposed must be issued by the 180th day after the application is filed. The statute provides that if the commission does not act within that timeframe, the commission is considered to have approved the arrangement. Therefore, the language in the PpP prohibiting the implementation of the arrangement without approval from the commission is inconsistent with the statute. The additional sentence TCPA recommends adding is borrowing from 16

		Texas Administrative Code (TAC) §25.199 (i) which governs the adjudication of transmission and distribution rate cases which are also subject to a 180-day timeframe. The final sentence added by TCPA tracks the statutory language that specifically deems the arrangement approved absent action by the Commission within the 180-day timeframe. Without the added language, the rule would not be compliant with the statutory requirements.
§25.205 (d)	Add references to “ <u>the implementation of</u> ” and “ <u>implementation.</u> ”	The Commission is not approving the <i>actual</i> contract but rather the implementation of certain aspects of the net metering arrangement.
§25.205 (g)(1)	Clarify which required information the parties to the net metering requirement must provide ERCOT by amending (1) as following: (1) The parties to a net metering arrangement must provide ERCOT all the required information that ERCOT deems necessary regarding the net metering arrangement <u>as set out below.</u> <u>(a) Required information is as follows:</u> <u>(i) project information including name, county, point of interconnection, voltage, demand and coordinates;</u> <u>(ii) anticipated peak demand;</u> <u>(iii) customer, TSP, TDSP, and LSE contact information;</u> <u>(iv) anticipated wholesale price responsiveness;</u> <u>(v) anticipated net-metered load details; and</u> <u>(vi) anticipated curtailment and back-up generation capabilities.</u>	Specifying the information parties must provide to ERCOT allows for transparency and creates a checklist for parties to use when compiling their application and the required components to fully study the arrangement. TCPA based the list on ERCOT’s previous list found in their presentation to the Commission in this project and then excluded items which are either unnecessary for the reliability evaluation or no longer relevant for the scope described in subsequent filings and the PIP.
§25.205 (g)(2)	Strike “any other information that ERCOT deems necessary.”	As noted above, the information deemed necessary should be fixed and objective. This would also prevent the study scope from potentially expanding.

§25.205 (g)(3)	Add new (3) <u>“Not later than 7 days after the parties to the net metering arrangement and the interconnecting electric cooperative, transmission and distribution utility, or municipally owned utility submit the required information to ERCOT, ERCOT shall issue a notice of sufficiency or a request for additional information needed to meet sufficiency to the parties.”</u>	With a specific timeline allotted in statute for both ERCOT and the Commission to adjudicate these cases, TCPA recommends ERCOT be required to issue a notice of sufficiency, similar to that issued by Commission Staff in utility rate case proceedings. At that time, if ERCOT is lacking any information from any of the parties required to submit information to ERCOT, the specific information that is lacking should be provided and parties should be afforded seven (7) business days to remedy the insufficiency.
§25.025 (h)(1)	Amend as follows: (1) a resource adequacy analysis that is comprised of an evaluation of: (A) the large load customer’s <u>expected</u> curtailment capability; (B) <u>expected</u> on-site back up generation capability to offset the large load customer; (C) <u>expected</u> net generation available to the ERCOT grid after implementation of the net metering arrangement; (D) the existing generation resource’s <u>expected</u> availability to ERCOT for dispatch after implementation of the net metering arrangement; and (E) the <u>expected</u> impacts of reduced net capability or lower availability on reserve	Double counting could invalidate resource adequacy impact if the load is included in the load forecast and the generation is removed from available generation capacity. If the load will curtail or utilize backup generation in times of emergency (making more of the generation capacity available to the rest of ERCOT), then either the load should be removed from the load forecast or the generation capacity should remain in the expected generation forecast (but not both). If these adjustments are not properly accounted for, then the resource adequacy impact will appear to be double the actual impact. (C) is correct in anchoring to expectations and should expand that to the others. Since this is “resource adequacy” review, that is the appropriate scope

	margins or other reliability resource adequacy criteria; and	
§25.025 (h)(3)-(4)	Strike (3)-(4) in their entirety.	The changes are proposed to conform with the recommendations proposed for the prior subsection (g).
§25.025 (j)(1)	Insert “, unless otherwise agreed to by the parties” after “following.”	If the parties agree to a different procedural schedule that complies with the statutory timeline, there is no reason that schedule should not be adopted.
§25.025 (k)(2)(C)	Insert “for which the commission has conditioned its approval because of a necessity to maintain system reliability” after “net metering arrangement.” Strike “TSPs and their customers”	Tracks the statutory language and ensures the rule accomplishes the overarching policy directive of system reliability and are not reviewed for reliability as a one-off decision. Statute only specifies customers being held harmless and the relevant TSPs are still able to argue their own interests in any hold harmless proceeding.
§25.025 (k)(2)(D)	Strike current (D) in its entirety. Insert “reasonable” before “requirement” in newly restyled (D).	Controls on how fast a load can curtail or come back online, not the overall ramp rate for total energy use, are used in system planning and therefore more appropriately taken up as a broader policy topic than in the narrow application to only one subset of loads based solely on their physical location relative to a generator. TCPA supports system reliability but this must be maintained through reasonable requirements or they could ultimately result in greater harm to the system.
§25.025 (l)(2)	Strike “not” before “limited.”	Statute limits the parties under a proceeding in this section to those that are a party to the net metering arrangement and the interconnecting transmission service provider, electric cooperative, or municipally owned utility. The hold harmless proceeding is part of this section and to allow additional parties would be a direct conflict with the statute.

§25.025 (m)	Insert “the implementation of” before “a net metering arrangement.” Strike “at least 36 months and.”	If conditions are imposed, the conditions are on the implementation of the net metering arrangement, not the contractual arrangement itself. Statute puts the onus on the Commission to review the conditions imposed on a net metering arrangement at least every five years. The restriction for a party to the arrangement to initiate the review to no less than 36 months conflicts with statute.
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