

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS

Subchapter O. UNBUNDLING AND MARKET POWER.

DIVISION 2. INDEPENDENT ORGANIZATIONS.

§25.361. Electric Reliability Council of Texas (ERCOT).

- (a) **Applicability.** This section applies to the Electric Reliability Council of Texas (ERCOT). It also applies to transmission service providers (TSPs) and transmission service customers, as defined in §25.5 of this title (relating to Definitions), with respect to interactions with ERCOT.
- (b) **Purpose.** ERCOT shall perform the functions of an independent organization under the Public Utility Regulatory Act (PURA) §39.151 to ensure access to the transmission and distribution systems for all buyers and sellers of electricity on nondiscriminatory terms; ensure the reliability and adequacy of the regional electrical network; ensure that information relating to a customer's choice of retail electric provider is conveyed in a timely manner to the persons who need that information; and ensure that electricity production and delivery are accurately accounted for among the generators and wholesale buyers and sellers in the region. In addition, ERCOT may, on the introduction of customer choice in the ERCOT power region, acquire generation-related ancillary services on a nondiscriminatory basis on behalf of entities selling electricity at retail in accordance with PURA §35.004(e).
- (c) **Functions.** ERCOT shall operate an integrated electronic transmission information network and carry out the other functions prescribed by this section. ERCOT shall:
- (1) administer, on a daily basis, the operational and market functions of the ERCOT system, including scheduling of resources and loads, and transmission congestion management, as set forth in the ERCOT protocols;
 - (2) administer settlement and billing for services provided by ERCOT, including assessing creditworthiness of market participants and establishing and enforcing reasonable security requirements in relation to their responsibilities in ERCOT-operated markets;
 - (3) serve as the single point of contact for the initiation of transmission transactions;
 - (4) maintain the reliability and security of the ERCOT region's electrical network, including the instantaneous balancing of ERCOT generation and load and monitoring the adequacy of resources to meet demand;
 - (5) direct the curtailment and redispatch of ERCOT generation and transmission transactions on a non-discriminatory basis, consistent with ERCOT protocols;
 - (6) accept and supervise the processing of all requests for interconnection to the ERCOT transmission system from owners of new generating facilities;
 - (7) coordinate and schedule planned transmission facility outages;
 - (8) perform system screening security studies, with the assistance of affected TSPs;
 - (9) plan the ERCOT transmission system, in accordance with subsection (f) of this section;
 - (10) administer procedures for the registration of market participants;
 - (11) develop, manage, and operate the customer registration system;
 - (12) administer the renewable energy program;
 - (13) monitor generation planned outages;
 - (14) disseminate information relating to market operations, market prices, and the availability of services, in accordance with the ERCOT protocols;
 - (15) submit an annual report to the commission identifying existing and potential transmission and distribution constraints and system needs within ERCOT, with emphasis on critical transmission projects, alternatives for meeting system needs, and recommendations for meeting system needs, pursuant to PURA §39.155 (relating to Commission Assessment of Market Power); and
 - (16) perform any additional duties required under the ERCOT protocols.

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- (d) **Commercial functions.** ERCOT shall dispatch generation facilities only in accordance with the provisions of the ERCOT protocols. This responsibility includes authority to redispatch generation resources, in accordance with §25.200 of this title (relating to Load Shedding, Curtailments, and Redispatch) and the ERCOT protocols, and to determine and purchase the amount of ancillary services required to maintain and ensure the reliability of the network. All commercial functions required to ensure reliability and adequacy of the transmission network are to be conducted in accordance with the ERCOT protocols.
- (e) **Liability.** ERCOT shall not be liable in damages for any act or event that is beyond its control and which could not be reasonably anticipated and prevented through the use of reasonable measures, including, but not limited to, an act of God, act of the public enemy, war, insurrection, riot, fire, explosion, labor disturbance or strike, wildlife, unavoidable accident, equipment or material shortage, breakdown or accident to machinery or equipment, or good faith compliance with a then valid curtailment, order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities.
- (f) **Planning.** ERCOT shall conduct transmission system planning and exercise comprehensive authority over the planning of bulk transmission projects that affect the transfer capability of the ERCOT transmission system. ERCOT shall supervise and coordinate the other planning activities of TSPs.
- (1) ERCOT shall evaluate and make a recommendation to the commission as to the need for any transmission facility over which it has comprehensive transmission planning authority.
 - (2) A TSP shall coordinate its transmission planning efforts with those of other TSPs, insofar as its transmission plans affect other TSPs.
 - (3) ERCOT shall submit to the commission any revisions or additions to the planning guidelines and procedures prior to adoption. ERCOT may seek input from the commission as to the content and implementation of its guidelines and procedures as it deems necessary.
- (g) **Information and coordination.** Transmission service providers and transmission service customers shall provide such information as may be required by ERCOT to carry out the functions prescribed by this section and the ERCOT protocols. ERCOT shall maintain the confidentiality of competitively sensitive information and other protected information, as specified in §25.362 of this title (relating to Electric Reliability Council of Texas (ERCOT) Governance). Providers of transmission and ancillary services shall also maintain the confidentiality of competitively sensitive information entrusted to them by ERCOT or a transmission service customer.
- (h) **Interconnection standards.** In performing its functions related to the reliability and security of the ERCOT electrical network, ERCOT may prescribe reliability and security standards for the interconnection of generating facilities that use the ERCOT transmission network. Such standards shall not adversely affect or impede manufacturing or other internal process operations associated with such generating facilities, except to the minimum extent necessary to assure reliability of the ERCOT transmission network.
- (i) **ERCOT administrative fee.** ERCOT shall charge an administrative fee for transmission service in accordance with ERCOT protocols. Changes in the fee or application of new fees are subject to commission approval.

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- (j) **Reports.** Each TSP and transmission service customer in the ERCOT region shall on an annual basis provide historical information concerning peak loads and resources connected to the TSP's system. ERCOT shall periodically file with the commission reports concerning its governance, operations and budget, the reliability region of the ERCOT electrical network, and ERCOT's transmission planning efforts, including a list of any transmission projects that it recommends.
- (k) **Anti-trust laws.** The existence of ERCOT is not intended to affect the application of any state or federal anti-trust laws.