

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter I. TRANSMISSION AND DISTRIBUTION.

DIVISION 1. OPEN-ACCESS COMPARABLE TRANSMISSION SERVICE FOR ELECTRIC UTILITIES IN THE ELECTRIC RELIABILITY COUNCIL OF TEXAS.

§25.200. Load Shedding, Curtailments, and Redispatch.

- (a) **Procedures.** The Electric Reliability Council of Texas (ERCOT) shall direct non-discriminatory emergency load shedding and curtailment procedures for responding to emergencies on the transmission system in accordance with ERCOT protocols.
- (b) **Congestion management principles.** ERCOT shall develop and implement market mechanisms to manage transmission congestion in accordance with ERCOT protocols.
- (c) **Transmission constraints.** During any period when ERCOT determines that a transmission constraint exists on the transmission system, and such constraint may impair the reliability of a transmission service provider's (TSP's) system or adversely affect the operations of either a TSP or a transmission service customer, ERCOT will take actions, consistent with good utility practice and the ERCOT protocols, that are reasonably necessary to maintain the reliability of the TSP's system and avoid interruption of service. ERCOT shall notify affected TSPs and transmission service customers of the actions being taken. In these circumstances, TSPs and transmission service customers shall take such action as ERCOT directs.
 - (1) Service to all transmission service customers shall be restored as quickly as reasonably possible.
 - (2) To the extent ERCOT determines that the reliability of the transmission system can be maintained by redispatching resources, or when redispatch arrangements are necessary to facilitate generation and transmission transactions for a transmission service customer, a transmission service customer will initiate procedures to redispatch resources, as directed by ERCOT.
 - (3) To the greatest extent possible, any redispatch shall be made on a least-cost non-discriminatory basis. Except in emergency situations, any redispatch under this section will provide for equal treatment among transmission service customers.
 - (4) ERCOT shall keep records of the circumstances requiring redispatch and the costs associated with each redispatch and file annual reports with the commission, describing costs, frequency and causes of redispatch. Costs for relieving capacity constraints shall be allocated in a manner consistent with the ERCOT protocols.
- (d) **System reliability.** Notwithstanding any other provisions of this section, a TSP may, consistent with good utility practice and on a non-discriminatory basis, interrupt transmission service for the purpose of making necessary adjustments to, changes in, or repairs to its lines, substations and other facilities, or where the continuance of transmission service would endanger persons or property. In exercising this power, a TSP's liability shall be governed by §25.214 of this title (relating to Terms and Conditions of Retail Delivery Service Provided by Investor Owned Transmission and Distribution Utilities). In addition, notwithstanding any other provisions of this section, ERCOT may cause the interruption of transmission service for the purpose of maintaining ERCOT system stability and safety. In exercising this power, ERCOT shall not be liable for its ordinary negligence but may be liable for its gross negligence or intentional misconduct when legally due.

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§25.200(d) continued

- (1) In the event of any adverse condition or disturbance on the TSP's system or on any other system directly or indirectly interconnected with the TSP's system, the TSP, consistent with good utility practice, may interrupt transmission service on a non-discriminatory basis in order to limit the extent of damage from the adverse condition or disturbance, to prevent damage to generating or transmission facilities, or to expedite restoration of service. The TSP shall consult with ERCOT concerning any interruption in service, unless an emergency situation makes such consultation impracticable.
 - (2) The TSP will give ERCOT, affected transmission service customers, and affected suppliers of generation as much advance notice as is practicable in the event of an interruption.
 - (3) If a transmission service customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the transmission system, the transmission service customer shall be deemed to be in default. Any dispute over a transmission service customer's default shall be referred to alternative dispute resolution under §25.203 (relating to Alternative Dispute Resolution (ADR)) and may subject the transmission service customer to an assessment of an administrative penalty by the commission under Public Utility Regulatory Act §15.023.
 - (4) ERCOT shall report interruptions to the commission, together with a description of the events leading to each interruption, the services interrupted, the duration of the interruption, and the steps taken to restore service.
- (e) **Transition provision on priority for transmission service and ancillary services.** Subsection (b) of this section is effective upon implementation of a single control area in the ERCOT region. Until that date, the current rules for priority of planned transmission service will continue, as provided by this subsection.
- (1) Any redispatch under this section will provide for equal treatment among transmission service customers, subject to the priorities set out by this paragraph. Planned transmission service shall have priority over unplanned transmission service, and annual planned transmission service shall have priority over planned transmission service of a shorter duration.
 - (A) Subject to the foregoing priorities, for applications for planned or unplanned transmission service, complete applications filed earlier with the independent system operator shall have priority over applications that are filed later. Timely requests for annual planned transmission service will be accorded equal priority.
 - (B) Where a transmission service customer is using annual planned transmission service for a resource that becomes unavailable due to an unplanned outage or the expiration of a power supply contract, the transmission service customer shall have priority, in using the same transmission capacity to transmit power from a replacement resource, over other requests for unplanned transmission service or planned transmission service of a shorter duration.
 - (2) The price for redispatch services for annual planned transactions shall be based on the cost of providing the service, which shall be allocated among transmission service customers in proportion to each customer's share of the transmission cost of service, as determined by the commission under §25.192 of this title (relating to Transmission Service Rates). For redispatch required to accommodate an annual planned transaction, the electric utility providing the redispatch service shall provide information documenting the costs incurred to provide the service to the independent system operator. This information shall be available to affected persons.

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§25.200(e) continued

- (3) The cost of redispatch services for other transactions (including planned transmission service of a duration of less than a year) shall be borne by the transmission service customer for whose benefit the redispatch is made. Electric utilities shall provide binding advance bids for redispatch services for unplanned transactions. The participants in unplanned transactions shall be promptly notified by the independent system operator that their transactions may be or have been continued through redispatch; shall be informed of the cost of the redispatch measures; and shall have the opportunity to abandon or curtail their transactions to avoid additional redispatch costs.
- (4) Electric utilities that have tariffs for ancillary services on the effective date of this section shall continue to provide services under those tariffs until ERCOT implements a single control area in the ERCOT region.
- (5) The following words and terms, when used in this subsection, shall have the following meanings unless the context indicates otherwise:
 - (A) Planned resources — Generation resources owned, controlled, or purchased by a transmission customer, and designated as planned resources for the purpose of serving load.
 - (B) Planned transmission service — A service that permits a transmission service customer to use the transmission service providers' transmission systems for the delivery of power from planned resources to loads on the same basis as the transmission service providers use their transmission systems to reliably serve their native load customers.
 - (C) Unplanned transmission service — A service that permits a transmission service customer to use the transmission service providers' transmission systems to deliver energy to its loads from resources that have not been designated as the transmission service customer's planned resources.