

ERCOT releases results of Reliability Must-Run studies under new rules

AUSTIN, TX, Oct. 17, 2016 – ERCOT will not need a cogeneration facility in the Houston area for transmission system reliability under [new rules approved by its Board of Directors](#) on Oct. 11. However, the electric grid operator still needs another Houston-area generation resource to support transmission reliability until a new plant, currently under construction in Wharton County, begins operating in summer 2017.

ERCOT has announced results of its "[reliability must-run](#)" (RMR) studies following recent Board actions that changed the criteria staff uses to determine whether specific generation resources are needed for transmission reliability purposes. Under the new rules, which went into effect Oct. 12, ERCOT determined that removing the Calpine Corporation's Clear Lake cogeneration facility from the system will not cause transmission reliability concerns. However, ERCOT will need to continue its [agreement with NRG Texas Power](#) to keep Greens Bayou Unit 5 available through July 2017, when a new 1,100 megawatt (MW) natural gas-fired combined cycle plant at Colorado Bend Generating Station is scheduled to begin operating in the area.

"Reliability is our most important responsibility, and ERCOT needs to have the right resources in the right places to maintain a stable system," said Chief Operating Officer Cheryl Mele. "We appreciate the work by ERCOT stakeholders to develop rules that enable our staff to consider additional factors when determining whether specific resources are needed to maintain reliability."

When generation owners notify ERCOT of plans to stop operating a power plant, staff determines whether removing that resource would impact transmission system reliability. If the facility is needed to help prevent localized concerns, such as voltage instability and thermal overloads, an RMR agreement establishes the terms for continued operation and the costs ERCOT will pay. In June 2016, [ERCOT entered an RMR agreement](#) to keep Greens Bayou Unit 5 available through June 2018. This was the first such agreement since 2011.

The revised rules identify what level of reliability support a generation resource would need to provide in the affected area, as well as the specific operating conditions it would need to resolve, to be needed for RMR purposes. For example, the rules allow for overloads on transmission facilities, up to 110 percent of the emergency rating, in certain operating conditions when a generation or transmission facility in that area is unavailable. To be eligible for an RMR agreement, the unit being studied must provide a level of "material impact" to local transmission reliability, as defined in the new rules.

ERCOT stakeholders continue to evaluate the RMR process, and the Public Utility Commission of Texas has [opened a rulemaking process](#) to provide additional regulatory guidance.

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The Electric Reliability Council of Texas (ERCOT) manages the flow of electric power to nearly 24 million Texas customers, representing about 90 percent of the state's electric load. As the independent system operator for the region, ERCOT schedules

power on an electric grid that connects more than 46,500 miles of transmission lines and 550 generating units. ERCOT also performs financial settlement for the competitive wholesale bulk-power market and administers retail switching for more than 7 million premises in competitive choice areas. ERCOT is a membership-based 501(c)(4) nonprofit corporation, governed by a board of directors and subject to oversight by the Public Utility Commission of Texas and the Texas Legislature.

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