

UT LAW CLE

Renewable Energy Law Essentials
January 30, 2023



Free markets. Real solutions.

R Street Institute is a nonprofit, nonpartisan, public policy research organization. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government.

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ERCOT (PUCT) Update

- Multiple objectives:
 - Uri failures
 - New dispatchable resources
- Lots of market changes discussed
 - Some implemented
- Discussion ongoing



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PUCT's Market Design Dockets

- Project No. [52373](#) – Review of Wholesale Electric Market Design
 - [Blueprint](#) – December 6, 2021
- Project No. [53298](#) – Wholesale Electric Market Design Implementation
 - Firm Fuel Supply Service details
- Project No. [54335](#) – Review of Market Reform Assessment Produced by Energy and Environmental Economics, Inc. (E3)



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What market changes have we seen?

- **ORDC:** Completed Jan 1, 2022,
 - Increase MCL from 2000MW to 3000MW
 - Decrease SWOC / HCAP from \$9000 to \$5000
 - Decouple SWOC and VOLL
 - Produce Bi-Annual [report](#) (October 31, 2022)
- **ERS:** announced Nov 2021, codified soon after
 - Deploy before EEA
 - Budget increased from \$50M to \$75M
- **FFSS:** First round procured Sep 2022
 - Paid \$53M for existing capabilities
- **FFR:** implemented Oct 2022
- **Load participation in Non-Spin:** May 2022



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What market changes are we waiting on?

➤ Demand Response

- LMPs for Load Resources
- Customer Aggregation - [ADER pilot project](#)
- Higher Performance Standards for energy efficiency programs

➤ New Ancillary Service products

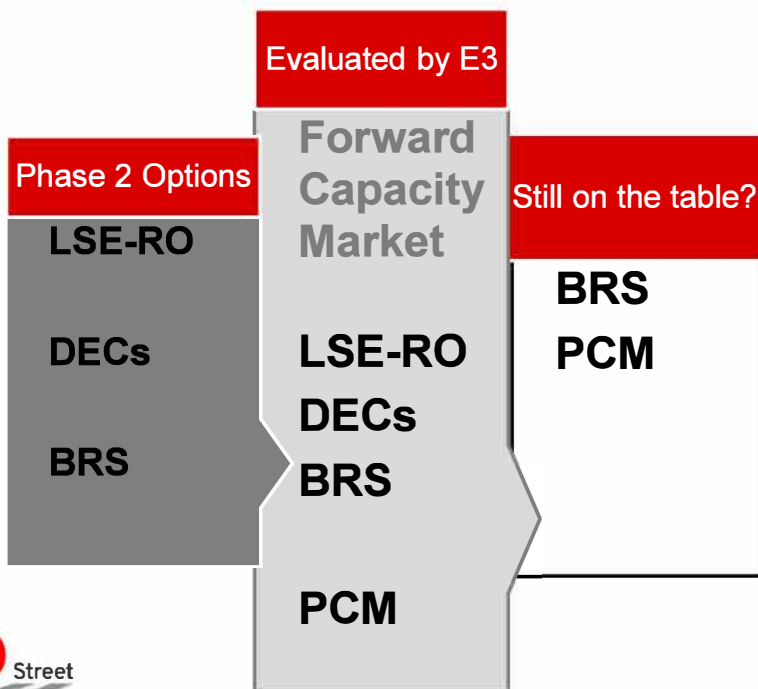
- ECRS coming in 2023
- Voltage Support – only a concept



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Market Design Options to Increase Installed Capacity



- **LSE-RO** - Load Serving Entity Reliability Obligation
- **DECs** - Dispatchable Energy Credits
- **BRS** - Backstop Reserve Service
- **PCM** - Performance Credit Mechanism



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Title search: ERCOT Update

Also available as part of the eCourse

[Answer Bar: Navigating a Renewable Energy Project](#)

First appeared as part of the conference materials for the
2023 Renewable Energy Law Essentials session

"ERCOT Update"