

NOTICE DATE: April 9, 2024

NOTICE TYPE: M-A040924-01 Legal

SHORT DESCRIPTION: Resolution of Return of Settlement Funds (RSF) proceeding filed by NextEra Energy Marketing LLC (SQ31) QSE on Behalf of Inertia Wind LLC

INTENDED AUDIENCE: All Market Participants

DAYS AFFECTED: November 2, 5-7, 2022

LONG DESCRIPTION: ERCOT Protocols Section 20.10, relating to the Return of Settlement Funds (RSF), requires ERCOT to follow the process established for the resolution of Alternative Dispute Resolutions (ADRs) unless otherwise specified in the Protocols. Consistent with the ADR resolution requirements, ERCOT issues this Market Notice providing a description of the relevant facts of the RSF proceeding, a list of the parties involved, and ERCOT's disposition of the proceeding and reasoning in support thereof.

Relevant Facts:

In November 2022, Inertia Wind LLC ("Inertia Wind"), an Interconnecting Entity (IE), was in the final stage of ERCOT's three-stage interconnection process for several wind-powered Generation Resources. Inertia Wind had also registered as a Resource Entity, registered the Resources and designated NextEra Energy Marketing LLC (SQ31) as its QSE. The final stage of the interconnection process is divided into three parts: (1) Part 1: Request to Energize, (2) Part 2: Request for Initial Synchronization, and (3) Part 3: Request to Commission a Resource. ERCOT had granted Part 1 approval for Inertia Wind's Resources but had not yet issued Part 2 approval. Part 1 approval only allows energization of the Point of Interconnection of a Resource to serve Load. Since the Resources had not yet synchronized to the ERCOT grid, Inertia Wind's Resources were ineligible for Ancillary Service Imbalance payments. However, due to telemetry issues, Inertia Wind's Resources received Ancillary Service Imbalance payments.

On December 2, 2022, NextEra notified ERCOT that Inertia Wind had received Ancillary Service Imbalance payments for which it was ineligible.

On November 1, 2023, NextEra became the first Market Participant to file a request to return Settlement funds under the newly approved Protocols Section 20.10, which allows a Market Participant to voluntarily return a payment of Settlement funds that the Market Participant received in error. In its request, NextEra sought to return the \$164,000.57 in Ancillary Service Imbalance payments that it had received for Operating Days November 2 and 5-7, 2022.

ERCOT's Disposition and Reasoning:

Under Protocols Section 20.10, a QSE may return Settlement funds to ERCOT in the event that it receives "a payment or reduction of charge from ERCOT that exceeds the amount that ERCOT

should have credited to the QSE...for a 'Charge Type' for a given Operating Day or other period of time ('Overpayment')."¹

NextEra has properly submitted a request to initiate RSF. NextEra has established that it received payments for Inertia Wind that exceed the amount that ERCOT should have credited to it, as necessary for a finding of an Overpayment under Protocols Section 20.10. NextEra timely submitted the request within one year of the Operating Days in question.

Based on the foregoing, ERCOT grants NextEra's request to return \$164,000.57 on behalf of Inertia Wind for Operating Days November 2, 5-7, 2022. ERCOT will provide Market Participants with a follow-up Market Notice upon issuance of the invoice containing the return of Settlement funds.

CONTACT: If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Services phone number at (512) 248-3900 or contact ERCOT Client Services via email at ClientServices@ercot.com.

¹ Protocols Section 20.10.1(1)-(2).