

Texas Energy Buyers Alliance Comments on ERCOT Batch Study Proposal Following February 3 Workshop

The Texas Energy Buyers Alliance (TEBA) represents the collective voice of more than 200 companies, including some of the state's largest employers and energy customers. In total, TEBA members represent more than \$36 trillion in market capitalization and hundreds of thousands of employees in Texas. Our membership includes many of the companies driving the state's most significant new load growth, giving us a real-world perspective on how ERCOT's interconnection design processes shape investment decisions and project timelines.

TEBA supports the transition to the batch study process as the current sequential large load evaluation framework fails to reflect evolving system conditions as projects accept or decline interconnection. Studying projects in batches provides a single, contemporaneous snapshot of the transmission system and required upgrades, reducing restudies and improving efficiency while providing greater certainty to both ERCOT and interconnection customers.

While TEBA supports the broader transition to a batch study process, we strongly believe that the criteria for inclusion in the initial batches, referred to as "Batch Zero A" and "Batch Zero B," must be reassessed. As currently written, these criteria are overly restrictive and risk excluding the large load projects that Senate Bill 6 was intended to accommodate. Texas has repeatedly stated that it is open for business and welcomes large load development; however, the current Batch Zero inclusion criteria would further delay projects that were encouraged to locate in Texas nearly two years ago and continue to be asked to wait. If the proposed inclusion criteria are not compatible even with well-capitalized, highly sophisticated developers, such as TEBA's members, this strongly suggests that the criteria are too strict and should be reassessed. TEBA data center members have expressed concerns that the outcomes of Batch Zero will not include their projects, even though they are some of the largest companies developing these projects. TEBA members that are not large data center companies are also impacted – the lack of

certainty around rules governing the growth of the ERCOT market is having a significant impact on all market participants.

TEBA urges ERCOT to apply additional diligence in establishing the Batch Zero inclusion criteria. Consistent with feedback provided by multiple stakeholders at the Batch Process Workshop, TEBA supports extending the January 28, 2026 deadline for meeting the Planning Guide requirements or having a steady-state study approved. It may also be advantageous to consider the date on which the load request was submitted to the Transmission/Distribution Service Providers (“TDSPs”) and the interconnection agreement was executed.

TEBA also believes ERCOT should recognize additional criteria for loads to qualify for inclusion in Batch Zero. As drafted, the Batch Zero criteria exclude interconnection requests that have demonstrated site control, posted collateral, submitted load studies, and procured necessary infrastructure such as long lead-time equipment, despite these projects being highly developed and well advanced in the interconnection process. This has led to the current criteria being perceived as arbitrary and punitive. The overall strictness of the preliminary batches should be reassessed and concrete requirements, such as those outlined above, should be considered in determining eligibility for the preliminary batches. TEBA believes that conducting a pre-evaluation of project readiness to be considered when assessing a project’s inclusion in a batch could provide a solution to this issue. This assessment, ideally conducted by an engineer rather than a purely model-based review, would evaluate a project’s ability to begin construction, including evidence of site control, executed or pending engineering contracts, and progress on material procurement.

The current batch process should continue to be developed with the existing RPG structures in consideration to avoid repetitive work that would result in longer delays. The process includes assessments that substantially overlap with the RPG process, creating unnecessary duplication. A study intended to serve load should culminate in a transmission plan capable of doing so. If the study does not conclude with the creation of a transmission plan, the study does not meaningfully serve the load. TEBA believes that ERCOT’s distinction between RPG and batch studies has become overly granular. The

central question is whether there is a viable plan to serve the load. If that outcome is not achieved in a single step, an additional step will be needed to complete the process. While TEBA encourages ERCOT to move quickly, it is most critical that the work be done both expeditiously and correctly.

TEBA also notes that the proposal's provisions regarding co-located loads introduce a gap, particularly for net metering arrangements with renewable energy or energy storage resources. The framework does not clearly articulate a process for advancing co-location loads that require minimal transmission upgrades for energization. As a result, it remains unclear how these projects would proceed under this process, despite their minimal impact on the transmission system. This gap must be addressed in the Batch Zero framework, as it is important to incentivize generation to serve increasing load.

Finally, we strongly support instituting a stakeholder process for the implementation of both Batch Zero and a broader batch process. Doing the batch study correctly is far more important than doing it quickly and causing billions of dollars in harm to economic development in Texas. There are contracts, lease terms, and significant infrastructure investments that could be stranded with the current approach and study timeline delays. While batch large load studies may be beneficial in the long run if implemented properly, a misstep at the outset of this transition could have long-term, adverse consequences.

TEBA appreciates the work that has gone into the development of this process and looks forward to continuing to work with ERCOT on this matter.

Respectfully submitted,

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