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DOCKET NO. 49673

RECEIVED  
PUBLIC UTILITY COMMISSION  
OF TEXAS

COMPLAINT OF ASPIRE § PUBLIC UTILITY COMMISSION  
COMMODITIES, LLC AGAINST THE §  
ELECTRIC RELIABILITY COUNCIL § OF TEXAS  
OF TEXAS §

**MOTION TO INTERVENE OF V247 POWER CORPORATION**

V247 Power Corporation respectfully submits this motion to intervene in the above referenced proceedings. In support of this Motion, V247 Power Corporation states the following:

**Standing to Intervene**

V247 Power Corporation (“V247”) is a Texas-based Retail Electricity Provider (“REP”) that serves all de-regulated service areas in the market administered by the Electric Reliability Council of Texas (“ERCOT”). As such, we were, and will continue to be, directly affected by the erroneous price spike that occurred on May 30, 2019 during the ERCOT market-pricing interval from 14:45 – 15:00. While we have an optimized portfolio of hedges and other arrangements to appropriately manage our risk, the effect of the price spike, if not corrected, will increase the cost of managing spot and forward price risk months and years into the future. Thus our cost – as well as that of our competitors – to serve the electricity customers of Texas will necessarily rise for months and even years into the future for reasons that have nothing to do with the underlying fundamentals of electricity supply and demand, the electric transmission network/infrastructure or reliable operation of the network.

In any market, and especially electricity markets, high prices and price spikes are important sources/signals of information to the marketplace. In this case, however, no information regarding the fundamentals of the market were provided to market participants other than the fact that the

methodology used by ERCOT to determine prices is subject to random and capricious errors. The market will work to determine the most economic outcome for any given interval so long as the telemetry and integrity of the data being used for economic dispatch is not subject manipulation or error. Erroneous price signals and artificially created real-time price spikes creates unnecessary risk that will ultimately be priced into the market. The price and market risk will trickle down to Texas electricity consumers resulting in higher prices. The impact to electricity end-users is ubiquitous as all retail energy product types, across both residential and commercial segments, are affected by real-time price volatility, however, the impact of uncertainty with respect to re-pricing such a conspicuous error places a far greater risk premium on forward retail and wholesale prices.

Unlike many of our competitors V247 does not own or operate generating facilities in Texas and relies on transparent bilateral markets to manage the organization's risk. The vertically integrated generation-and-retail companies ("gentailers") found themselves on both the positive and negative side of the false price spike. To the extent these vertically integrated companies were generating during the specific interval their generation benefited from receiving the higher price. Furthermore, the price spike increased the expected price of electricity in the future and benefits their physical position. At the same time, their retail position was negatively affected – regardless of their current or future hedge position. Thus they are, to some extent, conflicted in their response to the issue. In contrast, independent retailers such as V247 have a different business model and rely on transparent and efficient markets, including and perhaps most importantly the forward and futures markets for electricity, to compete with the integrated companies.

The transparent and efficient functioning of bilateral and real-time markets remains absolutely imperative to foster the continued competitive marketplace that Texas electricity consumers have become accustomed to. Re-pricing will eliminate the false information that is

currently contained within the forwards/futures markets as well as the bilateral contract market in Texas. Improving market outcomes will, in turn, necessarily benefit electricity consumers in Texas as well as the State in general. As the technology and generation mix of the ERCOT grid rapidly changes over the coming years, consumers will look to REPs to provide electricity product solutions that satisfy their unique consumption patterns. These products will likely rely more heavily on Time-of-Use (“TOU”) or real-time settlement prices to accommodate installed solar equipment and other energy efficiency technologies used by Texas electricity consumers. As these product types gain traction in the ERCOT market, the importance of efficient market outcomes and real-time prices based on fundamentals will become of greater importance not only to the viability of REPs and other market participants, but more importantly to the Texas electricity consumer.

In conclusion, V247 Power requests that this motion to intervene be granted and for such other relief as may be appropriate.

Respectfully submitted,



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**Authorized Representative**

The telephone number and address of V247 Power authorized legal representative are as follows:

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of this document was served on all parties of record to this proceeding on August 9, 2019 by hand delivery, facsimile, or first-class U.S. mail.

A handwritten signature in black ink, appearing to read "Matthew A. Canale", written over a horizontal line.

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Matthew A. Canale