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Public Utility Commission of Texas

Memorandum

TO: Chairman Peter Lake
Commissioner Will McAdams
Commissioner Lori Cobos

Interested Parties

FROM: Connie Corona, Deputy Executive Director

DATE: August 2, 2021

RE: Project No. 52268 – *Calendar Year 2021 - Workshop Agenda Items Without an Associated Control Number*

Project No. 52373 – *Review of Wholesale Electric Market Design*

Questions for Comment

The Commission requests written comment on the following questions by August 16, 2021. Responses will guide Staff in preparing an agenda for the Commission's work session on Market Design. Comments should be limited to a maximum of ten pages, and should include an executive summary. **Please note that scoping comments previously scheduled for filing by August 5 are no longer necessary.**

In responding to each of the following questions, please address the changes that would be required to Commission rules and to ERCOT market rules or systems.

1. What specific changes, if any, should be made to the Operating Reserve Demand Curve (ORDC) to drive investment in existing and new dispatchable generation? Please consider ORDC applying only to generators who commit in the day-ahead market (DAM). Should that amount of ORDC-based dispatchability be adjusted to specific seasonal reliability needs?
2. Should ERCOT require all generation resources to offer a minimum commitment in the day-ahead market as a precondition for participating in the energy market?
 - a. If so, how should that minimum commitment be determined?
 - b. How should that commitment be enforced?
3. What new ancillary service products or reliability services or changes to existing ancillary service products or reliability services should be developed or made to ensure reliability under a variety of extreme conditions? Please articulate specific standards of

reliability along with any suggested AS products. How should the costs of these new ancillary services be allocated.

4. Is available residential demand response adequately captured by existing retail electric provider (REP) programs? Do opportunities exist for enhanced residential load response?
5. How can ERCOT's emergency response service program be modified to provide additional reliability benefits? What changes would need to be made to Commission rules and ERCOT market rules and systems to implement these program changes?
6. How can the current market design be altered (e.g., by implementing new products) to provide tools to improve the ability to manage inertia, voltage support, or frequency?

Upcoming Work Sessions

The following work session dates have been designated for Market Design discussions:

August 26, 2021
September 16, 2021
October 14, 2021
November 4, 2021

September 2, 2021 open meeting

At the September 2 open meeting, Commissioner McAdams leading a discussion on battery storage, demand response, and best practices from the Southwest Power Pool market. Commissioner Cobos will address transmission congestion, direct current (DC) ties, and best practices from the Midcontinent Independent System Operator (MISO) market.