



Control Number: 49673



Item Number: 12

Addendum StartPage: 0

RECEIVED

DOCKET NO. 49673

2019 JUN 13 11 03 AM

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

PUBLIC UTILITY COMMISSION
OF TEXAS

MOTION TO INTERVENE OF 3S REAL ESTATE INVESTMENTS, LLC

COMES NOW, 3S Real Estate Investments, LLC (“3S”) and respectfully files this Motion to Intervene in the above-captioned proceeding and respectfully shows the following:

I. IDENTITY OF INTERVENOR AND COUNSEL

Intervenor: 3S Real Estate Investments, LLC
1302 Waugh Drive #539
Houston, Texas 77019
Fax: (832) 827-4280

Intervenor’s Counsel: Barry M. Hammond, Jr.
General Counsel
Phone: (832) 819-1020
Email: bhammond@aspirecommodities.com

3S requests that copies of all correspondence, pleadings, briefs and other documents be served on the above-referenced counsel for 3S.

II. EXECUTIVE SUMMARY

3S was directly harmed by the Electric Reliability Council of Texas’s (“ERCOT”) decision to not reprice the invalid market solution occurred during the interval 14:45 – 15:00 on May 30, 2019. 3S is a retail customer of V247 Power and purchases power at nine separate metered locations around the Eagle Lake area of Texas. The price 3S pays for power at these locations is directly linked to the appropriate locational marginal price. 3S does not participate in the ERCOT wholesale market and is not a market participant. However, because 3S purchases

power through V247 at the real time price created by ERCOT, 3S was harmed by the choice made by ERCOT to not reprice the invalid market solution during the aforementioned interval.

III. STATEMENT OF THE CASE

Underlying Proceeding

3S seeks to intervene in the Complaint filed by Aspire Commodities, LLC (“Aspire Commodities”) dated June 25, 2019.¹ The underlying proceeding is based on the allegation by Aspire Commodities that ERCOT’s decision to not reprice the May 30, 2019 invalid market solution calculated by the Security Constrained Economic Dispatch (“SCED”) algorithm operated by ERCOT for the dispatch interval from 14:50-14:55 and the pricing interval from 14:45 – 15:00 violated Commission-approved ERCOT Nodal Protocols. This motion to intervene supports that proposition and addresses the additional harm caused by ERCOT’s violation of the Protocols.

Entities Affected

ERCOT’s failure to adhere to the Protocols affects all Market Participants, derivatives traders, and retail and industrial customers in the ERCOT region, and the same classes will be affected by the Commission’s decision on the underlying proceeding and this motion to intervene.

Violative Conduct

ERCOT’s hasty and incorrect decision to not reprice the invalid market solution – despite the obvious error - on May 30, 2019 violated Section 6.3(4)(i) of the ERCOT Nodal Protocols which states that “ERCOT **shall** correct prices when a market solution is determined to be invalid” (*emphasis added*). As described in Aspire Commodities’ Complaint, this decision not to reprice raised the locational marginal price from \$40.53 for the interval from 14:30-14:45 to

¹ Complaint of Aspire Commodities, LLC, June 25, 2019.

\$1359.13 for the next interval, i.e., from 14:45-15:00.² This incorrect and false 3,253% increase in the cost of power flowed directly to 3S as a retail electricity consumer.

As a retail purchaser of electricity we understand that the price of electricity, as with other market-determined prices, is a function of many things that determine the position of the supply and demand curves. ERCOT knew the price they initially produced at 14:50 was wrong. That is exactly the reason why they re-ran SCED only two minutes into the dispatch interval. The complaint submitted by Aspire, in effect, amounts to nothing more than asking ERCOT to do, for the first two minutes of the interval, exactly what they did for the last three minutes of the interval.

Not only is ERCOT's position that it cannot reprice invalid prices caused by "external data input errors" not contained in the Protocols, it also establishes an untenable policy position. In an era of increased cyberterrorism and unlawful cyber intrusions, permitting ERCOT's unilaterally declared position would subject the entire ERCOT market to fraudulent pricing in the event of a cyber attack on the grid.

Commission Jurisdiction

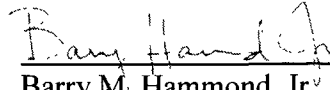
The Commission has jurisdiction over this dispute pursuant to PURA §39.151(d-4)(6) and to approve Aspire Power Ventures' Motion to Intervene pursuant to 16 TAC §22.104.

IV. CONCLUSION

In conclusion, 3S Real Estate Investments, LLC requests that this motion to intervene be granted and for such other relief as may be appropriate.

² *Id.*

Respectfully submitted,

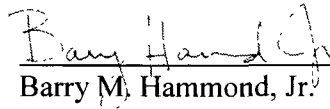


Barry M. Hammond, Jr.
General Counsel
Texas State Bar No. 24059883
bhammond@aspirecommodities.com
1302 Waugh Drive #539
Houston, Texas 77019
Tel. (832) 819-1020
Fax (832) 827-4280

**ATTORNEY FOR 3S REAL ESTATE
INVESTMENTS, LLC**

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.



Barry M. Hammond, Jr.