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ISSUES RELATED TO THE STATE §
OF DISASTER FOR THE §
FEBRUARY 2021 WINTER §
WEATHER EVENT §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY CLERK
OF TEXAS

**COMMENTS REGARDING
FEBRUARY 15, 2021 COMMISSION ORDER**

Navarro County Electric Cooperative, Inc. ("Navarro Electric") files these comments in support of the Joint Comments Regarding February 15, 2021 Order filed on March 9, 2021 by Bandera Electric Cooperative, Inc., Bluebonnet Electric Cooperative, Inc., Pedernales Electric Cooperative, Inc., and the City of San Marcos, Texas.

Navarro Electric respectfully requests that the Commission enforce, or, in the alternative, clarify, its February 15 Order¹ to ensure that immediately after customer firm load shed ended at 23:55 on February 17, 2021, energy market clearing prices are returned to normal without any administrative price adders. The February 15 Order explicitly stated that the market price for energy needed to serve load should be at its highest "if customer load is being shed."² The Electric Reliability Council of Texas ("ERCOT") failed to properly implement the order by continuing to set energy prices at \$9,000/MWh for 32 hours after load shed ended. Navarro Electric joins in the comments submitted by Bandera Electric Cooperative, Inc., Bluebonnet Electric Cooperative, Inc., Pedernales Electric Cooperative, Inc., and the City of San Marcos, Texas and respectfully requests that the Commission enforce its February 15 Order as written, or, in the alternative, clarify the order so that the effects of its misapplication of the \$9,000 price can be corrected.

Navarro Electric was hit especially hard by ERCOT's failure to remove the SWCAP price adders. Navarro Electric is a distribution cooperative serving 12,800 distribution cooperative members across five counties. Knowing many of its members' customers depend on electricity for winter heat,

Project No. 51617, *Oversight of the Electric Reliability Council of Texas*, Order Directing ERCOT to Take Action and Granting Exception to Commission Rules (Feb. 15, 2021) (herein, "February 15 Order") (refiled in Project No. 51812). The February 15, 2021 Order was replaced by an Order on February 16, 2021, but the February 16 Order did not change the section of the February 15 Order addressed here.

Feb. 15 Order at 1.

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Navarro Electric and its members worked to restore service to households as quickly as possible as soon as the load-shed directive was lifted despite artificial price adders continuing. Because Navarro Electric placed the immediate humanitarian needs of its members and their consumers above financial interests, Navarro Electric, and its retail consumers face significant financial harm.

This action is entirely within the Commission's authority and would correct the artificial financial penalty that load-serving entities incurred for acting quickly in a humanitarian way to stop the suffering of Texans and restore power as quickly as possible. Such an order would also provide regulatory certainty for the market participants, a result which all market participants desire.

For these reasons, the recommendation of the Independent Market Monitor should be followed and the artificial \$9,000 price for energy should be reduced after ERCOT rescinded its order to shed load.

Navarro Electric appreciates the opportunity to provide these comments to the Commission.

Respectfully Submitted,



Billy Jones
General Manager/CEO
Navarro County Electric
Cooperative, Inc.