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# TEMPLE GENERATION I, LLC

Public Utility Commission of Texas  
Chairman Arthur C. D'Andrea  
1701 N. Congress Avenue  
Austin, Texas 78711

March 10, 2021

Re: Why retroactively repricing power would be bad for Texas.

Dear Chairman D'Andrea:

I am the Chief Executive Officer of Temple Generation I, LLC. Our gas-fired power plant stayed online during winter storm Uri, producing desperately needed power for the people of Texas. In order to stay online, we made difficult and costly operational decisions in reliance on the posted market price for all of the settlement intervals during that time period. Now, in hindsight, the ERCOT Independent Market Monitor ("IMM") and other market participants are recommending that you take unprecedented action to retroactively reset those same prices that we relied on when making those decisions. We ask you to reject that recommendation.

The IMM's recommendation has been misunderstood to suggest that repricing will return to retail consumers an additional \$16 billion cost incurred for power used on February 18 and 19, 2021. Our understanding of that number is that it is based on the assumption that every single consumer in ERCOT was fully exposed to wholesale prices, which is actually the case for only a fraction of retail consumers. Many consumers in ERCOT have electricity plans with fixed or capped prices. Furthermore, it is commonly understood that other market participants (including retail electricity providers) frequently enter into forward transactions or other arrangements that may have mitigated their exposure to power prices during this period.

Winter storm Uri has demonstrated the need for the ongoing development and growth of power generation that is required for the viable and reliable operation of the ERCOT market. This growth will necessarily rely heavily on capital from investors, who in turn rely heavily on market certainty. Those investors will likely hesitate to direct capital to a market where regulatory authorities retroactively reset prices whenever they are disappointed in the market-driven settled result. Adoption of the IMM's recommendation regarding energy prices would have a chilling effect on investment in the ERCOT market at the most critical time in its 20-year history. This cost would ultimately be borne by all Texans.

We respectfully ask you to reject the IMM's recommendation to retroactively reprice energy.

Sincerely,

/s/ Daniel Hudson  
Daniel Hudson  
Chief Executive Officer  
Temple Generation I, LLC

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AUSTIN, TEXAS