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TEXAS HOUSE OF REPRESENTATIVES

JAKE ELLZEY

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PUBLIC UTILITY COMMISSION  
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DISTRICT 10

March 10, 2021

Arthur D'Andrea, Chair  
Public Utility Commission of Texas  
P.O. Box 13326  
Austin, TX 78711-3326

Dear Chairman D'Andrea,

The Public Utility Commission of Texas has a critical role in the tragic episodes of the winter disaster and ERCOT's actions due to the statutorily-prescribed role of the Public Utility Commission of Texas having oversight of ERCOT (Electric Reliability Council of Texas), the independent system operator for nearly all of Texas.

A letter, by the Independent Market Monitor (IMM), dated March 4, 2021, written to you and the other member of the Public Utility Commission of Texas reads as follows: "...ERCOT [Electric Reliability Council of Texas] continued to hold prices at VOLL [value of lost load (VOLL)] by inflating the Real-Time On-Line Reliability Deployment Price Adder for an additional 32 hours through the morning of February 19. This decision resulted in \$16 billion in additional costs to ERCOT's market, of which roughly \$1.5 billion was uplifted to load-serving entities to provide make-whole payments to generators for energy that was not needed or produced."

Regarding this matter, an article by the Texas Tribune ("Texas will not fix ERCOT's \$16 billion power billing mistake", written by Mitchell Ferman, published March 2, 2021) reads as follows: "D'Andrea added that a retroactive decision would have winners and losers: 'You don't know who you're hurting. And you think you're protecting the consumer, and it turns out you're bankrupting [someone else].'" The Texas Tribune also reads as follows: "'I totally get how it looks like you're protecting consumers [by readjusting electric prices],' D'Andrea said Friday during a PUC meeting. 'But I promise you you're not.'"

Constituents and many other Texans are demanding a detailed explanation of your actions or inactions. Related to the \$16 billion in additional costs to ERCOT's market, provide a detailed explanation of the following:

1. Who are, in your words, the "winners and losers" of the PUC decision to not take retroactive actions?
2. What are the financial impacts of each "winner and loser" of a PUC decision to not take retroactive measures?
3. What are the financial consequences to the electricity retail customer of the PUC decision to not take retroactive actions?
4. Who would be, in your words, the "winners and losers" of a PUC retroactive decision?
5. What would be the financial impacts of each "winner and loser" of a PUC retroactive decision?
6. What would be the financial consequences to the electricity retail customer of a PUC retroactive decision?

I look forward to your expeditious responses.

Sincerely,

Jake Ellzey

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