



Filing Receipt

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October 14, 2022

Public Utility Commission of Texas
Chairperson
1701 N. Congress Ave.
Austin TX 78711

Re: Project No. 51812, Real-time spot volatility, Ancillary services in ERCOT

Ladies and Gentlemen:

HGP Storage (HGP) refers its filing on this matter, dated April 14th, 2021. In that filing, **18 months ago**, HGP Storage respectfully requested the Public Utility Commission of Texas (Commission or PUC) to direct the Electric Reliability Council of Texas (ERCOT) to study the potential reliability concerns driven by large datacenters that mine cryptocurrencies. This week, Senator Edward J. Markey (D-Mass.) today joined Senators Elizabeth Warren (D-Mass.), Sheldon Whitehouse (D-R.I.), and Dick Durbin (D-Ill.) and Representatives Al Green (D-Texas), Katie Porter (D-Calif.), Jared Huffman (D-Calif.), and Rashida Tlaib (D-Mich.) in sending a letter to the Electric Reliability Council of Texas (ERCOT), the operator of Texas' electrical grid, seeking information about ERCOT's subsidies for cryptominers.

HGP, as a developer of over 1 GWh of critical battery systems in ERCOT, is very concerned that our friends and colleagues continue to market ERCOT ratepayers as a group to pillage. Earlier this month, the Gulf Coast Power Association ("GCPA") hosted a workshop, "Bitcoin, Blockchain & Energy Demand." Our friends at Tenaska were quoted stating "The fact is that as an ancillary service, a blockchain mining operation is like half a battery at zero cost."¹ That is false. Cryptomines offering Demand Response (DR) or Ancillary Services (AS) is equivalent to a bartender selling an overpriced Bloody Mary after overserving the night before.

ERCOT is a great home for Crypto, and other electricity intensive industries. We continue to work with all industries to improve the ERCOT grid. We ask that the PUC continues to study incentives meant for incumbent labor-intensive industries being marketed to short term, low labor industries that offer a "cure" to the problem they may have created,

Respectfully,

HGP Storage, LLC,
a Texas limited liability company
c/o Jeb Brown, esq
3100 Edloe Street #220
Houston, TX 77027

¹ GCPA LinkedIn press release 04 October 2022.

By: /s/ Gregory A. Forero

Gregory A. Forero, Managing Member