



Control Number: 51812



Item Number: 66

Addendum StartPage: 0

RECEIVED

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

PUBLIC UTILITY §: 29  
COMMISSION OF TEXAS  
FILING CLERK

**COMMENTS IN SUPPORT OF INDEPENDENT MARKET MONITOR  
RECOMMENDATIONS**

On March 1, 2021, the Electric Reliability Council of Texas (“ERCOT”) Independent Market Monitor ("IMM") filed recommendations related to the pricing of ancillary services related to ERCOT operations on February 14-20, 2021. Golden Spread Electric Cooperative, Inc. ("Golden Spread") strongly supports the recommendations made by the IMM and encourages the Public Utility Commission of Texas ("Commission") to complete the adoption of those recommendations at tomorrow's Open Meeting.

The IMM made two recommendations in its March 1 filing, and both benefit the market. The Commission has partially adopted those recommendations, but there has not yet been a final action regarding the repricing of ancillary services in the February 15-20 time period. The IMM recommended:

Between February 15 and February 20, the scarcity of offers, generator constraints, and opportunity costs applied during this pricing run resulted in unexpected clearing prices higher than the SWCAP in effect on those days. The IMM recommends that these prices be capped at the SWCAP of \$9,000 per MWh.<sup>1</sup>

Golden Spread agrees with the IMM and notes that the current market design effectively places a \$9,000/MWh price on the Value of Lost Load ("VOLL"). Pricing ancillary services above the \$9,000/MWh would be logically inconsistent with the VOLL and should be repriced.

Golden Spread appreciates the Commission's attention to this important issue and encourages the Commission to adopt the IMM's recommendations.

<sup>1</sup> *Issues Related to the State of Disaster for the February 2021 Winter Weather Event*, Project No. 51812, IMM Letter to Commissioners (Mar. 1, 2021) at 1.

66

Respectfully submitted,

/s/ Todd F. Kimbrough

Todd F. Kimbrough  
Texas Bar No. 24050878  
HOLLAND & KNIGHT, LLP  
111 Congress Ave. Suite 540  
Austin, Texas 78701  
Telephone: (512) 954-6520  
Fax: (512) 472-7473  
Email: todd.kimbrough@hklaw.com

ATTORNEY FOR GOLDEN SPREAD  
ELECTRIC COOPERATIVE, INC.