



Control Number: 51812



Item Number: 67

Addendum StartPage: 0

PROJECT NO. 51812

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

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PUBLIC UTILITY COMMISSION
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OF TEXAS

EMERGENCY REQUEST FOR A GOOD CAUSE EXCEPTION

AEP Texas Inc.; CenterPoint Energy Houston Electric, LLC; Oncor Electric Delivery Company LLC; and Texas-New Mexico Power Company (collectively, the ERCOT TDUs) file this Emergency Request. The ERCOT TDUs request that the Public Utility Commission of Texas (Commission) grant a good cause exception with regard to demand readings and billings that cover the period of February 15-19, 2021 (the Extreme Cold Weather Period). In support of its Emergency Request, the ERCOT TDUs state the following:

I. Summary of Request

The ERCOT TDUs support the Commission’s efforts to mitigate the financial impact to customers caused by the events that occurred during the Extreme Cold Weather Period.¹ Like the Commission, the ERCOT TDUs are also committed to mitigating such financial impacts to customers. To that end, and in order to mitigate unintended consequences of the Extreme Cold Weather Period that may increase delivery charges, the ERCOT TDUs request that the Commission grant a good cause exception with regard to demand readings and billings that cover the Extreme Cold Weather Period.

II. Background

a. The Extreme Cold Weather Period and Cold Load Pickup

On February 12, 2021, pursuant to Texas Government Code § 418.014, in response to an extreme winter weather event that was going to occur during the Extreme Cold Weather Period, Governor Greg Abbott issued a Declaration of a State of Disaster for all counties in Texas. Further, on February 15, 2021, the Electric Reliability Council of Texas, Inc. (ERCOT) declared its highest state of emergency, an Energy Emergency Alert Level 3, due to exceptionally high electric demand

¹ See generally *Issues Related to the State of Disaster for the February 2021 Winter Weather Event*, Project No. 51812, Order Directing ERCOT to Take Action and Granting Exception to ERCOT Protocols (Feb. 21, 2021), Order Directing Certain Actions and Granting Exceptions to Certain Rules (Feb. 21, 2021), and Order Suspending Late Fees (Mar. 3, 2021).

67

exceeding limited supply. ERCOT left Energy Emergency Alert Level 3 status at approximately 10:35 a.m. on February 19, 2021. Since then, the ERCOT TDUs have been diligently working to restore service to ratepayers and to find ways to mitigate the financial impact to ratepayers.

In restoring service to customers, the ERCOT TDUs have discovered that their circuits that were restored after an extended outage exhibited the “cold load pickup” phenomenon. The cold load pickup phenomenon has been explained as follows:

Cold load pick-up (CLPU) is a challenging issue in electric power industry. The CLPU demand is an increased load at service restoration phase due to the loss of load diversity. During normal system operation, the on-off switching cycles of thermostatically controlled loads (TCL) within a population of customers take place independently because of the heterogeneity of appliances and the diversity of customer behaviors. However, immediately after a long power outage in the restoration phase, the switching cycles of TCLs will coincide and become highly correlated for a period of time. This phenomenon is the main reason for the abnormal level of demand due to the temporary lack of diversity.²

Thus, the cold load pickup phenomenon may result in customers placing higher demand on the ERCOT TDUs’ respective systems.

b. Tariff Provisions

The ERCOT TDUs have provisions in their respective tariffs that assess certain delivery charges based on actual demand. Additionally, there are also ratchet provisions that use the highest demand when calculating such delivery charges. Thus, an unintended consequence of the Extreme Cold Weather Period is that customers may see higher delivery charges on a going forward basis because of the higher, actual demands due to the cold load pickup phenomenon and the ratchet provisions in the ERCOT TDUs respective tariffs. The ERCOT TDUs want to mitigate this unintended consequence and request that the Commission grant a good cause exception, as further detailed below.

² Fankun Bu et al., *A Data-Driven Framework for Assessing Cold Load Pick-up Demand in Service Restoration* (Jul 3, 2019).

III. Emergency Request

The ERCOT TDUs request that the Commission finds good cause exists and grant an exception to certain billing demand and ratchet provisions in their respective tariffs. The ERCOT TDUs request authorization to take the following actions with regard to demand readings and billings for the Extreme Cold Weather Period:³

- a. The ERCOT TDUs may adjust downward, if timely and reasonably possible, the billing demand for the Extreme Cold Weather Period included in their demand billings to Retail Electric Providers (REPs).
- b. For rate classes that may be subject to a demand ratchet, the ERCOT TDUs may eliminate the demand readings during the Extreme Cold Weather Period from future demand ratchet calculations for customers in such classes.
- c. To the extent the rate class a customer takes service under is determined in whole or in part by its peak demand, the ERCOT TDUs may remove the demand readings during the Extreme Cold Weather Period from rate re-classification analyses.
- d. To the extent that an ERCOT TDU has processed invoices, applied a demand ratchet, or re-classified a customer to a different rate class based upon demand recorded during the Extreme Cold Weather Period, the ERCOT TDU may reverse such actions, including but not limited to the cancelling and re-billing of invoices to REPs.

The ERCOT TDUs are still analyzing the financial and rate-related impacts of the cold load pickup phenomenon that occurred during the Extreme Cold Weather Period and thus may request that such impacts be addressed in future proceedings.

IV. Conclusion

The ERCOT TDUs support the Commission's efforts to mitigate the financial impact to ratepayers caused by the events that occurred during the Extreme Cold Weather Period. The ERCOT TDUs request that the Commission grant a good cause exception with regard to demand readings and billings during the Extreme Cold Weather Period.

³ The ERCOT TDUs have attached to their request a proposed order for the Commission's consideration.

Date: March 4, 2021

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'S Chang', written over a horizontal line.

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On Behalf of the ERCOT TDUs

Proposed Order

PROJECT NO. 51812

**ISSUES RELATED TO THE STATE OF § PUBLIC UTILITY COMMISSION
DISASTER FOR THE FEBRUARY 2021 §
WINTER WEATHER EVENT § OF TEXAS**

**ORDER DIRECTING CERTAIN ACTIONS
AND GRANTING A GOOD CAUSE EXCEPTION**

On February 12, 2021, pursuant to Texas Government Code § 418.014, in response to an extreme winter weather event, Governor Greg Abbott issued a Declaration of a State of Disaster for all counties in Texas. Further, on February 15, 2021, the Electric Reliability Council of Texas, Inc. (ERCOT) declared its highest state of emergency, an Energy Emergency Alert Level 3, due to exceptionally high electric demand exceeding limited supply. While ERCOT has left the Energy Emergency Alert Level 3 status on February 19, 2021, recovery from the emergency conditions is continuing. However, some market conditions and market activities have not returned to normal. Thus, the Public Utility Commission of Texas (Commission) finds that there exists a public emergency and imperative public necessity that constitutes good cause to grant an exception to certain provisions of tariffs for retail electric delivery service.

I. Ordering Paragraphs

Accordingly, until otherwise ordered, the Commission issues the following orders:

1. This Order shall apply to AEP Texas Inc.; CenterPoint Energy Houston Electric, LLC; Oncor Electric Delivery Company LLC; and Texas-New Mexico Power Company (collectively, the ERCOT TDUs).
2. The ERCOT TDUs are authorized to, and may, take the following actions below with respect to demand readings and billings that include the period of February 15-19, 2021 (the Extreme Cold Weather Period).
 - a. The ERCOT TDUs may adjust downward, if timely and reasonably possible, the billing demand for the Extreme Cold Weather Period included in their demand billings to Retail Electric Providers (REPs).
 - b. For rate classes that may be subject to a demand ratchet, the ERCOT TDUs may eliminate the demand readings during the Extreme Cold Weather Period from future demand ratchet calculations for customers in such classes.

- c. To the extent the rate class a customer takes service under is determined in whole or in part by its peak demand, the ERCOT TDUs may remove the demand readings during the Extreme Cold Weather Period from rate re-classification analyses.
 - d. To the extent that an ERCOT TDU has processed invoices, applied a demand ratchet, or re-classified a customer to a different rate class based upon demand recorded during the Extreme Cold Weather Period, the ERCOT TDU may reverse such actions, including but not limited to the cancelling and re-billing of invoices to REPs.
3. Entry of this Order shall not be regarded as precedential as to the appropriateness of any principle or methodology regarding the adjustment of demand readings during the Extreme Cold Weather Period and shall not be considered precedent for any future proceedings.

Signed at Austin, Texas the _____ day of _____, 2021

PUBLIC UTILITY COMMISSION OF TEXAS

ARTHUR C. D'ANDREA, CHAIRMAN

SHELLY BOTKIN, COMMISSIONER