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SENATOR DREW SPRINGER AM 10:09

DISTRICT 30

PUBLIC UTILITY COMMISSION
FILING CLERK

Arthur D'Andrea, Chairman
Public Utility Commission of Texas
William B. Travis Building,
1701 N. Congress Ave.
Austin, TX 78701

Chairman D'Andrea:

On February 15th, the PUCT overruled the existing ERCOT protocols that set price based on supply and demand in the market. The PUCT mandated that prices be automatically set at \$9,000 per megawatt hour during any hour when load shed was occurring in ERCOT. **The order was effective at 10:00 pm on Monday, Feb 15.**

ERCOT kept the automatic \$9,000 prices in effect until 9 am on Friday, Feb. 19. **This was 32 hours beyond when ERCOT officially stopped load shed at 1:05 am on Feb. 18.**

ERCOT testified at Senate B&C on Thursday, March 4th **that the protocols were calculating energy prices correctly prior to the PUCT order and that the stakeholders who designed the protocols intentionally left load shed out of the criteria.**

Numerous parties have petitioned the PUCT to find another solution other than letting prices automatically be set at \$9000 for the whole week or for parts of the week, including TEAMS and the Independent Market Monitor (IMM). According to the IMM, **because ERCOT held prices at the value of lost load (VOLL) by inflating the Real-Time On-Line Reliability Deployment Price Adder, \$16 billion in additional costs were added to the market.**

TEAM, a retailer trade association, made their filing on February 19, 2021, at the PUCT requesting that the Commission order ERCOT to reinstate "normal" pricing under the ERCOT rules for the final 32 hours. The TEAM filing has been supported by a coalition of more than 37 large customers to date, but the PUCT has not acted on the request.

Revising this pricing would mean significant savings for a number of commercial/industrial customers, municipals, and cooperatives who are facing extremely high costs from the PUC's actions.

We must as a minimum implement the IMM recommendations immediately to ensure Texans may continue to not only keep their lights on, but in order to keep the economy going.

Respectfully Submitted,

A handwritten signature in black ink that reads "Drew Springer".

Senator Drew Springer

DAS/tmf



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SENATOR DREW SPRINGER

DISTRICT 30

PO Box 12068
AUSTIN, TEXAS 78711

Arthur D'Andrea, Chairman
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1701 N. Congress Ave.
Austin, TX 78701