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

PUBLIC UTILITY COMMISSION
OF TEXAS

ORDER REGARDING DEMAND READINGS AND BILLINGS

On February 12, 2021, 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 (EEA3), due to exceptionally high electric demand exceeding limited supply. While ERCOT has left the EEA3 status on February 19, 2021, recovery from the emergency conditions is continuing. The circumstances resulting from this extreme weather event have affected and continue to affect various market activities in ERCOT that are adversely affecting many customers. Because of these adverse effects, the Commission finds that there exists a public emergency and imperative public necessity that constitute good cause to grant an exception to certain provisions of tariffs for retail electric delivery service.

I. Application

On March 4, 2021, AEP Texas Inc., CenterPoint Energy Houston Electric, LLC, Oncor Electric Delivery Company LLC, and Texas-New Mexico Power Company requested a good cause exception with regard to demand readings and billings that cover the period of February 15 to 19, 2021. Each of these entities is a transmission and distribution utility and have provisions in their respective tariffs that assess certain delivery charges based on actual demand. Additionally, each tariff has ratchet provisions that use the highest demand when calculating those delivery charges.

Unique circumstances surrounding the restoration of service to customers following the period during which ERCOT was in EEA3 have led to higher actual demands than those contemplated when the tariffs for retail electric delivery service. This is a result of a phenomenon known as *cold-load pickup*. This phenomenon results after a long period of outage when the switching cycles of thermostatically controlled loads coincide and become highly correlated for a period after electric service is restored. This phenomenon can also result in customers placing higher demand on the electric grid.

The charges for electric service for some customers are based on actual demand and may also be based on demand ratchets, which use a customer's highest demand when calculating delivery charges. As a result, 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 utilities' tariffs. To prevent unreasonable charges to customers, the Commission finds there is good cause to grant exceptions to the requestors' tariff provisions related to the billing of customers based upon each customer's demand readings during the period of time identified.

II. Ordering Paragraphs

For the reasons discussed above, the Commission issues the following orders:

1. AEP Texas Inc., CenterPoint Energy Houston Electric, LLC, Oncor Electric Delivery Company LLC, and Texas-New Mexico Power Company are each authorized to take the following actions below with respect to demand readings and billings that include the period of February 15 to 19, 2021:
 - a. adjust downward, if timely and reasonably possible, the billing demand included in its demand billings to retail electric providers;
 - b. eliminate the demand readings for the period of February 15 to 19, 2021 from future demand ratchet calculations for customers in rate classes that are subject to a demand ratchet;
 - c. remove the demand readings for the period of February 15 to 19, 2021 from rate re-classification analyses to the extent the rate class a customer takes service under is determined in whole or in part by its peak demand; and
 - 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 for the time period of February 15 to 19, 2021, the ERCOT TDU may reverse such actions, including but not limited to the cancelling and re-billing of invoices to REPs.
2. The Commission denies all other motions and any other requests for general or specific relief not expressly granted by this Order.

Signed at Austin, Texas the 5th day of March 2021.

PUBLIC UTILITY COMMISSION OF TEXAS



ARTHUR C. D'ANDREA, CHAIRMAN



SHELLY BOTKIN, COMMISSIONER