Filing Receipt

Received - 2021-08-13 02:26:02 PM
Control Number - 52287
ItemNumber - 15

PUC PROJECT NO. 52287

POWER OUTAGE ALERT CRITERIA	§ § §	**PUBLIC UTILITY COMMISSION OF TEXAS**

CALPINE CORPORATION'S RESPONSE TO REQUEST FOR COMMENTS ON POWER OUTAGE ALERT CRITERIA

Calpine Corporation ("Calpine") appreciates the opportunity to provide feedback regarding the questions posed by Commission Staff. Calpine understands Senate Bill 3, 87th Legislative Session (Regular Session) ("SB 3"), directs the Commission to participate in a multi-agency effort to develop a power outage alert system to be activated when the power supply in this state may be inadequate to meet demand. The legislation directs the Commission to adopt criteria for the content, activation, and termination of the alert system. As these comments are filed on or before August 13, 2021, they are timely submitted.

I. Response to Commission Staff's Questions Presented

1. **Government Code § 411.301(a) states the alert should "be activated when the power supply in this state may be inadequate to meet demand." Should the Public Utility Commission of Texas interpret this to mean that an alert will be activated when there is inadequate *system-wide* power supply to meet system-wide load demand? Should the commission also interpret this to mean that an alert will be activated when there are regional constraints that only restrict power supply to certain regions?**
2. **Government Code § 411.301(b) states, "The criteria must provide for an alert to be regional or statewide." How should the different regions be defined?**

Calpine recommends issuing the alert on a system-wide basis consistent with the trigger for the current ERCOT Conservation alert. The ERCOT conservation alert is administered, "as needed, to encourage conservation when tight operating reserves are expected to pose a reliability concern."[1] Additionally, the activation of the alerts should apply on a system-wide basis and not regionally because of the difficulty of using broad communication methods to target load curtailment in the correct location. A similar issue was previously considered by the Commission when it examined the use of emergency

[1] http://www.ercot.com/content/wcm/lists/197394/ERCOT_Energy_Emergency_Alert_Communications_Matrix_October_2020.pdf

response service ("ERS") to manage local transmission constraints.[2] At that time, ERCOT doubted that load aggregations of multiple sites could be used to manage local transmission emergencies. ERCOT noted,

> [i]t is unlikely that these aggregations could be deployed to address local transmission emergencies, because in most cases deploying aggregations that have sites on both sides of the identified constraint would not resolve the transmission emergency, and in some cases deployment of an aggregation could exacerbate the problem.[3]

SB3 contemplates that the alerts would be distributed using the Texas Department of Transportation dynamic messaging across the state and designated media outlets. Each of these communication channels broadly distribute information and may not specifically target a local area of concern, and in some instances could further aggravate a local issue.

In addition, local and regional issues tend to be transient and short in duration. The transmission and distribution utilities have other tools including targeted industrial load shed programs and now battery storage equipment that can be tailored to specific regions that may be "at risk." Lastly, Locational Marginal Pricing associated with regional issues provide guidance for siting choices for generation. If the Commission is concerned by regional issues it should consider market solutions including the development of regional reserves or reliability products to ensure generation is built in the right place.[4]

3. Government Code § 411.301(b) states, "The Public Utility Commission of Texas by rule shall adopt criteria for the content, activation, and termination of the alert…" At what threshold should the commission choose for the alert to be activated? Terminated? What content would be the most helpful for inclusion in the alert?

Calpine recommends the Commission engage communications professionals regarding the correct criteria. Other states have similar alert systems, and it would be beneficial to review these programs and the programs of other Independent System Operators for best practices. For example, using a process like California's "Flex Alert,"[5] which includes advice regarding timing of specific actions that may be advisable

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[2] *See generally*, *Rulemaking Regarding Emergency Response Service*, Project No. 45927, Electric Reliability Council of Texas, Inc.'s Reply Comments (Dec. 5, 2016).

[3] *Id.* at 2.

[4] *See generally*, *Project to Assess Price-Formation Rules in ERCOT's Energy-Only Market*, Project No. 47199, Priorities for the Evolution of an Energy-Only Electricity Market Design in ERCOT (May 22, 2017).

[5] *See* https://www.flexalert.org/.

to encourage conservation and more clearly communicate that status of system conditions, may be beneficial. The content and timing of such alerts are very important, and communications experts should be utilized to help answer these questions. In addition to utilizing communications experts, the Commissions should review content from other areas in concert with messaging already delivered by ERCOT.

Conclusion

Calpine appreciates the opportunity to present these views on this very important matter and will remain engaged as this Project develops. We will make available representatives to discuss these positions if helpful to the Commission.

Respectfully submitted,

By: *__/s/ D. Woodman Hammett*_____

Diana Woodman Hammett
Texas Bar No. 21942300
Vice President & Managing Counsel, Legal Department
CALPINE CORPORATION
Direct: (713) 820-4030
Email: diana.woodmanhammett@calpine.com

Bryan Sams
Director Government and Regulatory Affairs
CALPINE CORPORATION
Direct: (512) 632-4870
Email: bryan.sams@calpine.com