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<b>APPLICATION OF ELECTRIC</b>	<b>§</b>	
<b>RELIABILITY COUNCIL OF TEXAS, INC.</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>FOR A DEBT OBLIGATION ORDER</b>	<b>§</b>	
<b>PURSUANT TO CHAPTER 39,</b>	<b>§</b>	
<b>SUBCHAPTER M, OF THE PUBLIC</b>	<b>§</b>	<b>OF TEXAS</b>
<b>UTILITY REGULATORY ACT</b>	<b>§</b>	

**CITIGROUP ENERGY INC.’S FIRST SET OF REQUESTS FOR INFORMATION  
TO THE ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC**

Pursuant to 16 Tex. Admin. Code (“TAC”) § 22.141 and § 22.144, Citigroup Energy Inc. (“CEI”) files this First Set of Requests for Information (“RFI”) to the Electric Reliability Council of Texas (“ERCOT”) in the above-captioned proceeding. Pursuant to Order Nos. 1 and 2 in this proceeding, responses to the RFI are due within seven (7) calendar days hereof.

CEI requests that ERCOT’s answers to the RFI comply with the guidelines, instructions, and definitions described below, 16 TAC § 22.144, Order Nos. 1 and 2, and all other applicable laws. These requests are continuing in nature so as to require further and supplemental responses if there is a relevant change in circumstances or if additional information becomes available within the scope hereof.

[Signature page follows]

Respectfully submitted,

/s/ Jennifer Hardy

CITIGROUP ENERGY INC.

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**ATTORNEYS FOR CITIGROUP ENERGY INC.**

### **CERTIFICATE OF SERVICE**

I, Alexandra Calabro, Attorney for Citigroup Energy Inc., hereby certify that a true and correct copy of this document was served on all parties to this proceeding by filing this document on the Commission's Interchange on this 4th day of August, 2021 in accordance with Order No. 2 in this proceeding.

/s/ Alexandra Calabro

Alexandra Calabro

## I. DEFINITIONS AND INSTRUCTIONS

A. The term “document” is used in the broadest sense to include all writings, records, or graphic matter of every kind, including electronic media, however produced or reproduced. The term “Document” shall include, but is not limited to, papers, correspondence, telegrams, contracts, agreements, notes in any form, memoranda, studies, reports, surveys, books, accounts, drawings, graphs, charts, photographs, maps, publications, journals, ledgers, statistical compilations, tapes, invoices, recordings, microfilms, pictures, computer media, e-mail messages, printouts of e-mail messages, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes, or variations of any of the foregoing. Pursuant to Tex. R. Civ. P. 196.4, CEI requests that, to the extent possible, all documents responsive to these requests be produced via FTP or email in a format that is compatible with Microsoft Office at the same time you respond to these requests. Please produce electronic copies of all paper documents, including any metadata related to such documents, and produce all electronic originals complete with metadata.

B. The term “ERCOT” means the Electric Reliability Council of Texas, Inc., and any of its parents, affiliates and subsidiaries, and any person acting or purporting to act on its behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

C. Capitalized terms used but not defined herein have the meaning assigned to them in ERCOT’s Application for a Debt Obligation Order Pursuant to Chapter 39, Subchapter M, of the Public Utility Regulatory Act.

D. The terms “and” and “or” shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.

E. “Each” shall be construed to include the word “every” and “every” shall be construed to include the word “each.”

F. “Any” shall be construed to include “all” and “all” shall be construed to include “any.”

G. The term “concerning,” or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

H. The term “including,” or one of its inflections, means and refers to “including but not limited to.”

I. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

J. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

K. If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.

L. Pursuant to 16 Tex. Admin. Code §22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

M. Pursuant to 16 TAC §22.144(c)(2)(F), all answers should be filed under oath or the responding party should stipulate in writing that answers to the RFI can be treated by all parties as if the answers were filed under oath.

N. Please copy the question immediately above the answer to each question and state the name of the witness in this cause who will sponsor the answer to the question and vouches for the truth of the answer.

O. If, in answering any of these requests, there is any ambiguity in interpreting either the request of a definition or instruction applied thereto, please contact:

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If that is not possible, please describe the language deemed to be ambiguous and the interpretation chosen or used in the response to the request.

P. Please provide responses as they become available in advance of the deadline.

## II. REQUESTS FOR INFORMATION

CEI 1-1 According to the calculations in the Application, after the \$800 million financing is applied to the \$1.13 billion Default Balance, approximately \$334 million must still be repaid to replenish the financial revenue auction proceeds.<sup>1</sup>

- i. How does ERCOT plan to recoup the approximately \$334 million still needed to replenish the financial revenue auction proceeds?
- ii. Will the amounts paid by electric cooperatives that utilize securitization financing be used to repay the approximately \$334 million?<sup>2</sup> If not, will ERCOT uplift part or all of the \$334 million to other market participants, and if so, to which market participants will the uplift apply?
- iii. To the extent that the approximately \$334 million will be uplifted, please explain the process ERCOT will utilize to assess the uplift to market participants.

CEI 1-2 Will there be any cap on the monthly Default Charges to be assessed against QSEs and CRR Account Holders? If yes, what will the cap be?

CEI 1-3 ERCOT's Application states that ERCOT will "update its transaction data periodically to prevent market participants from engaging in behavior designed to avoid Default Charges."<sup>3</sup>

- i. How will updating transaction data enable ERCOT to prevent market participants from engaging in behavior designed to avoid Default Charges?

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<sup>1</sup> See pp. 6-7 of ERCOT's Application for a Debt Obligation Order Pursuant to Chapter 39, Subchapter M, of the Public Utility Regulatory Act ("the Application"); see also p. 1 of ERCOT's Notice of Errata to Application for a Debt Obligation Order to Finance Default Balances Under PURA Chapter 39, Subchapter M.

<sup>2</sup> See p. 25 of Kenan Ögelman's Direct Testimony.

<sup>3</sup> See *id.* at p. 35.

- ii. How does ERCOT plan to use transaction data to prevent market participants from engaging in behavior designed to avoid Default Charges?

CEI 1-4 On what data did ERCOT base its decision to require collateral to cover the Default Charges that is equal to four months of estimated Default Charges?<sup>4</sup> Please explain the basis for ERCOT's decision to base the collateral calculation on four months of estimated Default Charges.

CEI 1-5 Please provide a sample calculation of the monthly Default Charge that ERCOT proposes to assess against QSEs and CRR Account Holders pursuant to the methodology contemplated in the Application. Please explain all assumptions applicable to the sample calculation.

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<sup>4</sup> See pp. 19-20 of Sean Taylor's Direct Testimony; see also p. 35 of Kenan Ögelman's Direct Testimony.