



Filing Receipt

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RELIANT
910 Louisiana Street
Houston, Texas 77002

November 9, 2021

FLOWER VALLEY II LLC
Mesaye Selassie
1108 LAVACA ST, 110-349
AUSTIN TX 78701

RE: NOTICE OF PROCESS TO OPT OUT OF SECURITIZATION UPLIFT PROCEEDS AND CHARGES — ACTION REQUIRED BY NOVEMBER 27, 2021 TO OPT OUT

ESI ID(s): 10400519536160001

Dear Mesaye:

Reliant hereby provides notice of the ability for FLOWER VALLEY II LLC as a transmission-voltage customer, to exercise a one-time election to opt-out of securitization credits and charges by FLOWER VALLEY II LLC the attached Opt Out Notice and supporting documentation in PUCT Docket No. 52364. This notice is being provided pursuant to an Order of the Public Utility Commission of Texas ("PUCT") in Docket No. 52322,¹ as part of its implementation of House Bill 44922. from the 87th Regular Texas Legislative Session.

As you may be aware, costs in the wholesale electricity market significantly increased during Winter Storm Uri, and certain entities and customers were assessed and/or paid reliability deployment price adder charges and ancillary service costs in excess of the PUCT's system-wide offer cap (herein after "certain charges").

The Texas Legislature recently passed House Bill 4492, establishing a new Subchapter N in the Public Utility Regulatory Act ("PURA"),³ which provides a mechanism for financing an "uplift balance"⁴ not to exceed \$2.1 billion, associated with certain charges incurred during the period of emergency of February 12, 2021 through February 20, 2021 ("period of emergency").⁵ Under this bill, certain charges assessed during that period to load-serving entities ("LSE") in the electric market (such as retail electric providers ("REPs")) will be financed, and the proceeds of the financing will be paid to those LSEs who were exposed to the costs. The overall financed costs will be repaid over a period not to exceed 30 years, through "uplift charges"⁶ assessed to LSEs, which LSEs may recover from their customers. The total amount of these charges will depend upon the number of entities who opt out of participating in the securitization.

(over)

¹ *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order to Finance Uplift Balances Under PURA Chapter 39, Subchapter N, For an Order Initiating a Parallel Docket, and for a Good Cause Exception, Docket No. 52322, October 13, 2021.*

² *The text of this bill can be viewed at: <https://capitol.texas.gov/>, using the "Search Legislation" function.*

³ *Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.*

The Legislature provided for a **one-time ability to Opt Out** for REP customers whose premises are served at transmission voltage. These REP customers can opt out of paying the uplift charges by paying in full all invoices owed for usage during the period of emergency. If you elect this onetime opt out right, for those of your premises served at transmission voltage, you will not receive any of the proceeds from the uplift financing if you are otherwise eligible, and will not be required to pay uplift charges from the securitization under PURA Subchapter N. In other words, if you opt out, you will not receive any refund or credit from your REP for charges you may have paid during the period of emergency for reliability deployment price adder charges and ancillary service costs in excess of the PUCT's system wide offer cap.

Eligibility and Action Required to Opt Out.

FLOWER VALLEY II LLC is eligible to opt out if all invoices owed for usage during the period of emergency are paid in full, FLOWER VALLEY II LLC files the attached Opt Out Notice and supporting documentation in PUCT Docket No. 52364, and notifies Reliant in writing at the email listed below that it is exercising its right to opt out.

Instructions on the PUC's e-filing process are available here:
<http://www.puc.texas.gov/industry/filings/E-Filinginstructions.pdf>.

Instructions on filing confidential information, such as ESI IDs and the REP of record, is available here: **<http://www.puc.texas.gov/industry/filings/Confidential.aspx>**

Please note that it is essential that all of the steps of the opt out process described above be completed by November 27, 2021. By law, this opt out option is only available one time. If FLOWER VALLEY II LLC opts out, financing documentation to be filed with the PUCT will be adjusted to reflect this decision.

Please contact us if you have any questions concerning this letter.

Sincerely,

Andrea Raef
Reliant
Account Executive
Andrea.Raef@NRG.com
972.998.3972

⁴ "Uplift balance" is defined in PURA § 39.652(4).

⁵ The legislature found that financing the uplift balance would allow wholesale market participants who were assessed extraordinary uplift charges due to consumption during the period of emergency to pay those charges over a longer period of time, alleviate liquidity issues, and reduce the risk of additional defaults in the wholesale market.

⁶ "Uplift charges" is defined in PURA § 39.652(5).

TRANSMISSION-VOLTAGE CUSTOMER OPT OUT NOTICE FORM

By Flower Valley II LLC filing this form in PUCT Docket No. 52364, Flower Valley II LLC exercises its right to opt out of securitization uplift charges under PURA § 39.653(d) for the following account numbers and ESI IDs.

Account Numbers associated with transmission-voltage service for which the opt out is being exercised.

1765133

Transmission-voltage level ESI IDs associated with the opt out.

10400519536160001

Current REP of Record, and if different, REP of Record during the period of emergency for each ESI-ID listed above.

Currently, Reliant is the REP of Record. There was not a REP of Record during the period of emergency because Flower Valley II was not yet operating.

Notice of and Request for Opt Out

By signing below, Audrey Fogarty as Vice President, affirms Flower Valley II LLC has paid in full all invoices owed to the REP or REPs listed above for usage at the ESI IDs listed above during the period February 12, 2021 through February 20, 2021 (the period of emergency). Audrey Fogarty, as Vice President also affirms that a final copy of this opt out request and supporting documentation will be provided to the REP or REPs listed above concurrently with this filing.

Flower Valley II LLC, as a transmission voltage customer, hereby exercises its right under PURA § 39.653(d) to opt out of uplift charges. It is understood that for the above-listed ESI ID(s), Flower Valley II LLC will not receive any proceeds from the uplift financing under PURA Subchapter N and will not pay uplift charges for same.

This Opt Out Request is effective if signed by an executive officer with authority to act on behalf of the Customer, the current REP of Record, and if different, the REP of Record during period of emergency and filed by the customer in PUCT Docket No. 52364. The REP of Record during the period of emergency will only sign below if the customer is eligible as a transmission-voltage customer who has paid in full all invoices owed for usage during the period of emergency pursuant to PURA 39.653(d). If the Customer is unable to obtain signatures from its current REP or the REP that provided service during the period of emergency, Customer may opt out by submitting internal documentation that it has paid all usage charges for the relevant ESI IDs during the period of emergency, along with a sworn affidavit from the executive officer who signed the Opt Out Request on behalf of the Customer.

Flower Valley II LLC DocuSigned by: By: <i>Audrey Fogarty</i> E40D4912116D4E0...	
Print Name of Signatory: Audrey Fogarty Audrey Fogarty	
Position of Signature: Vice President Vice President	
Date: 11/15/2021	
[REP of Record] By: <i>Scott Hart</i>	[REP of Record during period of emergency] By:
Print Name of Signatory: Scott Hart	Print Name of Signatory:
Position of Signature: Vice President	Position of Signature:
Date: 11/22/2021	Date:
	<input checked="" type="checkbox"/> X if inapplicable