



## Filing Receipt

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<b>PROCEEDING FOR ELIGIBLE</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ENTITIES TO FILE AN OPT OUT</b>	<b>§</b>	
<b>PURSUANT TO PURA § 39.653(D) AND</b>	<b>§</b>	<b>OF TEXAS</b>
<b>FOR LOAD-SERVING ENTITIES TO</b>	<b>§</b>	
<b>FILE DOCUMENTATION OF EXPOSURE</b>	<b>§</b>	
<b>TO COSTS PURSUANT TO THE DEBT</b>	<b>§</b>	
<b>OBLIGATION ORDER IN DOCKET NO.</b>	<b>§</b>	
<b>52322</b>	<b>§</b>	

**MIDAMERICAN ENERGY SERVICES, LLC'S PETITION  
TO CHANGE RESOURCE AFFILIATE STATUS FOR  
ALLOCATION OF UPLIFT SECURITIZATION  
PROCEEDS**

**I. DISCUSSION**

MidAmerican Energy Services, LLC ("MidAmerican") files this petition to change the resource affiliate status used for allocation of uplift securitization proceeds as provided under House Bill 4492 and the Public Utility Commission of Texas' Debt Obligation Order issued on October 13, 2021. MidAmerican is a Retail Electric Provider ("REP") in Texas, and as such, participates in the Electric Reliability Council of Texas ("ERCOT") market.

House Bill 4492 creates a program to finance and provide funds to load serving entities ("LSEs") for Reliability Deployment Price Adder ("RDPA") charges and Ancillary Service costs above the Commission's System-Wide Offer Cap, for the period beginning 12:01 a.m., February 12, 2021, and ending 11:59 p.m., February 20, 2021 ("Period of Emergency"). Under the unopposed partial stipulation and settlement agreement ("Stipulation") reached by the settling parties under Docket 52322 and

approved by the Public Utility Commission of Texas' Debt Obligation Order issued on October 13, 2021, each REP will be placed into a category based on exposure costs and affiliation with generation resources in ERCOT for purposes of determining allocation of financing funds. Under the Stipulation, REPs with affiliate generation ("Affiliated REPs") will receive a considerably lower allocation of financing funds than REPs without affiliate generation ("Unaffiliated REPs").

For purposes of classifying REPs under the financing allocation program, "Affiliate" is defined, pursuant to ERCOT Protocol 2.1, *without considering* whether the generation resource participated in the ancillary services or energy markets during the Period of Emergency. Thus an Affiliated REP with operable affiliate generation is given the same treatment as an Affiliated REP whose affiliate generation was rendered inoperable during the Period of Emergency. In other words, all Affiliated REPS are placed into the same category for purposes of the Opt-out Pool Allocation, whether or not their affiliate generation was capable of providing generation or benefiting from increased ancillary charges paid to firm generation during the Period of Emergency. It is therefore possible for Affiliated REPs, whose affiliate generation did not operate or participate in the ERCOT ancillary services market, to receive substantially less financing than Unaffiliated REPs although their generation output during the Period of Emergency is virtually identical.

Based upon ERCOT's records, MidAmerican's resource affiliate status is classified as Affiliated REP with less than \$300 in exposure costs. However, MidAmerican's only affiliate generation resource was rendered inoperable and did not participate in the

ancillary services market, or the real-time energy market, nor did it have any output during the Period of Emergency.

## **II. CONCLUSION**


MidAmerican requests reclassification as an Unaffiliated REP with less than \$40 million in exposure, on the basis that MidAmerican's one affiliate generation unit did not have any output and did not operate in either the ERCOT ancillary services or energy markets during the Period of Emergency, and therefore did not receive revenues or benefits that would offset or net MidAmerican's exposure costs covered under the financing allocation program. The clear intent of House Bill 4492, and the Commission's approval of the Stipulation agreement, was to provide financing for REPs impacted with liquidity issues; and not to provide a mechanism where REPs with affiliate generation would be able to simultaneously finance ancillary costs over a period of time and collect those amounts as revenues from ERCOT settlements, thus resulting in a double credit. MidAmerican's lone affiliate generation resource did not operate and therefore did not receive revenues from settlements during the Period of Emergency. Consequently, MidAmerican effectively experienced the same exposure to high ancillary service costs as an Unaffiliated REP.

In the alternative, if the Commission does not grant MidAmerican's request for reclassification as an Unaffiliated REP with less than \$40 million in exposure, MidAmerican requests that the term "affiliate generation" be more accurately defined to include only those generation resources that actually participated in the ancillary services market and received revenues for pricing that was above the System-Wide Offer Cap of

\$9,000 per megawatt-hour, or any generation resources that received reliability payments in the form of ERCOT's RDPA, during the Period of Emergency.


Respectfully submitted,

**MIDAMERICAN ENERGY SERVICES, LLC**

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**DOCKET NO. 52364**  
**CERTIFICATE OF SERVICE**

**I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on November 12, 2021, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.**

  
Lisa M Lann