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PROJECT NO. 52373

**REVIEW OF WHOLESALE
ELECTRIC MARKET DESIGN**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

COMMENTS OF LANCIUM LLC

COMES NOW LANCIUM LLC and files these Comments to REQUEST FOR COMMENTS; POPOSED RULES, ETC filed in this proceeding on August 16, 2021.

Introduction

Lancium appreciates the opportunity to give input on Market Design. These comments are in response to the Questions for Comment filed by the Commission on August 3rd, in preparation for the Commissioner open work session on Mark Design.

Executive Summary

Lancium is a technology company that allows data centers to be highly dispatchable and provide ancillary services. In 2020, a Lancium enabled data center in Big Spring, Texas was qualified as the world's first Load-only, Controllable Load Resource.

Unlike traditional demand response resources, Controllable Load Resources can provide the full suite of ancillary service products that have historically been provided by thermal generation resources. Lancium Controllable Loads are price sensitive based on real-time computational break-evens and can quickly ramp down to near zero power consumption when prices are high and/or energy is scarce. Lancium is highly interested in the process initiated by the Public Utility Commission of Texas to solicit input on redesigning the ERCOT market to enhance reliability.

Given the attractive design of the ERCOT power market and the ease of doing business here, Lancium plans on building and developing several thousand MW's of dispatchable data centers throughout Texas. The planned capital expenditure and associated economics development benefits will exceed several billion dollars.

We strongly believe that ERCOT best benefits from having both responsive generation resources and large-scale responsive load resources. In support of the PUC efforts, we offer the following general and specific suggestions:

Comments

In response to all of the PUC inquiries we would suggest that consideration be given to providing maximum parity between responsive generation and controllable load resources. As our CLR's respond within seconds to provide capacity, these resources should be considered "dispatchable."

Specific to question 6, we recognize that ERCOT has huge seasonal variance in system load with a high penetration of intermittent and variable renewable generation resources. Adding to this challenge, ERCOT is a single balancing authority interconnection that is not synchronously connected with any other interconnection and is constrained in its ability to quickly import meaningful amounts of power from neighboring ISOs to compensate for a scenario where ERCOT under forecasts intra-hour load and over forecasts intra-hour wind and solar. We suggest that the PUCT consider implementing a new ancillary service product to address intra-hour forecast errors with wind and solar. The hourly procurement amount for this ancillary service could be a function

of forecasted intermittent generation and forecasted unused capacity available from online dispatchable generation.

Conclusion

Lancium looks forward to further participation in the process initiated by the PUCT with this questionnaire. We thank you for the opportunity to provide input and welcome further discussions on redesigning the ERCOT market to enhance reliability.

Respectfully submitted,



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