



Filing Receipt

Received - 2021-11-01 10:53:23 AM

Control Number - 52373

ItemNumber - 202

PROJECT NO. 52373

**REVIEW OF WHOLESALE
ELECTRIC MARKET DESIGN**

§
§
§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

WATTBRIDGE ENERGY COMMENTS ON COMMISSION QUESTIONS ISSUED

WattBridge Energy (WattBridge) appreciates the opportunity to share with the Public Utility Commission of Texas (Commission) our views on general market conditions and market design changes to continue supporting WattBridge’s effort in developing new dispatchable generation for the ERCOT market.

WattBridge, a subsidiary of PROENERGY, develops, owns, and operates quick-start gas-fired generation assets. It was established with a primary focus of providing reliable and cost-effective natural gas dispatchable power generation at times when consumers need power the most. WattBridge’s assets bridge the inevitable gap in power resources that occurs as a result of the intermittent nature of wind and solar power. WattBridge has diligently raised significant capital financing to develop, build, and operate its fast start facilities in the Electric Reliability Council of Texas (ERCOT). To date, WattBridge has 1,830 MW of fast start dispatchable peaking power facilities either in operation or under construction in ERCOT.

MARKET DESIGN CONDITIONS

- Identify the reliability standard for the market
- Structure the new market incentives toward the generation mix that supports and achieves the desired reliability standard. Accreditation for reliability is an important feature.
 - Accreditation for reliability is crucial to guide load serving entities’ (LSE) acquisition of capacity resources that meet the reliability standard and the ramping needs of the grid if the Commission selects this approach.

- Accreditation for reliability should include gradations for unforced plant availability, dispatchability, duration of dispatchability, fuel firmness, ramp rates, and availability during peak reserve conditions.
- Centralized procurement of the appropriate resource capacity mix promotes price transparency and market liquidity while curbing market power. This will help to preserve flexibility for the vibrant retail market. The centralized approach as currently used for energy and ancillary services supports competition and lessens the amount of credit required for transacting.
 - Price transparency is critical to creating the investment signal by converting value into the forward curve.
 - Liquidity is important to encourage retail creativity and competition.
 - Bilateral transactions for this product should be maintained as an option as it exists for energy and ancillary services products.
 - Central marketplace naturally encourages competition.
- Fuel certainty should be defined by firm supply, transport, and proven uninterrupted performance during Uri.
 - Reliable fuel should include natural gas.
- Ensure market design provides a more stable predictable level of revenue.

MARKET DESIGN CHANGES

- Provide an ancillary service product that delivers operational fit by rewarding fast start (~10 minute ramp), flexible duration (1+ hours), and firm fuel and transport rights.
- Allow qualified generation to sell multiple ancillary services as long as they are not mutually exclusive in operation or practice.
 - If a resource qualifies for a firm fuel ancillary service, it should also be allowed to sell other products such as non-spin that are not practically double-selling. If a resource qualifies for a 24-hour dispatchable ancillary service, ensure that the value of this is at least equal to or more than the selling non-spin or firm fuel ancillary.

- Deploy offline non-spin more programmatically and sooner.
- Implement a voltage support product.

* * *

WattBridge appreciates the opportunity to provide this feedback given its experience in bringing to market fast ramping dispatchable generation to help achieve reliability in ERCOT within the current market framework. We look forward to continuing to provide our feedback in work sessions and other discussions on market design changes to achieve reliability for a transitioning grid.

Dated: November 1, 2021

Respectfully submitted,



Mike Alvarado
President
WattBridge Energy
(660) 829-5100

malvarado@wattbridge.info