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Public Utility Commission of Texas

Memorandum

TO: Chairman Peter M. Lake
Commissioner Will McAdams
Commissioner Lori Cobos
Commissioner Jimmy Glotfelty

Interested Parties

FROM: Connie Corona

DATE: September 2, 2021

RE: Project No. 52373-*Review of Wholesale Electric Market Design*

Questions for Comment

Commission staff requests written comment on the following questions by September 9, 2021. Comments should include a one-page Executive Summary as a separate attachment. Responses should be limited to five pages, excluding the Executive Summary.

In responding to each of the following questions, please address the changes that would be required to Commission rules and to ERCOT market rules or systems.

1. Describe existing and potential mechanisms for residential demand response in the ERCOT market.
 - a. Are consumers being compensated (in cash, credit, rebates, etc.) for their demand response efforts in any existing programs today, and if not, what kind of program would establish the most reliable and responsive residential demand response?
 - b. Do existing market mechanisms (e.g., financial cost of procuring real time energy in periods of scarcity) provide adequate incentives for residential load serving entities to establish demand response programs? If not, what changes should the Commission consider?

2. What market design elements are required to ensure reliability of residential demand response programs?
 - a. What command/control and reporting mechanisms need to be in place to ensure residential demand response is committed for the purpose of a current operating plan (COP)?

- b. Typically, how many days in advance can residential demand response commit to being available?
3. How should utilities' existing programs, such as those designed pursuant to 16 TAC §25.181, be modified to provide additional reliability benefits?
 - a. What current impediments or obstacles prevent these programs from reaching their full potential?
4. Outside of the programs contemplated in Question 3, what business models currently exist that provide residential demand response?
 - a. What impediments or obstacles in the current market design or rules prevent these types of business models from increasing demand response and reliability?
5. What changes should be made to non-residential load-side products, programs, or what programs should be developed to support reliability in the future?