



## **Filing Receipt**

**Filing Date - 2024-02-21 02:07:20 PM**

**Control Number - 52709**

**Item Number - 56**

**DOCKET NO. 52709**

<b>COMPLIANCE FILING FOR DOCKET</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>NO. 52321 (APPLICATION OF</b>	<b>§</b>	
<b>ELECTRIC RELIABILITY COUNCIL</b>	<b>§</b>	<b>OF TEXAS</b>
<b>OF TEXAS INC. FOR A DEBT</b>	<b>§</b>	
<b>OBLIGATION ORDER PURSUANT TO</b>	<b>§</b>	
<b>CHAPTER 39, SUBCHAPTER M, OF</b>	<b>§</b>	
<b>THE PUBLIC UTILITY REGULATORY</b>	<b>§</b>	
<b>ACT)</b>	<b>§</b>	

**COMMISSION STAFF'S RESPONSE TO ORDER 13**

On October 13, 2021, the Public Utility Commission of Texas issued a debt obligation order (Debt Obligation Order)<sup>1</sup> pursuant to Chapter 39, Subchapter M, of the Public Utility Regulatory Act (PURA).<sup>2</sup> In accordance with the Debt Obligation Order, the Electric Reliability Council of Texas (ERCOT) was ordered to make certain filings in this docket. On February 15, 2024, ERCOT filed a True-Up Compliance Filing (True-Up Filing) that detailed ERCOT's compliance with the true-up provisions of the Debt Obligation Order.<sup>3</sup>

On February 16, 2024, the administrative law judge (ALJ) issued Order No. 13, directing Staff (Staff) of the Public Utility Commission of Texas (Commission) to make recommendations as to the sufficiency of the true-up filing by ERCOT, including its opinion as to whether the filing and the request for an increase to the default charge comply with PURA<sup>4</sup> and the Debt Obligation Order, by February 21, 2024. Therefore, this pleading is timely filed.

Commission Staff has reviewed ERCOT's True-Up Filing, and, as explained in the memorandum of Darryl Tietjen, Division Director, Rate Regulation Division, Staff recommends that ERCOT's True-Up Filing be found to be sufficient and complete. Staff further recommends that ERCOT's True-Up filing and the plans described therein be found to be in compliance with PURA and the relevant provisions of the Debt Obligation Order.

**III. CONCLUSION**

Staff respectfully requests the issuance of an order consistent with the foregoing.

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<sup>1</sup> *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order Under PURA Chapter 39, Subchapter M, and Request for a Good Cause Exception*, Docket No. 52321 (Oct. 13, 2021).

<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

<sup>3</sup> Debt Obligation Order, Findings of Fact Nos. 65-66 and 74 and Ordering Paragraph Nos. 15 and 15A.

<sup>4</sup> *Id.*

Dated: February 21, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Marisa Lopez Wagley  
Division Director

Andy Aus  
Managing Attorney

/s/ Dylan King

Dylan King  
State Bar No. 24131431  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7299  
(512) 936-7268 (facsimile)  
Dylan.King@puc.texas.gov

**PUBLIC UTILITY COMMISSION OF TEXAS  
MARKET ANALYSIS DIVISION**

Harika Basaran  
Division Director

R. Floyd Walker, Senior Counsel  
State Bar No. 24044751  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7261  
(512) 936-7328 (facsimile)  
floyd.walker@puc.texas.gov

**DOCKET NO. 52709**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on February 21, 2024, in accordance with the Second Order Suspending Rules issued in Project No. 50664.

/s/ Dylan King  
Dylan King

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Dylan King, Legal Division

**FROM:** Darryl Tietjen, Rate Regulation Division

**DATE:** February 21, 2024

**RE:** Docket No. 52709 – *Compliance Filing for Docket No. 52321 (Application of Electric Reliability Council of Texas Inc. for a Debt Obligation Order Pursuant to Chapter 39, Subchapter M, of the Public Utility Regulatory Act)*

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### **Introduction**

On February 16, 2024, the Commission's Office of Policy and Docket Management issued *Order No. 13, Requiring Commission Staff Recommendations and Establishing Objections Deadline* in this docket. The order requires Commission Staff to make, by February 21, 2024, "recommendations as to the sufficiency of the true-up filing by ERCOT, including its opinion as to whether the filing and the request for an increase to the default charge comply with PURA and the Debt Obligation Order."

### **Discussion**

On February 15, 2024, the Electric Reliability Council of Texas, Inc. (ERCOT), in its role as servicer (Servicer) of the bonds issued under Subchapter M of Chapter 39 of the Public Utility Regulatory Act, filed its mandatory semi-annual true-up filing, report of recoveries, and notice of a need for an increase in its default charges under the provisions of the Debt Obligation Order adopted by the Commission in Docket No. 52321.<sup>1</sup>

As ERCOT describes in its filing, it has successfully pursued collection of amounts owed by market participants that otherwise would have been borne by other market participants or their customers. ERCOT's filing provides information indicating that, to date, there has been recovery of unpaid obligations in the total amount of \$382,467,244.40.

The Servicing Agreement requires a semi-annual interim true-up calculation to be prepared no later than forty-five (45) days prior to the collection period of each April. True-up adjustments are based on cumulative differences, regardless of the reason, between the periodic payment requirements and the amount of default charge remittances made to the Indenture Trustee by the Servicer. ERCOT provides calculations in its filing indicating the need to adjust the monthly default charges from \$1,897,324 to \$1,926,208, an increase of \$28,884.

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<sup>1</sup> *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order Pursuant to Chapter 39, Subchapter M, of the Public Utility Regulatory Act, Docket No. 52321. Final Debt Obligation Order (Oct. 14, 2021).*

**Effective Date of True-up Adjustment**

In addition to filing the semi-annual calculation, the Servicer is required to file notice regarding mandatory interim true-up adjustments with the Commission not less than forty-five (45) days prior to the first billing cycle of the month in which the revised default charges shall come into effect. As Servicer, ERCOT proposes an effective date of the revised default charges for the May 2024 billing period. In accordance with Finding of Fact No. 74 of the Debt Obligation Order, the Commission has fifteen (15) days after the date of this filing to confirm the true-up filing complies with PURA and the Debt Obligation Order. Any true-up adjustment filed with the Commission is effective on its proposed effective date, which will not be less than fifteen (15) days after filing. Any necessary corrections to the adjusted default charges due to mathematical errors in the calculation of the default charges will be made in future true-up adjustments.

**Recommendation**

I recommend that the Commission find that ERCOT's February 15, 2024 filing in this compliance docket is sufficient and complete. Further, it is my opinion that ERCOT's proposal to increase the monthly default charges from \$1,897,324 to \$1,926,208 complies with PURA and the requirements of the Debt Obligation Order. Accordingly, I recommend that the Commission approve ERCOT's filing and the proposals included therein.