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PROJECT NO. 52786

**ERCOT COMPLIANCE REPORTS OF § PUBLIC UTILITY COMMISSION
GENERATION RESOURCE WINTER §
READINESS PURSUANT TO 16 TAC § OF TEXAS
§ 25.55(C)(4) §**

**NOTICE OF DISAGREEMENT WITH SWEENEY COGENERATION LLC'S
ASSERTION OF GOOD CAUSE**

The Staff (Commission Staff) of the Public Utility Commission of Texas (Commission) files this notice of disagreement with Sweeny Cogeneration LLC (Sweeny)'s assertion of good cause for non-compliance with the Commission's weatherization rules submitted under 16 Texas Administrative Code (TAC) § 25.55(c)(6)(A). Commission Staff hereby provides this notice of disagreement as required under 16 TAC § 25.55(c)(6)(B).

I. BACKGROUND

Sweeny is a power generation company (PGC) registered with the Commission under PGC registration number 20023. On December 3, 2021, Sweeny submitted to the Electric Reliability Council of Texas (ERCOT) its winter weather readiness reports (WWRR) for four generation resources as required by 16 TAC § 25.55(c)(2) that included one or more assertion(s) of good cause for non-compliance with the Commission's weatherization requirements established under 16 TAC § 25.55(c)(1).

Under 16 TAC § 25.55(c)(6)(B), Commission Staff and ERCOT are required to expeditiously review assertions of good cause submitted under 16 TAC § 25.55(c)(6)(A) in order to determine whether good cause for non-compliance reasonably exists. To the extent Commission Staff disagrees with an assertion of good cause, Commission Staff is required to file a notification of its disagreement in this project.

II. DISAGREEMENT WITH ASSERTION OF GOOD CAUSE

Commission Staff and ERCOT have reviewed the WWRR submitted by Sweeny to ERCOT on December 3, 2021 and Commission Staff hereby notifies Sweeny of disagreement with the following assertions of good cause:

- SCLPCOGN - SCLPC_1
 - Sweeny asserted good cause for not complying with 16 TAC § 25.55(c)(1)(B). Commission Staff disagrees because Sweeny did not submit an adequate plan or provide an expected completion date for installing monitoring systems for preventing instrument air moisture.

- SCLPCOGN - SCLPC_2
 - Sweeny asserted good cause for not complying with 16 TAC § 25.55(c)(1)(B). Commission Staff disagrees because Sweeny did not submit an adequate plan or provide an expected completion date for installing monitoring systems for preventing instrument air moisture.

- SCLPCOGN - SCLPC_3
 - Sweeny asserted good cause for not complying with 16 TAC § 25.55(c)(1)(B). Commission Staff disagrees because Sweeny did not provide an expected completion date for installing monitoring systems for preventing instrument air moisture.

- SCLPCOGN - SCLPC_4
 - Sweeny asserted good cause for not complying with 16 TAC § 25.55(c)(1)(B). Commission Staff disagrees because Sweeny did not submit an adequate plan or provide an expected completion date for installing monitoring systems for preventing instrument air moisture.

III. NOTICE

As established under 16 TAC § 25.55(c)(6)(C), within seven days¹ of receiving this notice, Sweeny must either provide the Commission with proof of compliance with the above-described weatherization requirements or, alternatively, may preserve the disputed good cause assertions by submitting to the Commission a request for approval of a good cause exception. The request for approval must contain all information required under 16 TAC § 25.55(c)(6)(E).

Commission Staff has provided a copy of this notice to Company by e-mail sent to the following authorized representative contained in the Commission's records:

¹ Seven days from the date this notice was filed is December 24, 2021, which is an agency holiday. The next day the Commission is open for business is Wednesday, December 29, 2021. Therefore, under 16 Tex. Admin. Code (TAC) § 22.4(a), the deadline to respond to this notice is December 29, 2021.

Duncan Crosbie
Operations Manager
Sweeney Cogeneration LLC
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IV. INVESTIGATION OPENED

Sweeny is hereby notified that Commission Staff has opened an investigation related to Sweeny's compliance with 16 TAC § 25.55(c), concerning winter weather emergency preparedness. The investigation record number is 2021120029.

Commission Staff notes that, under PURA § 15.023(b-1), the Commission is authorized to impose administrative penalties of up to \$1,000,000 per violation per day for violations of rules established under PURA § 35.0021. Each day a violation continues or occurs is a separate violation for purposes of imposing a penalty. To the extent that Sweeny fails to timely file a request for approval of a good cause exception or provide proof of compliance with the above-described weatherization requirements, Sweeny will be in violation of 16 TAC § 25.55 and, therefore, eligible for the maximum administrative penalty allowed by law.

Date: December 17, 2021

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS

COMPLIANCE AND ENFORCEMENT DIVISION

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/s/Van Moreland
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CERTIFICATE OF SERVICE

I certify that notice of filing of this document was provided to all parties of record via electronic mail on December 17, 2021 in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/Van Moreland
Van Moreland