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November 16, 2022

VIA ONLINE SUBMISSION

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
Austin, TX 78701

Re: PUC Docket No. 52930: *Notice of Violation by Shell Oil Company for Violations of 16 TAC § 25.55 and ERCOT Nodal Protocols §3.21, Concerning Winter Weather Readiness Reporting Requirements*

To the Office of Policy and Docket Management:

On November 2, 2022 the Office of Policy and Docket Management (“OPDM”) of the Public Utility Commission of Texas (“PUC” or “Commission”) filed a Memo and Proposed Order in the above-styled proceeding. The Memo established a deadline of November 16, 2022 for the parties to provide corrections or exceptions to the proposed Order. Therefore, this response is timely filed.

Shell USA, Inc. (“Shell”) proposes the following corrections or exceptions:

- Introductory Paragraph:

This Order addresses the agreement between Commission Staff and Shell USA, Inc. (“**Shell**”) relating to Commission Staff’s investigation of Shell for violations of 16 Texas Administrative Code (TAC) § 25.55(c)(2)1 and Electric Reliability Council of Texas (ERCOT) Nodal Protocols § 3.21(3), relating to failure to comply with winter weather emergency preparedness reporting requirements.

Explanation: Shell USA, Inc. has affiliated market participants that are active in the ERCOT market in their own respects that also bear the Shell name. As the Proposed Order references Shell USA, Inc. as “Shell” throughout the Order, Shell USA, Inc. respectfully requests that inclusion of the short-form “Shell” after the first reference to Shell USA, Inc. as to alleviate any potential for confusion.

- Findings of Fact:

- (1) Shell respectfully requests inclusion of the following language in Finding of Fact No. 13 which was included in deleted finding of fact No. 25 from Shell's and Commission Staff's joint proposed order:

Shell did not submit a declaration of completion of generation resource winter weatherization preparations to ERCOT by December 1, 2021. Shell asserted that its violation of ERCOT Protocol § 3.21(3) was caused, in part, by a miscommunication with ERCOT and, in part, by the mistaken registration of the four Deer Park generators as "generation resources" rather than "settlement only generators" in the ERCOT records.

Explanation: This language was included in a Finding of Fact originally proposed in the agreed proposed order between Shell and Commission Staff that provided Shell's explanation for contributing factors to its violation of both 16 TAC § 25.55(c)(2) *and* ERCOT Protocol § 3.21(3). As this condition relates to both categories of violation, Shell respectfully requests inclusion of the language in both sections.

- (2) Shell respectfully requests deletion of the following language in Finding of Fact No. 11:

Shell asserted that (a) the four Deer Park Refinery generation facilities functioned as settlement only generators; ~~(b) settlement only generators were exempt from the reporting requirements under 16 TAC § 25.55(c)(2);~~ (c) Shell mistakenly believed that the four Deer Park Refinery generation facilities were registered as settlement only generators; and (d) each of the four Deer Park Refinery generation facilities was fully compliant with all preparation measures required under 16 TAC § 25.55(c)(1) by December 1, 2021.

and

Shell respectfully requests inclusion of the following language as a separate Finding of Fact in the section titled "Violations: Winter Weather Readiness Reports", or alternatively, as a new Conclusion of Law:

Settlement-only generators are not subject to the reporting requirements under 16 TAC § 25.55(c)(2).

Explanation: The negotiated proposed order submitted jointly by Shell and Commission Staff included, as part of Finding of Fact No. 22, a finding that settlement-only generators were not subject to the TAC § 25.55(c)(1) reporting requirement. This language, by agreement, did not contain a "Shell asserts" qualifier because Commission Staff and Shell both agree that the rule does not

apply to settlement-only generators.¹ However, this language may be more appropriately characterized as a Conclusion of Law. Accordingly, at Commission Counsel's discretion, Shell requests that the above language be incorporated either as a finding of fact or a conclusion of law as appropriate, but without the "Shell asserts" qualifier indicated in Commission Counsel's Finding of Fact No. 11. Shell has conferred with Commission Staff prior to submitting this proposed modification and is authorized to represent that Commission Staff agrees with such modification.

Shell respectfully requests the above revisions be adopted. Thank you for your attention to this matter.

Yours very truly,

A handwritten signature in black ink, appearing to read "Chris Reeder", with a long horizontal flourish extending to the right.

Chris Reeder
Attorney for Shell USA, Inc.

¹ Additionally, this interpretation is consistent with an ERCOT communication received by Shell on November 8, 2021 as reflected in the Settlement Agreement. Please see paragraph 46 of the Settlement Agreement indicating that on November 8, 2021 "a representative from ERCOT confirmed by email to Shell that settlement-only generators were not required to submit WRRs."