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PROJECT NO. 53198

PROJECT TO IDENTIFY ISSUES	§	PUBLIC UTILITY COMMISSION
PERTAINING TO LUBBOCK POWER	§	
AND LIGHT’S PROPOSAL TO	§	OF TEXAS
TRANSFER EXISTING FACILITIES	§	
AND LOAD INTO THE ELECTRIC	§	
RELIABILITY COUNCIL OF TEXAS	§	

**ALLIANCE FOR RETAIL MARKETS’
COMMENTS IN RESPONSE TO ORDER NO. 2**

The Alliance for Retail Markets (“ARM”)¹ submits these comments in response to Order No. 2 regarding Lubbock Power and Light’s planned transfer of its remaining load into ERCOT. ARM is an association of competitive retail electric providers (“REPs”), and each member is certificated to provide retail electric service to customers in areas of Texas open to customer choice. ARM appreciates the opportunity to offer these comments in this important project.

I. COMMENTS IN RESPONSE TO ORDER NO. 2

In PUC Docket No. 47576, *Application of the City of Lubbock Through Lubbock Power & Light for Authority to Connect a Portion of Its System with the Electric Reliability Council of Texas*, the Public Utility Commission of Texas (“Commission”) issued an Order on March 15, 2018, approving the application of the City of Lubbock, acting by and through Lubbock Power & Light (“LP&L”), to connect approximately 70% of its total Load (470 MW) to the ERCOT system.²

In that case, LP&L submitted supplemental rebuttal testimony of Lubbock Mayor Daniel Pope, along with resolutions from the Lubbock City Council and Lubbock Electric Utility Board indicating the City’s intent that LP&L opt-in to retail competition.³ The Commission’s order

¹ The members of ARM participating in this project are: Calpine Retail (Calpine Energy Solutions and Champion Energy Services); Constellation NewEnergy, Inc.; NRG Retail Companies (Reliant, Green Mountain Energy Company, U.S. Retailers LLC (Cirro Energy and Discount Power), StreamSPE, Ltd., XOOM Energy Texas, LLC, and the Direct Energy family of retail electric providers); and Vistra Retail Companies (4Change Energy, Ambit Energy, Express Energy, TriEagle Energy, TXU Energy, and Veteran Energy).

² Order, *Application of the City of Lubbock Through Lubbock Power & Light for Authority to Connect a Portion of Its System with the Electric Reliability Council of Texas*, Docket No. 47576 (Mar. 15, 2018).

³ Supplemental Rebuttal Testimony of Mayor Daniel M. Pope, Docket No. 47576 (Jan. 17, 2018).

approved an unopposed agreement, which recognized “that LP&L intends to exercise its right to opt-in to retail competition for the affected load as soon as practicable.”⁴

The integration of LP&L’s Load into the ERCOT system was completed on May 30, 2021. Shortly thereafter, LP&L filed a letter in Project No. 48113, *Project to Monitor Lubbock Power & Light’s Transition to ERCOT*, stating that it had entered into an agreement with Southwestern Public Service Company (“SPS”) to end its power contract with SPS in May 2023. LP&L further stated that the City would seek approval from the Commission to connect the remaining 30% of LP&L’s system to ERCOT and consider whether to opt-in to retail competition.

On February 9, 2022, ERCOT initiated this project with a letter seeking guidance from the Commission regarding the process to address LP&L’s transition of remaining load to ERCOT and to provide notice of ERCOT’s intention to conduct an independent study regarding any transmission upgrades that may be necessary.

In response to Commission Staff’s recommendation, Order No. 2 issued in this project on March 25, 2022 stated that interested persons may file initial comments on five questions. ARM has no comment on Question Nos. 1-4 at this time. ARM submits the following response to Question No. 5:

Question No. 5—Please provide any other comments you have regarding LP&L’s planned load transfer.

PURA § 40.051 grants the City of Lubbock “the discretion to decide when or if the municipally-owned utility [LP&L] will provide customer choice.”⁵ On February 22, 2022, the Lubbock City Council made the historic decision to vote in favor of transitioning LP&L to retail

⁴ TEX. UTIL. CODE § 40.051(b).

⁵ TEX. UTIL. CODE § 40.051.

electric competition.⁶ ARM's understanding is that LP&L intends to transfer its remaining load to ERCOT on June 1, 2023⁷ and open retail competition for its customers in late 2023.⁸

Texas opened the retail electric market to customer choice 20 years ago, but this will be the first time a municipally-owned electric utility has opted in to the competitive retail electric market. ARM welcomes LP&L as the first to do so. The Texas competitive retail electric market is the most vibrant and efficient retail electric market in the country. With LP&L's decision to opt-in, customers in its service area will be allowed to select a REP of their choice and shop for competitive plans, pricing, and contract terms.⁹

ARM members consist of REPs who are actively providing competitive retail electric service in Texas. ARM applauds Lubbock's decision to opt-in to retail customer choice, and ARM's member REPs are interested in participating to offer service in LP&L's service area. To ensure a smooth transition to a competitive retail market, it is important that customers currently served by LP&L have an opportunity to make an informed choice. Accordingly, ARM members look forward to engaging in public education opportunities to encourage customer participation in retail customer choice.

ARM notes that on April 27, 2022 Lubbock filed an application with the Commission to transfer the remaining 170 MW of its load to ERCOT so that it can initiate retail customer choice for all of its customers.¹⁰ In his Direct Testimony filed with the application, LP&L Director of

⁶ The Lubbock Electric Utility Board Resolution and the Lubbock City Council Resolution are available at: https://public.destinyhosted.com/agenda_publish.cfm?dsp=agm&seq=10473&rev=0&id=58226&form_type=AG_M EMO&beg_meetmth=1&beg_meetyr=2022&end_meetmth=4&end_meetyr=2022&mt=ALL&sstr=competition&de pt=ALL&hartkeywords=&sortby=f.form_num.%20f.rev_num&fp=ADVSRCH&StartRow=1

⁷ Application of the City of Lubbock, Acting by and Through Lubbock Power & Light, for Authority to Connect the Remaining Portion of its Load with the Electric Reliability Council of Texas and for Approval of Settlement Agreement, Docket 53529, Application at 9 (Apr. 27, 2022); See ERCOT Presentation to RPG, "Lubbock Power & Light (LP&L) Remaining Load Integration Study Scope" (Mar. 15, 2022), available at: https://www.ercot.com/files/docs/2022/03/10/LPL%20Remaining%20Load%20Interation%20Study_RPG_March%2015_Final.pdf

⁸ "Lubbock City Council Vote Solidifies Lubbock Power & Light's Return to Retail Electric Competition," LP&L Press Release (Feb. 22, 2022), available at: <https://lpandl.com/pluggedin/lubbock-city-council-vote-solidifies-lubbock-power-lights-return-to-retail-electric-competition>

⁹ LP&L will continue to own and maintain the transmission and distribution system within its service territory and will continue to provide the metering function for customers within its service area.

¹⁰ Application of the City of Lubbock, Acting By and Through Lubbock Power & Light, for Authority to Connect the Remaining Portion of its Load with the Electric Reliability Council of Texas and for Approval of Settlement Agreement, Docket No. 53529 (Apr. 27, 2022).

Electric Utilities, David McCalla, describes the steps that must occur—“practical considerations”—before offering customer choice in LP&L’s service area.¹¹ Lubbock’s opt-in resolution states that customer choice will commence when 17 conditions have been met.¹² ARM looks forward to working with LP&L through those steps to ensure a smooth and expeditious transition to customer choice for LP&L customers.

II. CONCLUSION

ARM appreciates the opportunity to submit these comments, and looks forward to working with LP&L and the Commission in this proceeding.

Date: April 29, 2022

Respectfully submitted,



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¹¹ See Direct Testimony of David W. McCalla, Docket No. 53529, at 7:18-27, Attachments DMW-1 and DMW-2 (Apr. 27, 2022).

¹² See *id.*