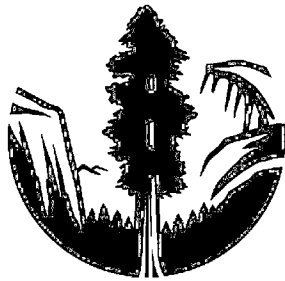




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SIERRA CLUB

LONE STAR CHAPTER

PROJECT NO. 53401

Electric Weather Preparedness Standards, Phase 2

June 28th, 2022

The Lone Star Chapter of the Sierra Club is offering these brief comments on the proposed Phase 2 rules for weather preparedness for both TSPs and generation resources. We recognize that these comments are being filed after the deadline, and regret the oversight in not filing the comments so they met the deadlines established by the Commission.

First, we want to express our appreciation to the Commission for dividing the weatherization rules required by SB 3 in two phases, giving time for the market to prepare adequately for both extreme winter and summer weather conditions. We do believe the timeline set out in the rule in terms of inspections and preparedness for the 2023 year gives market participants and regulators adequate time to prepare to meet the rules.

Nonetheless, in these brief comments, we want to express our dissatisfaction with the failure to follow the clear legislative intent to seek consultation with the Office of the State Climatologist, and to consider the changing climate. None of the initial requirements required in the initial deadlines of compliance are based on the changing climate.

In addition, we are concerned that the requirement to meet updated standards one year after ERCOT produces a weather study required in (i) will put our grid at risk, given that the study is not required until November of 2026 under the proposed rule. In other words, under the Commission's proposal, true winter preparedness for an event like Uri would not be required until roughly five years from now, putting all Texans at risk. We would suggest a shorter timeline for updated standards such as within three years.

In terms of the rules failure to address climate change, we do acknowledge that the the proposed rule does require in (i) that ERCOT produce a weather study - no earlier than November of 2026. However, the study is based almost entirely on looking backward at the 90th, 95th, and 99th percentile looking in weather zones. While the rules do allow (i.e. may) ERCOT to consider additional parameters to the historical weather study, and must take into consideration weather predictions produced by the state climatologist, the proposed rules do not go far enough to assure that Texas's electric grid will be reliable and resilient to the changing climate.

Thus, while the rules do require consultation with the Office of State Climatology, they only require ERCOT to use historical temperatures in assessing the preparedness of our grid. Given what we have seen in the last few years, and what all predictions indicate, this means that ERCOT will underestimate the occurrence of extreme weather, impacting our security and safety. Thus, we are in agreement with the comments filed by Andrew Dessler on his own behalf that the rules "should require ERCOT to incorporate the latest estimates of climate change into the metrics that ERCOT uses to evaluate the readiness of generation entities and transmission service providers."

We hope that the Commission rejects this proposal and incorporates some more specific requirements to consider future weather patterns in the preparations of weatherization requirements for TSPs and generators.

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