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Committees: State Affairs Higher Education

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Chairman Peter Lake
Commissioner Will McAdams
Commissioner Lori Cobos
Commissioner Jimmy Glotfelty
Public Utility Commission of Texas
1701 N. Congress Avenue
PO Box 13326
Austin, TX 78711

Dear Chairman Lake and Commissioners:

As you know, the Legislature adopted many important reforms during the 87th Regular Session to address issues that occurred during Winter Storm Uri. Among that legislation, I authored H.B. 2483, which authorizes a transmission and distribution utility (TDU) to lease and operate temporary emergency electric energy facilities that can be used to restore electric service following a load shedding event or other widespread power outage.

H.B. 2483 expressly authorizes the TDU to request recovery of the costs of such leases in a proceeding under PURA 36.210 – the statutory provision that established the Commission's distribution cost recovery factor (DCRF). This allows TDUs to begin recovering the costs associated with the leases through an expedited proceeding, while still allowing an opportunity for thorough review of the leases and associate costs in the TDU's next full rate case.

It has come to my attention that certain parties have taken the position that a TDU may not request recovery of temporary emergency electric energy facilities in a DCRF proceeding until after the facilities have been reviewed in a full rate case. As author of H.B. 2483, I would like to be clear that the bill includes no such requirement and that reading such a requirement into the bill in fact frustrates the very purpose of authorizing recovery through the DCRF – encouraging utilities to quickly procure and deploy temporary emergency electric energy facilities in the limited circumstances permitted by the bill. As this issue comes before the Commission, I encourage you to keep these important policy goals that benefit the people of Texas in mind during your deliberations and allow the request for recovery of the temporary emergency electric energy facility costs to move forward in the DCRF proceeding.

Thank you for your service to the state.

Sincerely,

Phil King

State Representative

Phil King

CC: Lieutenant Governor Dan Patrick Chairman Charles Schwertner, Senate Business & Commerce