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February 23, 2023

Chairman Peter Lake
Commissioner Will McAdams
Commissioner Lori Cobos
Commissioner Jimmy Glotfelty
Commissioner Kathleen Jackson
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, TX 78701

Re: SOAH Docket No. 473-22-2353; PUC Docket No. 53442; Application of CenterPoint Energy Houston Electric, LLC for Approval to Amend its Distribution Cost Recovery Factor

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. Two weeks after that storm forced ERCOT to initiate the largest load shed event in Texas history, I filed H.B. 2483 to provide transmission and distribution utilities ("TDUs") with a tool allowing them to temporarily restore power to customers the grid could not serve. The bill became law following its near unanimous passage by the Legislature and the Governor's signature. As a result, PURA § 39.918 now authorizes a TDU to lease and operate temporary emergency electric energy facilities to restore electric service following a widespread power outage. TDUs like CenterPoint and others used this statutory authority to immediately procure temporary emergency electric energy facilities that have already been put to beneficial use for Texans.

Despite the clear direction from state leadership that TDUs should have temporary emergency electric energy facilities in their toolbox and the common-sense use of those facilities in the short time since the bill took effect, the administrative law judges in this proceeding apparently believe the company should return them to the vendor. Drawing from the company's experience implementing ERCOT's unprecedented load shed order during Winter Storm Uri, CenterPoint determined that it would need 500 MW of temporary emergency electric facilities to rotate outages if a similar load shed event occurred in the future. The judges dismiss this rationale as being based "on a single, anomalous event." It was no coincidence that I filed H.B. 2483 two weeks after the storm left millions of Texans in the cold and dark.

As you are aware, state leaders committed to the people of Texas to make the changes needed to prevent the effects from events like Winter Storm Uri from ever happening again. To allow two administrative judges to supersede the policy decision of the Legislature and the judgment of CenterPoint, based on its experience from Winter Storm Uri regarding the needed amount of MWs, completely ignores the reason I authored H.B 2483. This should be rejected by the Commission.

The judges also found that CenterPoint cannot use its mobile generation facilities to restore power when distribution facility damage prevents customers from being served. Such a conclusion, if allowed to stand, would prohibit common-sense uses of the temporary emergency energy facilities following weather events like hurricanes, tornadoes, and ice storms, which can cause much more damage to distribution facilities than to transmission. This fact is underscored by the judges' own admission that this conclusion "may appear hypertechnical to Texans suffering in extreme cold or heat without electricity after a weather event or other grid emergency." As the bill author, I made clear during the legislative process that these facilities could be used on the distribution system in response to severe weather events like hurricanes and tornadoes. And as I said in my letter to you last May, the bill was drafted to encourage utilities to quickly procure and deploy temporary emergency energy facilities so they would be available for the next grid event or severe weather event. The bill does not explicitly grant you rulemaking authority, and Texans should not be asked to needlessly suffer while it waits for one to occur. In fact, shortly after the statute became effective, and to prepare for what was forecasted to be an active 2021 hurricane season, CenterPoint moved quickly to develop and implement a procurement process to lease temporary emergency energy facilities. As a result, CenterPoint was able to deploy a unit to restore power to the Lake Jackson Civic Center following Hurricane Nicholas. In reaching their non-sensical, hypertechnical conclusion, the judges appear to have read words into the statute that simply do not exist. The Commission should also reject this flawed interpretation of the law.

I therefore call on you to restore common-sense reasoning to real world situations for all Texans and reject the judges' interpretations that if you allow them to stand would needlessly force Texans to endure hardship.

Thank you for your leadership and your service to Texans.

Sincerely,

A handwritten signature in black ink that reads "Phil King". The signature is written in a cursive, flowing style.

Phil King
State Senator, District 10