

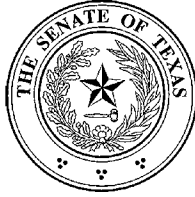


Filing Receipt

Received - 2023-01-13 10:42:55 AM

Control Number - 54335

ItemNumber - 128



January 11, 2023

The Honorable Peter Lake, Chair, Public Utility Commission
The Honorable Lori Cobos, Commissioner, Public Utility Commission
The Honorable Jimmy Glotfelty, Commissioner, Public Utility Commission
The Honorable Kathleen Jackson, Commissioner, Public Utility Commission
The Honorable Will McAdams, Commissioner, Public Utility Commission

Dear Commissioners,

Following the November 17, 2022 Senate Business and Commerce Committee hearing, the members of the committee sent a unanimously signed letter to the Public Utility Commission (PUC) on December 1, 2022. In this letter, the Committee expressed concerns with several of the market design proposals currently being considered by the PUC and requested the PUC delay actions towards implementing a redesign of the ERCOT market until after further deliberation by and consultation with the Texas Legislature during the 88th Legislative Session.

This letter serves to reiterate and emphasize our serious concerns regarding taking any type of vote endorsing a wholesale market redesign change outside of the bounds of SB 3 (87R) passed by the Texas Legislature and signed into law by Governor Abbott. Specifically, I direct your attention to Section 18 of SB 3, relating to the development and procurement of a new ancillary or reliability service targeting dispatchable generation.

As you are aware, the 88th Texas Legislature convened on Tuesday, January 10, 2023. Given this timing, and given the clear absence of consensus among energy experts, advocates, and industry, unilaterally moving forward with a market design change such as the Performance Credit Mechanism option without consultation and collaboration with both the Texas House and Texas Senate is imprudent.

My colleagues and I stand ready to work together closely with the PUC on developing a solution that achieves our shared goal of making the Texas grid more reliable and resilient. Thank you for your tireless service and commitment to the people of Texas. Should you have any questions, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Schwertner". The signature is written in a cursive style and is positioned above the printed name of the senator.

Senator Charles Schwertner