



Filing Receipt

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To Whom It May Concern,

After reading through the documents provided and the Staff Recommendation, I tend to support the PCM market design. It seems to be technology-neutral and rewards reliability and penalizes under-performance. It also seems to prevent a major source of corruption: that of Load Serving Entities buying power from their own Electricity Generator subsidiaries at favorable rates.

I wish that winter storm Uri was included so that we could see what the penalties might have been given the poor level of preparation by the generators and LSEs.

My main concern is the criteria for assigning Performance Credits. I don't think that picking the 30 tightest hours is going to be effective. I am afraid that the 30 tightest hours in one year may be all during the summer in one year followed by an unusually harsh winter or vice-versa. Perhaps the PCs are assigned during a particularly mild year and the following year is has a hot summer AND a cold winter. In any case, it's possible that the wrong resources will be incentivized in the current year. Maybe Solar + Battery gets PCs because they outperformed in the summer of the previous year, but they cannot supply electricity during a harsh winter storm, for instance. I think it's more reasonable to assign PCs for each season and probably have some consideration for whether the current year is unbalanced or unusually mild before assigning them.

I am not a fan of the BRS system because it seems like a shadow semi-regulated market where ERCOT purchases electricity based on its own criteria rather than a competitive market. It seems like an expansion of the existing Auxiliary Services and so may be simple to implement, but still requires ERCOT to get a lot right. I feel like if you're going to do that, you might as well go all the way and regulate the market such that there are mandatory caps set on the amount of electricity purchased from wind and solar to ensure a sufficient incentive for dispatchable generation.

In general, I think that any of the proposals other than the BRS or DEC model would be OK. I tend to favor the PCM but I admit that the LSERO and FRM have good points as well.

Finally, though I don't think the BRS is the right thing to do, based on the reports estimate of how long it would take to get each system up and running it might make sense to implement the BRS system until the PCM system is ready to go. But perhaps that makes a complicated situation even more complicated.

Thank you.