



## **Filing Receipt**

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**Item Number - 27**

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Interim Chair Kathleen Jackson  
Commissioner Will McAdams  
Commissioner Lori Cobos  
Commissioner Jimmy Glotfelty

**FROM:** Shawnee Claiborn-Pinto, Market Analysis Division  
Floyd Walker, Market Analysis Division

**DATE:** September 1, 2023

**RE:** September 14, 2023 Open Meeting  
Project No. 54445 – *CY 2023 Review of Rules Adopted by the Independent Organization (Discussion and possible action)*

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On August 31, 2023, the ERCOT Board of Directors approved various revisions to ERCOT Protocols, including Other Binding Document Revision Request (OBDRR) 047, *Revision to ERS Procurement Methodology regarding Unused Funds from Previous Terms*. On August 31, 2023, ERCOT filed a notice of recommended approval of this revision request. In this filing, ERCOT also requested a good cause exception to the Commission's new interim governance policy to request that the Commission take up OBDRR 047 for consideration at its September 14, 2023 open meeting.

The Market Analysis Division has reviewed this request and agrees with ERCOT that a good cause exception is warranted and recommends that the Commission consider OBDRR 047 at its September 14, 2023 open meeting. Prompt action on this OBDRR will allow ERCOT to make best use of its ERS funds for this program year and will facilitate a savings of approximately \$16 million.

Additionally, Commission Staff recommends approval of this revision.

OBDRR 047, *Revision to ERS Procurement Methodology regarding Unused Funds from Previous Terms*— This NPRR allows ERCOT the ability to reallocate any available unspent ERS funds to any contract period remaining in the ERS program year. Currently ERCOT is required to allocate any unused funds to all remaining contract terms for that year. This can cause funds to be allocated to low-risk contract periods where the funds may not necessarily be needed. This OBDRR will allow ERCOT to make the best use of its funds for a program year.

<b>Staff Recommendation</b>	Approve
<b>Board Action</b>	Approved
<b>Related Commission/Legislative Directive</b>	N/A
<b>TAC Opposition</b>	Approved unanimously
<b>ERCOT Market Impact Statement</b>	ERCOT Staff has reviewed OBDRR047 and believes that it has a positive market impact by providing ERCOT discretion to more efficiently reallocate ERS funds based on the evolving risk during the ERS program year.
<b>Sponsor</b>	ERCOT
<b>IMM Opinion</b>	IMM supports

Please find attached a proposed order for your consideration consistent with Commission Staff's recommendations in this memo.