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PROJECT NO. 54999

TEXAS ENERGY FUND

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PUBLIC UTILITY COMMISSION

OF TEXAS

**CPS ENERGY'S PROPOSED TOPICS AND QUESTIONS FOR
TEXAS ENERGY FUND WORKSHOP**

CPS Energy appreciates the opportunity to recommend proposed topics and questions for discussion at the public workshop scheduled for September 21, 2023 focused on the Commission's implementation of the Texas Energy Fund Program (the "Program") established in SB 2627 as passed in the 88th Session of the Texas Legislature. CPS Energy offers the following topics for consideration in the upcoming workshop on this matter.

I. RECOMMENDED TOPICS FOR DISCUSSION

CPS Energy recommends that the following questions and discussion topics be included on the agenda of the September 21, 2023, workshop regarding Program eligibility:

- **Qualifications for Program Participation**
 - Will generation projects in the interconnection queue be eligible for funding?
 - Commercial readiness of the proposals - permitting, site, interconnection, securitized funding
- **Interaction of Programs with Other Market Enhancements**
 - Will there be a preference for generation projects that are not receiving benefits from other funding sources (such as IRA funding)?
- **Compliance Expectations for Program Participants**
 - Will Program provide milestone-based project funding (contract award through substantial completion, etc.)
- **Confidentiality of Proposals and Data Submitted**
 - How does the Commission propose to protect the confidentiality of project information if it received an open records request?
- **Entities Considered Eligible for Program**
 - Will eligible entities be limited to ERCOT market participants?
- **Creditworthiness Requirements of a Qualifying Entity**

- Counterparty risk threshold
- Bonding/financial instruments/securitization
- Repayment provisions for stalled/unsuccessful project delivery
- Re-allocation of grant/loans to other projects
- **Technical Restrictions of Project Proposals**
 - Determined the characteristics of seeking “dispatchable” generation projects, such as start times, ramp capability, duration, real/reactive power, and ride through capabilities of LD storage.
 - Commercially mature technologies (tough to define, but ensuring that the technologies selected have well understood risk/viability)
- **Framework of Terms and Conditions of Proposals, Including Required Terms**
 - Each entity may have a different legal and contracting structure, the overall contractual requirements between entities should be comparable and equitable

II. QUESTIONS REGARDING FUNDING OF TEXAS BACKUP POWER PACKAGES

CPS Energy recommends that the following questions and discussion topics be included on the agenda of the September 21, 2023, workshop regarding Texas Backup Power Packages (“Texas BBPs”):

- **Funding Eligibility Criteria**
 - Will local facilities that communities rely on for health, safety, and wellbeing, including governmental, private, and nonprofit entities, be eligible for Texas BBP Program funding?
 - Will the Commission offer priority consideration for Texas BBP projects that provide backup support for critical life/health/safety/defense critical service facilities?
 - Will microgrid projects with sponsoring customer/stakeholder agreements in place be eligible to receive Texas BBP Program funding?

III. CONCLUSION

CPS Energy appreciates the opportunity to participate in the discussion over Program funding to support the timely construction of new dispatchable generation resources and backup generation for local facilities.

Respectfully submitted,

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