



## **Filing Receipt**

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# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Interested Persons

**FROM:** David Gordon, Executive Counsel  
David Smeltzer, Division Director, Rules and Projects

**DATE:** September 19, 2023

**RE:** Project No. 54999 – September 21, 2023 Texas Energy Fund Public Workshop Agenda

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Commission Staff (Staff) will host a Texas Energy Fund public workshop on **September 21, 2023 at 2:00 P.M.** Central Time. The workshop will be held in the Commissioners Hearing Room at 1701 N. Congress Ave. Austin, Texas 78701 (7th Floor) and will be broadcast on TexasAdmin through the Public Utility Commission (PUC) website.

This workshop will discuss the PUC's implementation of the programs established in SB 2627 passed in the 88th Session of the Texas Legislature. Staff is particularly interested in receiving information from entities who may apply for Texas Energy Fund loans and grants. Staff presents these agenda questions to facilitate discussion at the workshop.

- **Grants for Facilities Outside of the ERCOT Power Region – PURA § 34.0103**
  - What are the essential components of a rule to implement this program?
    - What procedures should the PUC incorporate in developing the application and award requirements?
    - How should the PUC interpret the term “facility modernization” in PURA § 34.0103(a)?
    - Should the rule address rate treatment of grant awards? If so, how?
  - When does the PUC need to adopt a rule to implement this program?
  - What program functionality is necessary to administer grant awards under this program?
    - What features should be included in applications, grant agreements, grant monitoring, and grant close out?
- **Loans for Facilities Inside the ERCOT Power Region – PURA § 34.0104**
  - What are the essential components of a rule to implement this loan program?
    - What are the key materials that applicants will need to provide applicant information for the categories described in PURA § 34.0104(c)?
    - How should the PUC evaluate creditworthiness?

- How should the PUC determine “estimated cost” for the purpose of determining loan caps and the deposit amount?
  - How should the PUC evaluate an applicant’s ability to address regional and reliability needs?
  - Is it necessary for the PUC to adopt reliability performance standards described in PURA § 34.0106(c) as part of the loan rule? Or is it sufficient for these performance standards to be in place when the borrower executes a loan agreement?
  - How should the PUC interpret the term “primarily” in PURA § 34.0106(b)(1) when considering generation associated with private use networks and industrial loads?
- By what date does the PUC need to have a loan rule adopted for this program?
  - What timing challenges will applicants encounter when applying for a loan under this program?
  - How will an applicant’s need to finance at least 40% of its project impact timing considerations for program loans?
  - Is it necessary for the PUC adopt a completion bonus grant rule concurrently with a loan application rule?
- What program functionality is necessary to administer this program?
  - What application guidance will potential applicants require?
  - How should the PUC disburse loan funds? How might the PUC implement phased disbursement of loan funds?
  - What type of system should the PUC implement to facilitate borrower communication with the PUC for any necessary reporting?
- **Completion Bonus Grants – PURA § 34.0105**
  - What are the essential components of a rule to implement the completion bonus grant program?
    - How should the PUC develop optimal and median performance standards as described in PURA § 34.0105(i) to measure facility performance?
    - What reliability metrics should the PUC consider when evaluating facility performance? Should different facility types have different reliability metrics?
    - Should upgrades to existing facilities be eligible for the completion bonus grants or does PURA § 34.0105 limit bonuses to construction of new facilities?
    - What circumstances should the PUC consider when determining extenuating circumstances that justify an extension of the deadlines in PURA § 34.0105(f)?

- What program functionality is necessary to administer this program?
  - What is the earliest date a facility should be able to apply for a bonus grant?
  - How will applicants provide annual performance information necessary for the PUC to evaluate performance?
  - What information will ERCOT need to supply to allow bonus grant applicants to provide information about the performance of their facilities?
- **The Texas Backup Power Package Program – PURA § 34.0201 – .0205**
  - What are the essential components for rules establishing procedures for grants and loans under this program?
    - How should the PUC discern between projects eligible for loans versus projects eligible for grants?
    - What loan terms should the PUC establish for this program?
    - How should the PUC ensure that backup power package facilities do not participate in the sale of energy or ancillary services?
    - What reporting requirements should grant and loan recipients provide to the PUC in connection with this program?
  - What program functionality is necessary to administer this program?
    - What application guidance will potential applicants require?