



Control Number: 55000



Item Number: 5

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PROJECT NO. 55000  
PERFORMANCE CREDIT MECHANISM

# **OPEN MEETING COVER SHEET COMMISSIONER MEMORANDUM**

<b>MEETING DATE:</b>	<b>March 7, 2024</b>
<b>DATE DELIVERED:</b>	<b>March 6, 2024</b>
<b>AGENDA ITEM NO.:</b>	<b>27</b>
<b>CAPTION:</b>	<b>Project No. 55000 – Performance Credit Mechanism (PCM)</b>
<b>DESCRIPTION:</b>	<b>Chairman Gleeson Memorandum</b>

**Thomas J. Gleeson**  
Chairman

**Lori Cobos**  
Commissioner

**Jimmy Glotfelty**  
Commissioner

**Kathleen Jackson**  
Commissioner



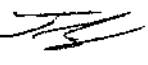
**Greg Abbott**  
Governor

**Connie Corona**  
Interim Executive Director

## *Public Utility Commission of Texas*

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**TO:** Commissioner Lori Cobos  
Commissioner Jimmy Glotfelty  
Commissioner Kathleen Jackson

**FROM:** Chairman Thomas J. Gleeson 

**DATE:** March 6, 2024

**RE:** Project No. 55000—*Performance Credit Mechanism (PCM)*

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On February 29, ERCOT filed its *PCM Draft Design Parameters Options Memorandum* in the above-styled project. I would like to include the following issues as part of our discussion of ERCOT's filing at tomorrow's open meeting:

1. PUCT and stakeholder engagement timing. Are we prepared to set dates for the workshops? Should any of the workshops take place at the Commission instead of at ERCOT?
2. The \$1 billion cost cap. Should this be an absolute annual cost cap or an average annual net cost cap? What affect does the cost cap have on the feasibility of achieving target reliability?<sup>1</sup>
3. Implementation plan. Should we consider ERCOT's February 29 proposal to be the "implementation plan" required by the Commission's *Order and Modified Memorandum* adopting the PCM?<sup>2</sup>

I look forward to our discussion tomorrow.

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<sup>1</sup> See *Performance Credit Mechanism*, Project No. 55000, PCM Draft Design Parameters Options Memorandum at 20 (Feb. 29, 2024).

<sup>2</sup> *Review of Wholesale Electric Design*, Project No. 52373, Order and Modified Memorandum at 3 (Jan. 19, 2023).

