



Control Number: 55812



Item Number: 27

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# OPEN MEETING COVER SHEET

## COMMISSIONER MEMORANDUM

**MEETING DATE:** April 25, 2024

**DATE DELIVERED:** April 24, 2024

**AGENDA ITEM NO.:** 22

**CAPTION:** Project No. 55812 – Texas Energy Fund  
Completion Bonus Grant Program

**DESCRIPTION:** Memorandum of Chairman Gleeson

# *Public Utility Commission of Texas*

## **Memorandum**

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

**FROM:** Chairman Thomas J Gleeson *76*

**DATE:** April 24, 2024

**RE:** April 25, Open Meeting—Agenda Item No. 22  
Project No. 55812—*Texas Energy Fund Completion Bonus Grant Program*

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At the April 11, 2024, Open Meeting, the Commission discussed several aspects of this rule and agreed to postpone consideration of this proposal for adoption (PFA) until the April 25 Open Meeting. I propose the following two changes to Staff's PFA:

1. **Applicability to expansions**-- The intent of the Texas Energy Fund (TEF) is to expedite construction of new dispatchable generation resources. I believe that the completion bonus grant should also be applicable to construction of new generation resources at existing sites. This approach is consistent with the purpose of PURA § 34.0105, which is to incentivize the prompt addition of generation capacity to the ERCOT grid. In my view, this should only include construction of new generation resources that have an aggregate generation capacity of at least 100 megawatts, and not refurbishing or otherwise improving the efficiency of existing generation resources. Allowing new generation resources at existing sites to be eligible for completion bonus grants will meet the Legislature's intent to quickly add capacity to our grid.
2. **Availability Reliability Factor (ARF)** — Under Staff's proposal for adoption, a generation resource's completion bonus grant payment would be discounted for any planned outage that occurred during the 100 hours with the least quantity of operating reserves for each year. I'm concerned that this arrangement may frustrate a plant operator's willingness to prudently schedule routine maintenance. Therefore, I propose that the Commission include a 10-hour grace period, such that the ARF does not impose any discount until planned outage hours coincide with more than 10 of the 100 hours assessed for performance. After that 10 hour mark, the discount curve would match Staff's proposal. I believe this change strikes a reasonable balance between

incentivizing performance and encouraging appropriate maintenance of generation facilities.

Thank you for your consideration of these proposed changes and I look forward to our discussion at the open meeting tomorrow.