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DOCKET NO. 55959

NOTICE OF A PETITION FOR A DESIGNATION UNDER 16 TAC §25.475(b)(5)

Notice is given to the public of a petition filed with the Public Utility Commission of Texas (Commission) on December 8, 2023, requesting a Commission designation under 16 Texas Administrative Code (TAC) §25.475(b)(5) to address the Electric Reliability Council of Texas (ERCOT) Contingency Reserve Service (ECRS).

Docket Style and Number: Joint Petition of Texas Energy Association for Marketers and Alliance for Retail Markets for Designation Under 16 TAC §25.475(b)(5), Docket Number 55959.

The Petition: The Texas Energy Association for Marketers and Alliance for Retail Markets (collectively, REP Coalition) filed a petition requesting that the Commission designate ECRS as an ancillary service incurring a cost beyond a retail electric provider's (REP) control.

Under 16 TAC §25.475(b)(8), the term "price" as it relates to a product for retail electric service includes ancillary services. Under 16 TAC §25.475(b)(5), the price of a fixed rate product "may not vary from the disclosed amount to reflect changes in ancillary service charges unless the commission expressly designates a specific type of ancillary service product as incurring charges beyond the REP's control for a customer's existing contract." The combined effect of these provisions is to require an express Commission designation regarding a new ancillary service before a REP can apply a one-time price increase to an existing contract for a residential or small commercial fixed rate product that was executed before the implementation of the new ancillary service.

The Commission's resolution of the REP Coalition's request will affect REPs that are providing service to residential and/or small commercial customers in the competitive service areas of ERCOT. If the Commission designates ECRS as an ancillary service incurring a cost beyond a REP's control, it could provide REPs with the option to make a one-time adjustment to existing fixed price contracts for residential and small commercial customers that were executed prior to the implementation of the new ancillary service. If the Commission approves the REP Coalition's request, residential and small commercial customers on existing fixed rate contracts that were in effect prior to June 10, 2023, could have a price adjustment that would result in a rate increase.

Persons who wish to file a motion to intervene or comments on the petition should contact the Commission no later than April 1, 2024, by mail at P.O. Box 13326, Austin, Texas 78711-3326, or by phone at (512) 936-7120 or toll-free at (888) 782-8477. Hearing and speech-impaired individuals with text telephone (TTY) may contact the commission through Relay Texas by dialing 7-1-1. All comments should reference Docket Number 55959.



**ISSUED BY ADRIANA GONZALES ON BEHALF
OF THE PUBLIC UTILITY COMMISSION OF TEXAS**