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**INVESTIGATION OF EMERGENCY § PUBLIC UTILITY COMMISSION
PREPAREDNESS AND RESPONSE BY §
UTILITIES IN HOUSTON AND § OF TEXAS
SURROUNDING COMMUNITIES §**

**ALLIANCE FOR RETAIL MARKETS' RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION TO RETAIL ELECTRIC PROVIDERS**

I. INTRODUCTION

The Alliance for Retail Markets (“ARM”) files this Response to Commission Staff’s First Request for Information (“RFI”). On August 2, 2024, the Public Utility Commission of Texas (“Commission”) Staff filed questions inviting retail electric providers (“REPs”) to voluntarily share details about how they were affected by the May 2024 Derecho and Hurricane Beryl. The Commission requested that all responses be filed electronically in Project No. 56822 no later than August 30, 2024. Therefore, ARM’s response to Commission Staff’s RFIs is timely.

ARM appreciates the opportunity to provide the following responses to Commission Staff’s questions concerning the effect of the May 2024 Derecho and Hurricane Beryl on REPs. ARM is an association of competitive REPs, and each ARM member is certificated to provide retail electric service to customers in areas open to customer choice in Texas, including the service territory of CenterPoint Energy Houston Electric (“CenterPoint”) where the vast majority of outages occurred. In the event Commission Staff has further inquiries based on this response, ARM’s point of contact is:

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II. ARM RESPONSE

REP 1-10: Please describe the key lessons learned following the May 2024 Derecho event and Hurricane Beryl.

Following the May 2024 Derecho event and Hurricane Beryl, it is clear that: (1) it is important that transmission and distribution utilities (“TDUs”) provide timely, accurate communications to customers and REPs before, during, and after severe weather events; and (2) better policy coordination is necessary to mitigate the unintended negative impacts that lengthy disconnection moratoriums can have on customers and REPs.

A. Ensure that TDUs provide timely, accurate communications to customers and REPs before, during, and after severe weather events.

It is essential that TDUs provide timely, accurate communications to customers and REPs before, during, and after severe weather events so that customers and REPs have the outage-related information needed to respond effectively to such events. Receiving accurate, timely outage information from TDUs is valuable to REPs because such information enables REPs to see the same information that a customer might see and therefore provide a more meaningful response to customer questions about outages. TDUs can address existing communication gaps by adopting robust processes for sharing information with customers and REPs. To that end, ARM proposes the solutions below.

From an overarching perspective, TDUs should be required to maintain operational online outage tracker maps, which should help decrease customer concerns and calls. The Commission’s current rulemaking in Project No. 56897, *Electric Utility Outage Trackers and Hazardous Condition Reporting*, provides a valuable opportunity to address this issue. It would also be beneficial if the TDUs provided real-time outage information to REPs for ESI IDs for which they are the REP of record. A central repository, like Smart Meter Texas, would be the most efficient way to provide this information.¹ This would enable REPs to have access to the same information

¹ An Electric Service Identifier (“ESI ID”) is a unique number that is assigned to the property to which the TDU delivers electricity.

that their customers have, in turn supporting their ability to address customer questions about outages in the event the customer is unable to reach the TDU.

Some TDUs have suggested,² and the Commission has proposed in Project No. 56898 amendments to 16 Texas Administrative Code (“TAC”) § 25.472,³ that additional requirements should be enacted to require REPs to provide TDUs with customer contact information. The basis for that suggestion appears to be rooted in the inaccurate conflation of two distinct issues: customers’ voluntary opt-in to TDU outage alert services on an individual basis vs. REPs’ provision of customer information to TDUs. Each of these is taken in turn.

In the CenterPoint Chief Executive Officer’s July 29, 2024 testimony before the Texas Senate Special Committee on Hurricane and Tropical Storm Preparedness, Recovery, and Electricity, he stated:

“In my mind, we know 100% of where our customers are. Those smart meters help us provide that level of information. We have an address. We have a smart meter assigned to that premise. *What we only have 42% of is the customer contact information at that address.*”⁴

The CenterPoint Chief Executive Officer further testified before the Texas House Committee on State Affairs on July 31, 2024 that:

“[U]nless a customer opts in and gives us our information, *which only 42% of our customers have done* ... we have no direct method of communicating.”⁵

The second statement is notable in that it identifies the 42% statistic as representing customer opt-ins to CenterPoint’s power outage alerts.

Furthermore, at the July 25, 2024 Commission Open Meeting, CenterPoint’s Senior Vice President and Chief Customer Officer told the Commission:

² See CenterPoint Energy Letter to Governor Greg Abbott, Re: Response to July 16 Letter Regarding Hurricane Beryl and CenterPoint’s Plans to Have the Most Resilient Coastal Grid, at 9 (July 24, 2024), available at: https://gov.texas.gov/uploads/files/press/Letter_to_Governor_Abbott_8.1.pdf.

³ See Project No. 56898 (*Provision of Emergency Contact Information to Transmission and Distribution Utilities by Retail Electric Providers*), Item No. 5, Proposal for Publication of Amendments to § 25.472 (August 16, 2024).

⁴ Hearing of the Texas Senate Special Committee on Hurricane and Tropical Storm Preparedness, Recovery, and Electricity, July 29, 2024, available at: https://tlcsenate.granicus.com/MediaPlayer.php?clip_id=18529 (emphasis added).

⁵ Hearing of the Texas House Committee on State Affairs, July 31, 2024, available at: <https://house.texas.gov/videos/20669> (emphasis added).

“One thing I would like to stress to this body is that because our marketplace, the way our marketplace is structured, we only have contact information for about 42% of our customers. That’s because we only have direct contact if those customers sign up for power alert services through us or if the REPs pass that information on to us to help increase the effectiveness of our direct communications, *we may ask you all to change policy so that we can get contact information from our REPs so that we can improve upon the number of customers that we can push power alert service notifications to during storm level events.*”

CenterPoint’s statements to the Texas Legislature and the Commission conflate two separate things: (1) customers voluntarily opting in to CenterPoint’s power outage alerts; and (2) REPs’ provision of customer contact information to CenterPoint and other TDUs as part of standard retail market transactions. However, when this claim is examined, it is clear that CenterPoint’s 42% figure represents primarily (if not exclusively) the percentage of customers that have voluntarily opted-in to receive CenterPoint’s power outage alerts; it is not related to REPs’ provision of customer contact data to TDUs.

Separately, assertions that REPs are not providing customer contact information to TDUs generally (and to CenterPoint specifically) are demonstrably false. REPs currently provide customer contact information (name, service address/ESI ID, and telephone number) to TDUs.⁶ Specifically, TDU retail delivery tariffs require REPs to include customer contact information in certain TX SET transactions if available.⁷ REPs provide TDUs with the names, service addresses/ESI IDs, and telephone numbers of their customers to effectuate customer requests for move-ins and switches. Therefore, TDUs should already have ample customer contact information for most end-use customers – significantly more than CenterPoint’s reported 42% – so a TDU’s inability to send outage information to customers is not solely attributable to REPs. Although certain utilities have implied that they also need access to customer email addresses to provide effective outage communications, this should not be a gating issue. First, REPs do not have email addresses for every customer. Second, the effectiveness of email as an emergency communications channel (especially given the more pressing content-related communications issues that occurred during Hurricane Beryl) has not been established and is questionable to assume. In any event, there

⁶ The Commission has robust rules to protect the privacy of customer information, which are in addition to comprehensive state and federal privacy laws that govern the use of customer information.

⁷ See 16 TAC § 25.214(d), Tariff for Retail Delivery Service, Sections 4.3.3, 4.3.7 (effective date January 1, 2015), available at: [https://www.puc.texas.gov/agency/rules/laws/subrules/electric/25.214/25.214tariff\(2014\).pdf](https://www.puc.texas.gov/agency/rules/laws/subrules/electric/25.214/25.214tariff(2014).pdf).

is nothing that prevents TDUs from using the customer contact information already in their possession from standard market transactions to support emergency communications.

Stated another way, there is not a customer contact information “issue” to solve, and even to the extent that there are changes made on that topic, it will not solve for the TDUs having timely, premise-specific outage information to communicate. The content and accuracy of the TDU information that will be communicated to customers must be addressed to mitigate issues going forward. While this raises questions about the need for a rulemaking in response to CenterPoint’s assertions and request, the topic does raise a timely opportunity to consider and reinforce appropriate restrictions on TDUs’ use of customer contact information provided by REPs.

ARM emphasizes that TDUs are limited to using customer proprietary information only for purposes allowed by the Commission-approved tariff including outage reporting. TDUs should not be permitted to use customer contact information, whether provided voluntarily by customers who opt-in to TDU outage notifications or provided by REPs in retail market transactions, to promote products or services offered by the TDU’s affiliates and vendors. Additionally, TDUs should be prohibited from selling or sharing the information (either individually or in aggregate) with affiliates or third parties or using the information to provide preferential services to customers that are not directly tied to outage reporting and service. To ensure that the privacy of customer information is protected consistent with these recommendations, changes to 16 TAC § 25.272 (*Code of Conduct for Electric Utilities and their Affiliates*) would be needed.

Customers should be entitled to receive timely and accurate premise-specific outage information from the TDUs. Specifically, TDUs should be required to provide premise-specific outage notices, status updates, and restoration times to impacted customers. TDU communications should be concise and focused on outage status (including information such as the cause of the outage) and the estimated and actual time of restoration. TDUs should refrain from sending lengthy statements about the TDU’s general restoration activities, which would be more appropriately shared via other methods, such as press releases and social media posts. The Commission may consider establishing standards regarding these factors. ARM is aware of instances where customers had opted in to CenterPoint’s outage notifications, but received lengthy general statements about restoration efforts (instead of specific updates), received inaccurate information, or received no alerts at all. Improving the quality of information that will be included in the TDU outage alerts will help resolve these issues.

If the requirements above are established, then communications to customers could be improved and enhanced for future emergency events, as further proposed and described below.

- **Outage Event Occurs**

- A TDU pushes out a communication (such as a text message, call, or email) to customers to notify them that an outage is occurring at their premise.
- The TDU updates its outage tracker so the public can monitor outage information and learn about the cause of the outage.
- The TDU updates a system (such as Smart Meter Texas) so that REPs can obtain real-time outage information for impacted ESI IDs, which enables REPs to access the same information as customers during the outage.⁸ For purposes of these comments, this system could be called the “ESI ID Outage Database.”

- **Outage Event Continues**

- The TDU continues to update its online outage tracker so that the public is aware of changes in the situation, such as expected restoration time in specific parts of a service area.
- The TDU continues to update the ESI ID Outage Database so that REPs can continue to obtain real-time outage information for impacted ESI IDs.
- Using information provided by the TDU, REPs are able to respond to customer communications (such as calls inquiring about the status of an outage).⁹

- **Outage Event Ends**

- The TDU pushes out a communication (such as a text message, phone call, or email) to impacted customers to notify them that their power has been restored.
- The TDU updates its online outage tracker to confirm that restoration has occurred.
- The TDU updates the ESI ID Outage Database accordingly so that REPs are made aware that restoration has occurred.

B. Better policy coordination is necessary to mitigate the unintended negative impacts that lengthy disconnection moratoriums can have on customers and REPs.

As REPs, the ARM members’ foremost concern is providing retail electric service to their customers. To that end, there are a variety of resources available to customers and protections in place to ensure that the use of disconnections for nonpayment are minimized. Disconnection for non-payment is a last-resort measure. When a disconnection moratorium is in place, customers with past due balances continue to accumulate further debt. If the moratorium is lengthy, those

⁸ Note that REPs may differ in their utilization of this information.

⁹ Again, note that REPs may differ in their utilization of this information.

customers' past due balances can reach levels that are difficult to overcome once the moratorium is eventually lifted. In the meantime, the REP must continue to pay the TDU for electric delivery charges as well as for the cost of wholesale power that the non-paying customer consumes. Stated another way, a customer's failure to pay the REP does not mean that the REP is excused from paying the TDU or ERCOT. To the contrary, failure to pay the TDU or ERCOT can result in the revocation of a REP's certification.¹⁰ Consequently, a lengthy disconnection moratorium can cause negative financial impacts on both customers and REPs, which should be mitigated to ensure that what may be intended as a customer protection does not cause unintended harm.

ARM respectfully requests that the Commission open a project to further explore the parameters of the TDUs' authority under Commission rules and TDU tariffs to implement a disconnection moratorium. That project should further explore the financial responsibilities that TDUs should be obligated to bear for extending disconnection moratoriums outside of the parameters established in the Commission's rules. For example, if a TDU were to extend a disconnection moratorium beyond a period allowed by the Commission's rules and the TDU's tariff, the TDU could be required to donate funds to a customer bill payment assistance agency to help mitigate unpaid balances that accrue during a lengthy moratorium. Another option with some precedent is that the TDU could be required to cease the collection of wires charges for customers that could have been subject to disconnection if not for an extended moratorium. This concept is similar to the cessation of wires charges concept memorialized in 16 TAC § 25.483(g)(4).

REP 1-11: Please describe any plans to improve or bolster your response to similar emergency events in the future.

Please refer to ARM's response to RFI 1-10.

REP 1-12: Please provide any additional information and describe any concerns that may be helpful to this investigation or may be relevant to the assessment and relief efforts in the aftermath of Hurricane Beryl and the May 2024 Derecho event.

Please refer to ARM's response to RFI 1-10.

¹⁰ 16 TAC § 25.107(k)(7)-(8), (16).

III. CONCLUSION

ARM appreciates the opportunity to provide the foregoing response to the Commission.

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Respectfully submitted,

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