

Tariff and Business Rules – Critical Load Program

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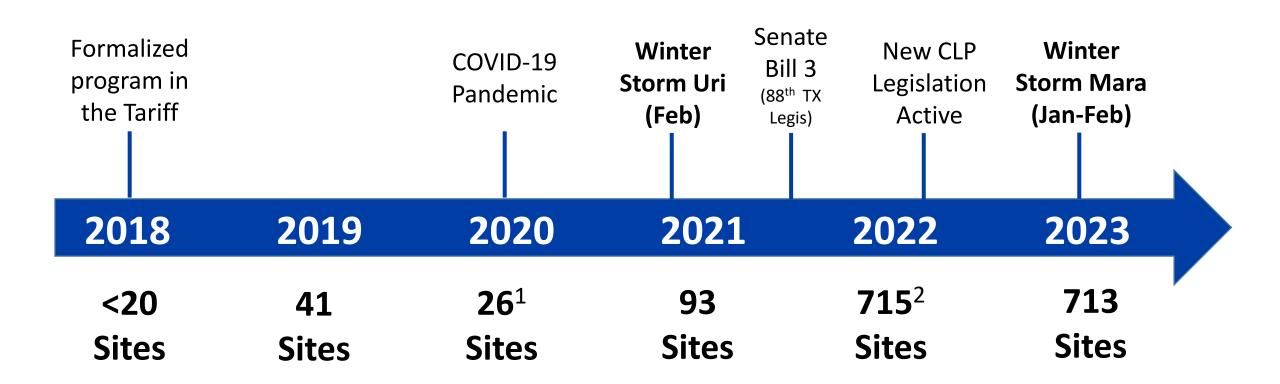
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Background

The Critical Load Program (CLP) is a registry of non-residential service locations which have approved applications on file with PEC.

- The program allows for approved sites to receive enhanced communications and considerations during energy or weather-related events.
- There is no guarantee of uninterrupted supply of electric service.
- CLP added to the Tariff in 2018.
- SB 3 (2021) requires electric cooperatives to periodically provide information to its members on critical load programs and procedures for applying based on PUC rules.
- PEC provides notice twice a year in April and October.
- Requirements for electric cooperatives to have a critical load registry were adopted by the PUC in February 2022.

Program Growth & Progression



¹ List was reduced due to PEC's updated process which excluded noncritical industrial loads

² Growth was due to the new requirements and need for water utilities to file for critical load designation

Legal and Regulatory Requirements for Electric Cooperatives

- PEC is required to send periodic notice to members via their monthly bills to inform on cooperative's load shed procedures, types of critical care, and critical load designations as well as procedures for program registration. (*Tex. Utilities Code 17.006*)
- Texas Legislature required PUC and Railroad Commission to designate critical natural gas infrastructure for critical load designation and load shed prioritization. (Tex. Utilities Code 38.074)
 - Critical natural gas operators must provide information regarding these critical sites to cooperatives. (PUC Substantive Rule 25.52(h))
- Cooperatives must submit member sites or feeders which are designated as critical load to the PUC and ERCOT. (Tex. Utilities Code 38.076)
- PEC must maintain a load infrastructure registry within its Emergency Operations Plan (EOP) and review the registry annually. (PUC Substantive Rule 25.53)

Legal & Regulatory Requirements Not Directly Applicable to Cooperatives

Definitions, Reliability, and Continuity of Service – Critical Loads; Critical Load Industrial Customers, Critical Load Public Safety Customers, Critical Care Residential Customers, and Chronic Condition Residential Customers:

Define critical loads for electric service crucial for the protection or maintenance of public health and safety; including but not limited to hospitals, police stations, fire stations, critical water and wastewater facilities, and customers with special in-house life-sustaining equipment.

PUC Substantive Rules 25.5(21), 25.52(c)(1), 25.497

Texas Water Code – Coordination of Emergency Operations:

Requires water and wastewater utilities to file for critical load with electric utilities annually. *Texas Water Code Sec.* 13.1396

While these are not required, PEC does follow these guidelines within the program.

PEC Program Applicability & Requirements (Currently in Tariff)

- Locations are categorized as one of the following:
 - Public Safety
 - Industrial
 - Natural Gas Infrastructure
- Members are required to submit an application for review and consideration.
- Applications are reviewed and approved by PEC staff (Legal, Regulatory and Compliance, Distribution Control Center, and Commercial, Industrial, and Municipal Relations.)

Proposed Amendments to the Tariff

Amendments:

- Update the Tariff to remove detailed site designation categories to comply with state law.
- List full applicability, requirements, and application process on the PEC Critical Load Program website.

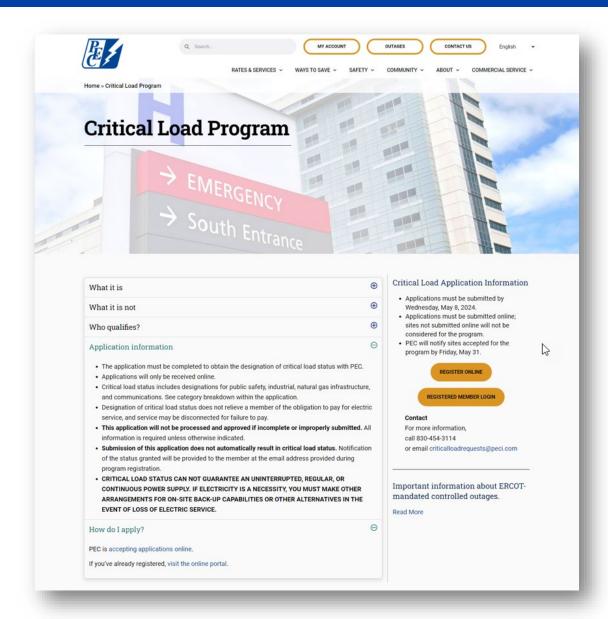
Enhancements:

- Streamline application process for site designation.
- More efficient member online application process.
- Allow staff flexibility in program adjustments to meet legal and regulatory requirements.

Effective Date:

• June 1, 2024.

PEC Critical Load Website



- Program Description
- Application & Eligibility Requirements
- Online Application Member Portal
- Application Deadlines
- Program Contact Information

www.pec.coop/critical-load-program



PEDERNALES ELECTRIC COOPERATIVE