Legislation Text

File #: 2021-342, **Version:** 2

Resolution - Authorization for Filing with Public Utility Commission for Winter Storm Debt Securitization Opt-Out - B Headrick

Submitted By: Audri Nelson on behalf of B Headrick
Department: Compliance and Regulatory
Financial Impact and Cost/Benefit Considerations: As discussed in executive session.

The Winter Storm that occurred in February 2021 created costs for ERCOT market participants including a default balance of approximately $800 million and an uplift balance of approximately $2.1 billion. The default balance is attributable to amounts owed to ERCOT from wholesale market participants. The uplift balance is attributable to those amounts uplifted to load-serving entities, like the Cooperative, on a load ratio share basis due to energy consumption during the period of emergency for reliability deployment price adder charges and ancillary services costs in excess of the Public Utility Commission of Texas (PUCT) system-wide offer cap of $9,000/MWh. Under HB 4492 passed in the 87th Regular Legislative Session 2021, the State of Texas authorized financing of these balances to serve the public purpose to preserve the integrity and to stabilize the wholesale electricity market in the ERCOT power region.

The PUCT is required to develop a one-time process that allows electric cooperatives, among other entities, to opt out of the uplift charges by paying in full all invoices owed for usage during the period of emergency attributable to the Winter Storm. Load-serving entities and transmission-voltage customers that opt out shall not receive any proceeds from the uplift financing.

The Cooperative has paid in full its invoices attributable to the Winter Storm.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative file an appropriate filing with the Public Utility Commission of Texas to opt-out from the uplift financing as discussed in Executive Session; and

BE IT FURTHER RESOLVED, that the Chief Executive Officer or designee is authorized to take such actions as needed to implement this resolution.