



**Attached are the Public Comments received
by ERCOT after April 12, 2021 in relation to
Agenda Item 9.**

From: [Shane Cawood](#)
To: [Corporate](#)
Subject: RE: Public Comments for 4/13 ERCOT Urgent Board of Directors Meeting (Agenda Item #9)
Date: Tuesday, April 13, 2021 9:25:35 AM

******* EXTERNAL email. Please be cautious and evaluate before you click on links, open attachments, or provide credentials. *******

I apologize for the confusion. It appears that the public comments are to be submitted in written form only. We pray that the following comments can be submitted in the morning's Urgent ERCOT Board Meeting:

1. Your name
 - Shane Cawood
2. The company or organization that you represent, if applicable
 - Hartman Income REIT
3. Your preferred email address
 - scawood@hi-reit.com
4. The agenda item for which you plan to provide comment
 - **Agenda Item #9 - ERCOT Decision regarding Exiting Energy Emergency Alert (EEA) Level 3 on Operating Days February 18 and 19, 2021**
5. The general substance of your comment

Our company owns and operates commercial real estate properties across Texas with roughly 1,900 leases that are mostly to small businesses. A year of COVID-19 operations has already taken a heavy toll on our industry and our tenants. Now, businesses like ours and our tenants that survived 2020 are about to have to pay for the events that led to the egregious energy and ancillary charges from last month.

We are projecting our total charges (with all rate types included) to be **\$5M - \$9M over our typical energy billing for FEB**. This included charges on fixed rate contracts with pass throughs (397% increase in total billed/kWh) and on indexed contracts (with increases in the range of 2,000% - 4,000%). Our total electricity expense for the **entire year of 2020 was \$6.6M. That means our billing for the 1 week of the freeze will be equal to or greater than a full year of electricity expenses.** As you know, there was no way for consumers to hedge for the unprecedented level of manipulation of the market for an unprecedented number of hours.

As with almost all building owners, building operating costs are shared by all the tenants. **The average small business tenants at one of our properties would see an increase of over \$18K just for the week of the freeze if we do not find a way to provide them with some relief. That**

is despite the fact that most of our 1,900 tenants could not operate their businesses for much of that week **due the widespread energy outages that the PUC's manipulation of the market failed to solve.**

This massive increase comes **despite aggressive measures we took** days prior to the freeze to **voluntarily reduce consumption** at our buildings to a minimum - such as powering **only life safety and security systems and heating** to temperatures just above freezing. ...and still with 1 week of charges equal to or greater than 1 year. _

Peers in our industry have shared similar stories. For example, John Rentz - Boxer Property's VP & Chief Counsel - shared that they are projecting that **their energy expenses will increase by roughly \$18M for the week of the freeze.**

We plead that the ERCOT Board vote for the following repricing requests to the PUCT:

1. Follow IMM's recommendations to remove the adder creating \$9K/mWh energy pricing on THU, 2/18 – FRI, 2/19 after firm load shed was no longer needed.
2. Place a \$9K/mWh cap on the ancillary service charges on THU, 2/18 – FRI, 2/19.
3. Place a \$9K/mWh cap on the ancillary service charges for the entire week of the freeze, starting SUN, 2/14 – SAT, 2/20.

Our indexed energy rates and even the passthrough portions of our fixed rate plans are based on the prices set by ERCOT and authorized by the PUCT. So, it would be impossible for the consumers (and the Texas economy) to not benefit from the requested repricing with the support of the ERCOT Board of Directors and the PUCT. Despite the potential challenges with repricing, it can be done and is the right thing to do for Texas.

The Commercial Real Estate industry is one of the largest contributors to the Texas economy. The businesses in our buildings – our tenants - multiply these contributions to the Texas economy exponentially. If we cannot do the right thing by the businesses that already exist in Texas, how can any business in or out of Texas feel confident in doing business in Texas?

Thank you for taking the time to consider our request. We pray that you will vote for the requested market corrections.

HARTMAN INCOME REIT

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From: Shane Cawood

Sent: Monday, April 12, 2021 4:56 PM

To: corporate@ercot.com

Subject: Public Comments for 4/13 ERCOT Urgent Board of Directors Meeting (Agenda Item #9)

Please accept this as my request to provide public comments in the ERCOT Board meeting tomorrow, 4/13.

1. Your name
 - Shane Cawood
2. The company or organization that you represent, if applicable
 - Hartman Income REIT
3. Your preferred email address
 - scawood@hi-reit.com
4. The agenda item for which you plan to provide comment
 - **Agenda Item #9 - ERCOT Decision regarding Exiting Energy Emergency Alert (EEA) Level 3 on Operating Days February 18 and 19, 2021**
5. The general substance of your comment
 - **Plead for repricing in alignment with IMM recommendations.**

Shane Cawood | Director of Operations - Asset Services

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