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Electric Reliability Council of Texas, Inc.
Attn: Board of Directors
8000 Metropolis
Building E, Suite 100
Austin, Texas 78744
(via e-mail: corporate@ercot.com)

Re: The Joint Transmission Service Providers ("Joint TSPs") Comments on the Proposed Amendments to the ERCOT Bylaws

To Whom It May Concern:

AEP Texas Inc., CenterPoint Energy Inc., the Lower Colorado River Authority (on behalf of LCRA Transmission Services Corporation), Oncor Electric Delivery Company LLC, and Texas-New Mexico Power Company (collectively, the "Joint TSPs") offer these comments in response to the September 9, 2022 Market Notice regarding the Electric Reliability Council of Texas, Inc.'s (ERCOT) proposed amendments to the ERCOT Bylaws.

Historically, Corporate Members like the Joint TSPs and other stakeholders have provided beneficial technical and policy information and expertise to ERCOT. In the past, policy decision interaction occurred through Market Segment representation on the Board, and the primary technical interaction was through the Technical Advisory Committee (TAC). ERCOT and retail customers have benefitted from the technical information and expertise provided by Corporate Members and stakeholders on issues related to transmission planning, real-time operations, and retail market operations. The Joint TSPs believe that similar coordination between ERCOT, Corporate Members, and stakeholders is necessary for ERCOT to effectively implement legislation passed by the 87th Texas Legislature, which includes developing congestion cost savings criteria for economic transmission projects, incorporating seasonal peak demand for purposes of load shed, and further refining weatherization standards. Thus, the Joint TSPs encourage ERCOT and its Board to implement a corporate governance structure that will ensure continued engagement on both technical and policy issues from a balanced range of Corporate Member and stakeholder perspectives.

During this time of transition, the Public Utility Commission of Texas (PUC) continues to evaluate and alter the ERCOT market design and implement other market reforms and reliability enhancements. ERCOT and the Board must assist in this effort, and should consider the significant financial and operational impacts that these types of changes can have on Corporate Members and stakeholders. The Joint TSPs urge both

ERCOT and the Board to take direction from the PUC, but to also incorporate feedback from the Corporate Members and market participants that enable the ERCOT grid to function on a daily basis.

The proposed Bylaws amendments appear to further limit Corporate Member and stakeholder involvement in the ERCOT process, and the current design proposal for stakeholder interaction with the ERCOT Board contemplates TAC Leadership representing stakeholder issues before the Reliability and Markets Committee. No other independent system operator in the country operates with such a limited view of stakeholder input. The Joint TSPs note that while TAC Leadership effectively represents Members and stakeholders on broad areas of common interest, the TAC Chair and Vice Chair alone may not be able to represent in detail the specific issues that are most critical to the individual Market Segments, issues that are often critical to the effective and efficient operation of ERCOT as well. The Joint TSPs encourage ERCOT and its Board to implement a framework for interaction that gives Corporate Members and stakeholders the opportunity to have meaningful input directly to the ERCOT Board.

The Joint TSPs understand and respect that ERCOT has been and will continue to be expected to take action in a variety of areas; however, the unintended consequences of short-term actions with limited market participant input in response to these pressures must be evaluated in relation to the long-term implications. Areas of high importance to the Joint TSPs that the ERCOT Board routinely considers include policies around facility outage reviews and approvals by ERCOT, Regional Planning Group (RPG) project endorsements, and ERCOT load forecasting practices. Effective and informed decision making in these and other related areas is of utmost importance to the Joint TSPs. As ERCOT and the Board are aware, transmission and distribution utilities hold the full suite of information necessary to manage these areas as the entities that own and directly control transmission facilities, own and operate the distribution grid, and have a direct relationship with the end-use customers.

Finally, the Joint TSPs point out that Corporate Members have a successful history of working with ERCOT and its Board to effectuate governance changes under the existing processes. The Joint TSPs take seriously their obligations as Corporate Members and remain committed to working cooperatively to consider improvements that ERCOT or the Board or any other Corporate Member may propose. The Joint TSPs appreciate the Board's consideration of these comments and stand ready to provide feedback if ERCOT or the Board has any follow-up questions. The Joint TSPs look forward to the development of market policies and rules that further support the safe and reliable operation of the ERCOT transmission system.

Sincerely,

s/s Mark Carpenter

cc: Chad Seely (via e-mail: chad.seely@ercot.com)
Jonathan Levine (via e-mail: jonathan.levine@ercot.com)