

November 7, 2022

VIA ELECTRONIC SUBMISSION

Chairman Peter Lake
Commissioner McAdams
Commissioner Cobos
Commissioner Glotfelty
Commissioner Jackson
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

Re: PUC Project No. 52373, *Review of Wholesale Electric Market Design*; and PUC Project No. 53298, *Wholesale Electric Market Design Implementation*; Re: Second Procurement of Firm Fuel Supply Service (FFSS) Product

Dear Chairman and Commissioners:

I appreciate the tremendous effort that you have put into the rapid development and implementation of the Firm Fuel Supply Service (FFSS) to ensure additional grid reliability and resiliency during extreme weather conditions and to create the financial incentives to encourage investment in resources that can meet the higher resiliency threshold via firm fuel arrangements.

With the phase one procurement in the books, I am writing to encourage the Commission to consider the inclusion of distributed generation (DG) assets that are backed by firm supply and delivery of natural gas an eligible resource type in the next iteration of the FFSS program.

In the first procurement, only offers for natural gas Generation Resources with specific reserve fuel capabilities were eligible. Enchanted Rock supports Commissioner Cobos' April 20th memorandum recommending the inclusion of fuel supply arrangements consisting of off-site storage with firm transportation contracts as eligible entities. However, we also recommend that eligibility requirements be further expanded to include Settlement-Only Distributed Generation (SODG) which already participates in programs like Emergency Response Service



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(ERS). Given that ERCOT will operate the FFSS program based on Verbal Dispatch Instructions (VDI), like ERS, it is unnecessary for the program to be strictly limited to Generation Resources. Expanded use of these resources would also be consistent with the Commission's policy to utilize ERS in advance of energy emergencies.

The inclusion of SODGs that have firm fuel supply through the Local Distribution Company (LDC) systems would satisfy Senate Bill 3's (SB3) direction to qualify "fuel supply arrangements to ensure winter performance for several days" for the FFSS program. During the 8-day Winter Storm Uri event, Enchanted Rock's fleet of over 500 MWs operated at an extremely high level of reliability. When 143 of our customers would have experienced extended grid outages, our resources leveraged the inherent resilience of the LDC systems to maintain electric service, covering approximately 5,000 outage hours. Further, Enchanted Rock's fleet was largely unaffected by the gas pressure issues on the transmission level because the units operate at full load with gas pressures as low as 5 psi.

As the Commission moves forward, the inclusion of SODGs in future FFSS procurements will allow more economic MWs of firm fuel resources into the program. Keeping the lights on for Texans is as central to our business model as it is a goal of the Commission, and we are ready to provide any help we can.

Sincerely,



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