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| NPRR Number | N/A | Title | “A Market Design Framework to Meet ERCOT’s Strategic Objectives” |
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| Market Segment | | N/A | |

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| Comments |

Conservative Texans for Energy Innovation (CTEI) appreciates the opportunity to submit comments on “A Market Design Framework to Meet ERCOT’s Strategic Objectives,” which was presented to the ERCOT Technical Advisory Committee by Keith Collins, ERCOT Vice President, Commercial Operations, on October 30, 2024.

CTEI is a non-profit clean energy education and advocacy organization composed of thousands of Texans seeking to promote energy innovation and clean energy policies grounded in the conservative principle of common sense, market-based solutions that allow fair competition and provide greater access to clean, affordable, and reliable energy.

It is not at all clear that this “framework” is necessary, and as currently presented, the framework is so high level that it is essentially meaningless. For the ERCOT market, the Texas Legislature sets the highest level of policy related to wholesale and retail electricity markets, regulated utilities, and other affected entities. The Public Utility Commission of Texas (PUCT or Commission) then crafts more detailed rules and conducts contested cases to interpret the statutory provisions enacted by the Legislature. The PUCT also approves or rejects protocols adopted by the ERCOT Board.

What is conspicuously absent from the framework is acknowledgement that the foundation of the ERCOT wholesale market is competition: ERCOT’s competitive wholesale market (created by the Legislature) is tightly linked to retail competition and customer choice (also established by the Legislature) in the ERCOT region. The most important principle in any ERCOT market design framework is whether it promotes fair wholesale and/or retail competition, consistent with state policy established in PURA and the Commission’s rules.

In exploring whether any proposed market changes are appropriate, CTEI also recommends that ERCOT and stakeholders ensure that they are considering state-of-the-art technology and innovative solutions to address the evolving ERCOT market, changing economics, and technology advances. Examples of this include ERCOT’s ongoing study regarding the potential deployment of 765-kV transmission in the ERCOT Region as well as continued integration of energy storage resources. Moreover, in support of competition, the framework also should seek to achieve the most economically efficient outcomes for customers – Texas residents and businesses who ultimately pay for this market – and without choosing technology winners and losers.

Again, CTEI questions whether the proposed framework is necessary; it’s not clear how it will be used or why it is even needed 25 years after passage of statutes establishing the ERCOT competitive markets. If adopted, however, the framework will be incomplete if it does not establish competition as its core objective, consider ways to incorporate a wide range of technologies and innovative solutions, and seek to achieve economically efficient outcomes for customers.