



Public Utility Commission of Texas

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News Release
November 10, 2022

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Public Utility Commission Releases Reliability Reform Study on Texas Electric Market Design

Asks for Public Comment on Study and Recommendations

Austin, Texas – The Public Utility Commission of Texas (PUC) today released an independent study commissioned to analyze and recommend design updates to the Texas wholesale electricity market that will strengthen current and long-term reliability reforms to the state’s electric grid. The study was done in alignment with the economic and operational reliability principles outlined in the PUC’s [Blueprint for Wholesale Market Design](#), which was unanimously adopted by Commissioners in December 2021.

“This study confirms that we can achieve even more dramatic improvements in reliability with minimal cost impact to consumers,” said PUC Chairman Peter Lake. “By combining the best elements of each design model into the Performance Credit Mechanism (PCM), we create a system that ensures enough electricity when we need it most while incentivizing construction of new plants to deliver reliable power to Texas homes and businesses.”

In comments made from the dais during the Commissioners’ Nov. 10, 2022, open meeting, Chairman Lake stressed the PCM is the preferred option for market design because it best satisfies the priorities laid out by the Commission for market design and meets the requirements passed by the Legislature and Governor Abbott in the last legislative session. The study, by Energy+Environmental Economics (E3) is available on the [PUC’s website](#) for review, along with a corresponding staff memo.

PUBLIC COMMENT

The PUC is asking the public, members of industry, stakeholder groups and anyone interested in the market design reliability reforms to provide feedback on the PCM option as it’s laid out in the E3 study. Key questions of interest to the PUC for public feedback can be found in the PUC’s request for comment, at the link above.

The PUC is adding five days to the normal 30-day public comment period to accommodate for the Thanksgiving holiday. Comments are due by noon, Thursday, December 15, 2022, and should include a clearly marked Executive Summary, up to one page, labeled with the commenter’s name as the last page of the filing. Please limit responses to 25 pages, excluding the Executive Summary.

“This affects every Texan served by the ERCOT grid, so we need to hear from you,” said Chairman Lake. “Your feedback helps ensure that we are delivering the reforms and reliability needed to keep Texas strong.”



BACKGROUND

Beginning in July 2021, PUCT Commissioners held a series of public workshops and meetings and accepted public comment to collect information from the public, industry, stakeholder groups and others about market design preferences to meet reliability directives in Senate Bill 3, passed by the 87th Texas Legislature and signed into law by Gov. Abbott. The bills required increasing grid reliability through operational and economic improvements.

Information gathered during these meetings and submitted to the PUCT formed the foundation of the Blueprint for Wholesale Electric Market Design, Phases I and II.

E3 was hired in May 2022 by the PUCT through an open, public, competitive bid process to analyze and recommend market design options following the priorities outlined in the Blueprint.

About the Public Utility Commission

Our mission is to serve Texans by regulating the state's electric, telecommunication, and water and sewer utilities, implementing respective legislation, and offering customer assistance in resolving consumer complaints. Since its founding in 1975, the Commission has a long and proud history of service to Texas, protecting customers, fostering competition, and promoting high quality infrastructure. To learn more, please visit <http://www.puc.texas.gov>.

