Concepts for Reform

Accountability, Reliability, and Affordability in the Texas Energy System

Weatherization of Energy Supply

- Enforceable Public Utility Commission (PUC) standards for power generation
- Enforceable Railroad Commission (RRC) standards for gas supply (wellheads, processors) and transport (compressors) in freezing conditions
- Transparent, fair, ready-to-use funding mechanism

Electric-Gas Coordination

- Formalize coordination between electric and natural gas sectors through TERC (Texas Energy Reliability Council)
- Require a data-driven root cause analysis conducted by independent expert jointly selected by PUC and RRC, resulting in:
    - Regulatory changes adopted in 2022 by PUC and RRC
    - Additional legislative proposals considered in 2023

Electricity Market Restructuring for Reliability

- Legislature defines in law a requirement for reliability. Set policy on reliability customer-facing outcomes—not industry jargon
    - No customer should be without power for more than 6 hours at a time, or for more than 1 day in total over 10 years due to supply issues
- Legislated reliability requirement results in PUC/ERCOT reforms targeting:
    - Generators who supply energy
    - Utilities who execute 'rolling' outages during supply shortfalls and provide transparency of expected and actual customer impacts to REPs
    - Customer-facing electricity suppliers (REPs, munis, co-ops) who provide battery storage, and manage demand response programs on behalf of customers

Communications

- Energy Emergency Alert system to warn of potential power supply shortfalls well in advance
- Customer-facing electricity suppliers (REPs, munis, co-ops) required to amplify the Alerts through their channels, including phone voice and text, email, and app-based social media
- Utilities ensure 'critical customer list' is up to date, provide transparency to REPs about outages and expected power return so REPs can assist customers

Retail Customer Protections

- Ban products that directly expose residential customers to real-time wholesale prices (e.g., Griddy)

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