|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1269](https://www.ercot.com/mktrules/issues/NPRR1269) | NPRR Title | RTC+B Three Parameters Policy Issues |
|  | |  | |
| Date | | April 4, 2025 | |
|  | |  | |
| Submitter’s Information | | | |
| Name | | Eric Goff, Nabaraj Pokharel, John Russ Hubbard, Mark Dreyfus, Nick Fehrenbach, Mark Smith | |
| E-mail Address | | [eric@goffpolicy.com](mailto:eric@goffpolicy.com), [nabaraj.pokharel@opuc.texas.gov](mailto:nabaraj.pokharel@opuc.texas.gov), [jhubbard@omm.com](mailto:jhubbard@omm.com), [mark@mdenergyconsulting.com](mailto:mark@mdenergyconsulting.com), [n.fehrenbach@dallascityhall.com](mailto:n.fehrenbach@dallascityhall.com), mark@marksmithlawllc.com | |
| Company | | Residential Consumer, Office of Public Utility Counsel (OPUC), Texas Industrial Energy Consumers (TIEC), the City of Eastland, the City of Dallas, ERCOT Steel Mills (collectively, “Joint Consumers”) | |
| Phone Number | |  | |
| Cell Number | | 512-632-7013 (Eric Goff), 512-825-7656 (Nabaraj Pokharel), 512-964-0415 (John Russ Hubbard), 512-632-5872 (Mark Dreyfus), 214-670-5173 (Nick Fehrenbach), 512-635-7930 (Mark Smith) | |
| Market Segment | | Consumer | |

|  |
| --- |
| Comments |

The Office of Public Utility Counsel (“OPUC”), Residential Consumer, the City of Eastland, the City of Dallas, ERCOT Steel Mills, and Texas Industrial Energy Consumers (“TIEC”) (collectively, “Joint Consumers”) file these comments urging the ERCOT Board to exercise judicious restraint before adopting this policy change. Specifically, the Joint Consumers ask the Board to modify the proposed floor price from $15 to $0 dollars, consistent with the IMM’s recommendation, as reflected in the 3/25/25 Joint Consumers comments. Importantly, setting the floor to $0 will give stakeholders the optionality to add a floor if market results demonstrate that a floor value is warranted.

As explained in the Technical Advisory Committee (“TAC”) meeting, there should be an extraordinarily high threshold with supportive evidence for adding a floor to an administratively determined demand curve that is supposed to represent the value of a service. However, comments to add a $15 floor were only introduced on March 4th, and there has been no analysis to verify that a $15 floor would most efficiently address the purported issue. Although ERCOT claims the price increase of a $15 floor is “relatively modest,” ERCOT and the IMM agree that the floor will add ***millions of dollars*** to the market based on the possibility of hypothetical RUCs.

ERCOT and some generators continue to allege that the consumer concern is on high levels of reserves, but this mischaracterizes the issue. Importantly, the Joint Consumers would much rather make a determination in the future about whether a floor is justified based on evidence of ***actual operational concerns*** where the outcome would have been different but for a floor. We obviously want to avoid RUCs, but the solution to avoiding RUCs is not potentially arbitrary floors on demand curves or other interventions of pricing outcomes.

If the Board adopts a $0 floor, the Joint Consumers will commit to working with stakeholders to monitor and review the impacts of the $0 floor throughout 2026. At that time, if market results demonstrate a different floor value is warranted, stakeholders can consider a subsequent NPRR to set that new floor would. This would trigger a full stakeholder review of that new value based on analyses of the observed RTC results in 2026, rather than ERCOT’s pre-RTC predictions using prior year data.

|  |
| --- |
| Revised Cover Page Language |

None

|  |
| --- |
| Revised Proposed Protocol Language |

None