



## Public Utility Commission of Texas

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### **PUC and ERCOT Provide Update on Summer Preparations and Expectations**

*Taking critical steps to more aggressively manage the grid*

**Austin, TX** – In a joint press conference today, PUC Chairman Peter Lake and ERCOT Interim President and CEO Brad Jones updated Texans on the concrete steps their organizations are taking to improve grid reliability as the hottest days of summer draw near.

“As summer heats up and we work to make the most out of existing resources, we’ve directed ERCOT to take aggressive action to increase the amount of reserve power available,” said Chairman Lake. “While our policy efforts are sharply focused on the long-term goals set by Governor Abbott and the Texas Legislature, these operational changes will increase the grid’s margin of safety in the near-term.”

The PUC has directed ERCOT to significantly increase the amount of power on standby for the afternoon hours when summer demand is at its highest. ERCOT is doing this by purchasing more reserve power from generators whose plants can respond relatively quickly when needed. Known as Ancillary Services, these reserves are essential for a grid operator like ERCOT to maintain the critically delicate balance between power supply and demand.

In addition, ERCOT is acting more quickly to secure additional power when the cushion between generation supply and customer demand is too small. In years past, ERCOT may have held off on exercising its authority to force a power plant to come online at cost (known as a Reliability Unit Commitment or “RUC”) until the very last moment, hoping the price for power would convince generators to fire up their plants.

“In keeping with the PUC’s direction, our new standard process is to pull the trigger much earlier to help avoid potentially tight grid conditions,” said Jones. “For Texans and Texas businesses, this simply means that the electricity is there when they need it.”

So far in July, ERCOT has procured more than 800 additional hours of generation service by overriding normal market functions to force power plants into action. This is more than any single month in recent history. The purchase of reserve power in July 2021 was up 38% year over year with the August increase projected at 56%. Most Texas customers will not see an increase in their bill as a result of this action.

“We expect there is sufficient generation to meet summer 2021 electric demand; however, there may be times when we will call on customers to conserve just as other grid operators across the country and around the world do – it’s just another tool in the toolbox,” said Jones. “In response to a conservation notice, Texans may need to take some simple steps for a limited duration – such as doing laundry in the morning or running the pool pump at night instead of the afternoon – to ensure grid reliability.”

The PUC website, [www.powertosavetexas.org](http://www.powertosavetexas.org), offers a variety of simple conservation tips for Texas electric customers.

Over the long-term, the PUC is working to implement the laws passed by the Texas Legislature which focus on reforming ERCOT, weatherizing the state’s electric system, bolstering the integrity of the grid and giving the agency greater penalty authority to compel compliance.

“As we tackle the challenge of redesigning the electricity market, everything is on the table, from incentivizing the construction of new power plants to capitalizing on improving battery technology,” concluded Lake. “In the meantime, we’ll keep Texans informed as our state weathers another hot summer and we pursue the grid reliability that Texans demand and deserve.”

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### **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>.