

PROJECT NO. 51812

**ISSUES RELATED TO THE STATE OF § PUBLIC UTILITY COMMISSION
DISASTER FOR THE FEBRUARY 2021 §
WINTER WEATHER EVENT § OF TEXAS**

**ORDER DIRECTING ERCOT TO TAKE ACTION AND
GRANTING EXCEPTION TO ERCOT PROTOCOLS**

Through this Order the Commission directs the Electric Reliability Council of Texas (ERCOT) to take certain actions and grants exception to provisions of the ERCOT Nodal Protocols and Operating Guides.

In an attempt to protect the overall integrity of the financial electric market in the ERCOT region, the Commission concludes it is necessary to authorize ERCOT to use its sole discretion in taking actions under the ERCOT Nodal Protocols to resolve financial obligations between a market participant and ERCOT. It is appropriate that ERCOT's discretion include, but not be limited to, ERCOT's ability to take the following actions:

- Deviate from protocol deadlines and timing related to settlements, collateral obligations, and invoice payments;
- Utilize available funds, such as undistributed congestion revenue right auction revenues, to cover short-paying invoice recipients;
- Relax credit requirements and releasing cash or other collateral to provide short-term market-participant liquidity;
- Deviate from protocol requirements regarding the maximum amount of default uplift invoices;
- Suspend breach notifications to certain market participants for failure to make payment or provide financial security; and
- Produce reconciliation settlements following market stabilization.

PURA § 39.151(d)¹ gives the Commission complete authority over ERCOT, the independent organization certified by the Commission under PURA § 39.151. In addition, ERCOT is required to “administer settlement and billing for services provided by ERCOT, including assessing creditworthiness of market participants and establishing and enforcing

¹ Public Utility Regulatory Act, Tex. Util. Code §§11.001–66.016.

reasonable security requirements in relation to their responsibilities under ERCOT rules.”² Further, ERCOT must perform any additional duties required by commission order.³

This order does not relieve market participants of payment or financial security obligations with ERCOT. Moreover, market participants remain liable for all charges associated with any activity related to its relationship with ERCOT and any expenses arising from the consequences of termination of a market participant’s agreements with ERCOT or revocation of the market participant’s rights to conduct activities with ERCOT.

I. Orders

For the reasons discussed above, the Commission issues the following orders:

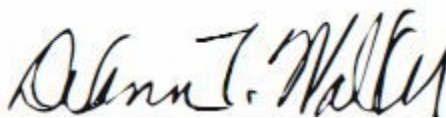
1. ERCOT must exercise its sole discretion to resolve financial obligations between a market participant and ERCOT as provided by this Order.
2. Any and all provision of the ERCOT Nodal Protocols are waived to the degree necessary to allow ERCOT to take the actions ordered herein.
3. ERCOT must report to the Commission twice each day, beginning February 22, 2021, of the the actions it has taken in response to this Order.
4. ERCOT must direct any questions regarding its obligations under this Order to the Commission’s Deputy Executive Director or her designee..

² 16 Tex. Admin. Code § 25.361 (b)(2).

³ *Id.* § 25.361(b)(16).

Signed at Austin, Texas the 21st day of February 2021.

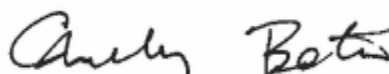
PUBLIC UTILITY COMMISSION OF TEXAS



DEANN T. WALKER, CHAIRMAN



ARTHUR C. D'ANDREA, COMMISSIONER



SHELLY BOTKIN, COMMISSIONER