



Public Utility Commission of Texas

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Public Utility Commission of Texas Unanimously Adopts Performance Credit Mechanism Reliability Service

PCM Focuses on Electric Grid Reliability, Accountability, Affordability

Austin, Texas – The Public Utility Commission of Texas (PUC) today voted unanimously to adopt the Performance Credit Mechanism (PCM) electric market design option and a set of guiding principles for implementation to strengthen reliability, accountability, and affordability of the Electric Reliability Council of Texas (ERCOT) electric grid. The ERCOT grid serves more than 26 million Texas electricity customers.

The Commission will defer implementation of all elements of the PCM until such time as the 88th Legislature has an opportunity to review the PCM and its guiding principles and provide guidance or direction based upon the market design option’s merits. Texans and other stakeholders will continue to provide input as plans for implementation are developed.

“We heard Texans loud and clear; they demand a reliable grid. Landmark reforms have proven effective in enhancing the reliability of the grid we have today by providing electricity during record heat and arctic blasts over the past year,” said PUC Chairman Peter Lake. “Today, we take another historic step toward building the grid of the future by adopting a new reliability service – the Performance Credit Mechanism.”

Adoption of the PCM market design meets the requirements of Senate Bill 3, as passed by the 87th Texas Legislature and signed into law by Governor Greg Abbott, which directs the PUC to create grid reliability standards that ensure on-demand generation is available “during times of low non-dispatchable power production.”

The list of key principles is in Chairman Lake’s memo on the issue, which can be found [HERE](#).

Today’s action is the culmination of 18 months of extensive public and stakeholder engagement, analysis, and deliberation. During that time, PUC Commissioners and staff held multiple open meetings and work sessions, heard dozens of hours of public testimony, and received thousands of pages of input and feedback on suggestions to strengthen operational and market reliability. The PUC also commissioned an expert study of market design options by the industry-leading consulting firm, Energy and Environmental Economics (E3).

In addition to adoption of the PCM, the Commission directs ERCOT to develop bridging options to retain existing power plants and build new generation resources until the PCM can be fully implemented and opened a project to evaluate and establish an appropriate reliability standard for ERCOT.



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 <https://www.puc.texas.gov>.