Chairman Peter Lake

Commissioner Will McAdams

Commissioner Lori Cobos

Commissioner Jimmy Glotfelty

Executive Director Thomas Gleeson

Public Utility Commission of Texas

1701 N. Congress Avenue

Austin, TX 78701

March 25, 2022

RE: Phase II Market Design

Dear Chairman, Commissioners, and Mr. Gleeson:

Texas Competitive Power Advocates (TCPA) is a trade association representing power generators, and wholesale power marketers with investments in Texas and the Electric Reliability Council of Texas (ERCOT) wholesale electric market. TCPA and its members have consistently advocated for comprehensive market design reforms to address resource adequacy in ERCOT. In order to improve the reliability of the ERCOT grid, the Commission must adopt market design changes that incentivize investment in dispatchable generation consistent with the following principles:

1. Establish a mandatory reliability standard
2. Adopt a market design that properly values the reliability attributes of dispatchable generation
3. A successful resource adequacy solution must have a transparent and visible pricing mechanism that helps ensure a more consistent and stable revenue stream for dispatchable generation
4. Ensure that there is no subsidization or other competitive advantage provided to new resources over existing resources

Time is of the essence, and we encourage the Commission to move forward quickly with the evaluation of Phase II market design concepts that are consistent with the principles outlined above. TCPA believes it is imperative the Commission make a policy decision this year in order to achieve a viable market structure that provides Texans with an appropriate level of reliability. TCPA supports the Commission including the recently filed STEC proposal in this effort, in addition to current proposals meeting the criteria.

TCPA appreciates the hard work of the Commission and Staff on these important and complex issues. As the association representing nearly 90% of the non-wind capacity in ERCOT,

our members are uniquely positioned to provide expertise on market design changes that will ensure existing resources remain in this market and new investment will be supported.

Respectfully,

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**Michele Richmond**

Executive Director

Texas Competitive Power Advocates