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Public Utility Commission of Texas

May 30, 2019

Dear Subscriber:

Enclosed are several electric rules as recently adopted:

Chapter 25 — Substantive Rules Applicable to Electric Service Providers.

<u>Project</u>	<u>Title</u>	<u>Action</u>	<u>Effective Date</u>
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48721	§25.505. Reporting Requirements and the Scarcity Pricing Mechanism in the Electric Reliability Council of Texas Power Region	Amended	5/30/19
48721	§25.508. High System-Wide Offer Cap in the Electric Reliability Council of Texas Power Region	Repeal	5/30/19
	Appendix III	Amended	

Please place the rules in your rulebooks in the appropriate order. The Orders adopting the rule can be found on the Commission's Interchange System and on the project webpages at <https://www.puc.texas.gov/industry/projects/electric/48721/48721.aspx>.

If you have any questions, please call. Thank you.

A handwritten signature in cursive script that reads "Andrea Gonzalez".

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- (k) Responsibilities of the Reliability Monitor.
- (l) Selection of the Reliability Monitor.
- (m) Funding of the Reliability Monitor.
- (n) Standards for record keeping.
- (o) Investigation.
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§25.504. Wholesale Market Power in the Electric Reliability Council of Texas Power Region.

- (a) Application.
- (b) Definitions.
- (c) Exemption based on installed generation capacity.
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- (e) Voluntary mitigation plan.

§25.505. Reporting Requirements and the Scarcity Pricing Mechanism in the Electric Reliability Council of Texas Power Region.

- (a) General.
- (b) Definitions.
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- (f) Publication of resource and load information in ERCOT markets.
- (g) Scarcity pricing mechanism (SPM).
- (h) Development and implementation.

§25.507. Electric Reliability Council of Texas (ERCOT) Emergency Response Service (ERS)

- (a) Purpose.
- (b) ERS procurement.
- (c) Definitions.
- (d) Participation in ERS.
- (e) ERS Payment and Charges
- (f) Compliance.
- (g) Reporting.
- (h) Implementation.
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- APPENDIX I CROSS REFERENCE: LOCATION OF RULE SECTION IN
CHAPTER 23 TO NEW LOCATION IN CHAPTER 25 OR
CHAPTER 26**
- APPENDIX II COMMONLY USED ACRONYMS**
- APPENDIX III RECORDS, REPORTS, AND OTHER INFORMATION THAT
MAY BE REQUIRED**
- APPENDIX IV NO LONGER EXISTS – see §25.214(d)(1) for Retail Electric
Delivery Service Tariff**
- APPENDIX V TARIFF FOR COMPETITIVE RETAILER ACCESS**

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter S. WHOLESALE MARKETS.

§25.505. Reporting Requirements and the Scarcity Pricing Mechanism in the Electric Reliability Council of Texas Power Region.

- (a) **General.** The purpose of this section is to prescribe reporting requirements for the Electric Reliability Council of Texas (ERCOT) and market participants, and to establish a scarcity pricing mechanism for the ERCOT market.
- (b) **Definitions.** The following terms, when used in this section, have the following meanings, unless the context indicates otherwise:
- (1) **Generation entity** -- an entity that owns or controls a generation resource.
 - (2) **Load entity** -- an entity that owns or controls a load resource. A load resource is a load capable of providing ancillary service to the ERCOT system or energy in the form of demand response and is registered with ERCOT as a load resource.
 - (3) **Resource entity** -- an entity that is a generation entity or a load entity.
- (c) **Resource adequacy reports.** ERCOT must publish a resource adequacy report by December 31 of each year that projects, for at least the next five years, the capability of existing and planned electric generation resources and load resources to reliably meet the projected system demand in the ERCOT power region. ERCOT may publish other resource adequacy reports or forecasts as it deems appropriate. ERCOT must prescribe requirements for generation entities and transmission service providers (TSPs) to report their plans for adding new facilities, upgrading existing facilities, and mothballing or retiring existing facilities. ERCOT also must prescribe requirements for load entities to report their plans for adding new load resources or retiring existing load resources.
- (d) **Daily assessment of system adequacy.** Each day, ERCOT must publish a report that includes the following information for each hour for the seven days beginning with the day the report is published:
- (1) System-wide load forecast; and
 - (2) Aggregated information on the availability of resources, by ERCOT load zone, including load resources.
- (e) **Filing of resource and transmission information with ERCOT.** ERCOT must prescribe reporting requirements for resource entities and TSPs for the preparation of the assessment required by subsection (d) of this section. At a minimum, the following information must be reported to ERCOT:
- (1) TSPs will provide ERCOT with information on planned and existing transmission outages.
 - (2) Generation entities will provide ERCOT with information on planned and existing generation outages.
 - (3) Load entities will provide ERCOT with information on planned and existing availability of load resources, specified by type of ancillary service.
 - (4) Generation entities will provide ERCOT with a complete list of generation resource availability and performance capabilities, including, but not limited to:
 - (A) the net dependable capability of generation resources;
 - (B) projected output of non-dispatchable resources such as wind turbines, run-of-the-river hydro, and solar power; and
 - (C) output limitations on generation resources that result from fuel or environmental restrictions.
 - (5) Load serving entities (LSEs) will provide ERCOT with complete information on load response capabilities that are self-arranged or pursuant to bilateral agreements between LSEs and their customers.

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- (f) **Publication of resource and load information in ERCOT markets.** To increase the transparency of the ERCOT-administered markets, ERCOT must post the information required in this subsection at a publicly accessible location on its website. In no event will ERCOT disclose competitively sensitive consumption data. The information released must be made available to all market participants.
- (1) ERCOT will post the following information in aggregated form, for each settlement interval and for each area where available, two calendar days after the day for which the information is accumulated:
- (A) Quantities and prices of offers for energy and each type of ancillary capacity service, in the form of supply curves;
 - (B) Self-arranged energy and ancillary capacity services, for each type of service;
 - (C) Actual resource output;
 - (D) Load and resource output for all entities that dynamically schedule their resources;
 - (E) Actual load; and
 - (F) Energy bid curves, cleared energy bids, and cleared load.
- (2) ERCOT will post the following information in entity-specific form, for each settlement interval, 60 calendar days after the day for which the information is accumulated, except where inapplicable or otherwise prescribed. Resource-specific offer information must be linked to the name of the resource (or identified as a virtual offer), the name of the entity submitting the information, and the name of the entity controlling the resource. If there are multiple offers for the resource, ERCOT must post the specified information for each offer for the resource, including the name of the entity submitting the offer and the name of the entity controlling the resource. ERCOT will use §25.502(d) of this title (relating to Pricing Safeguards in Markets Operated by the Electric Reliability Council of Texas) to determine the control of a resource and must include this information in its market operations data system.
- (A) Offer curves (prices and quantities) for each type of ancillary service and for energy in the real time market, except that, for the highest-priced offer selected or dispatched for each interval on an ERCOT-wide basis, ERCOT will post the offer price and the name of the entity submitting the offer three calendar days after the day for which the information is accumulated.
 - (B) If the clearing prices for energy or any ancillary service exceeds a calculated value that is equal to 50 times a natural gas price index selected by ERCOT for each operating day, expressed in dollars per megawatt-hour (MWh) or dollars per megawatt per hour, during any interval, the portion of every market participant's price-quantity offer pairs for balancing energy service and each other ancillary service that is at or above a calculated value that is equal to 50 times a natural gas price index selected by ERCOT for each operating day, expressed in dollars per megawatt-hour (MWh) or dollars per megawatt per hour, for that service and that interval must be posted seven calendar days after the day for which the offer is submitted.
 - (C) Other resource-specific information, as well as self-arranged energy and ancillary capacity services, and actual resource output, for each type of service and for each resource at each settlement point;
 - (D) The load and generation resource output, for each entity that dynamically schedules its resources; and
 - (E) For each hour, transmission flows, voltages, transformer flows, voltages and tap positions (i.e., State Estimator data). Notwithstanding the provisions of this subparagraph and the provisions of subparagraphs (A) through (D) of this paragraph, ERCOT must release relevant State Estimator data earlier than 60 days after the day for which the information is accumulated if, in its sole discretion, it determines the release is necessary to provide a complete and timely explanation and analysis of

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unexpected market operations and results or system events, including but not limited to pricing anomalies, recurring transmission congestion, and system disturbances. ERCOT's release of data in this event must be limited to intervals associated with the unexpected market or system event as determined by ERCOT. The data released must be made available simultaneously to all market participants.

- (g) **Scarcity pricing mechanism (SPM).** ERCOT will administer the SPM. The SPM will operate as follows:
- (1) The SPM will operate on a calendar year basis.
 - (2) For each day, the peaking operating cost (POC) will be 10 times the natural gas price index value determined by ERCOT. The POC is calculated in dollars per megawatt-hour (MWh).
 - (3) For the purpose of this section, the real-time energy price (RTEP) will be measured as an average system-wide price as determined by ERCOT.
 - (4) Beginning January 1 of each calendar year, the peaker net margin will be calculated as: $\sum((RTEP - POC) * (\text{number of minutes in a settlement interval} / 60 \text{ minutes per hour}))$ for each settlement interval when $RTEP - POC > 0$.
 - (5) Each day, ERCOT will post at a publicly accessible location on its website the updated value of the peaker net margin, in dollars per megawatt (MW).
 - (6) **System-Wide Offer Caps.**
 - (A) The low system-wide offer cap (LCAP) will be set on a daily basis at the greater of:
 - (i) \$2,000 per MWh and \$2,000 per MW per hour; or
 - (ii) 50 times the natural gas price index value determined by ERCOT, expressed in dollars per MWh and dollars per MW per hour.
 - (B) The high system-wide offer cap (HCAP) will be \$9,000 per MWh and \$9,000 per MW per hour.
 - (C) The system-wide offer cap will be set equal to the HCAP at the beginning of each calendar year and maintained at this level until the peaker net margin during a calendar year exceeds a threshold of three times the cost of new entry of new generation plants.
 - (D) If the peaker net margin exceeds the threshold established in subparagraph (C) of this paragraph during a calendar year, the system-wide offer cap will be set to the LCAP for the remainder of that calendar year. In this event, ERCOT will continue to apply the operating reserve demand curve and the reliability deployment price adder for the remainder of that calendar year. Energy prices, exclusive of congestion prices, will not exceed the LCAP plus \$1 for the remainder of that calendar year.
 - (E) The value of the lost load will be equal to the value of the system-wide offer cap in effect.
- (h) **Development and implementation.** ERCOT must use a stakeholder process to develop and implement rules that comply with this section. Nothing in this section prevents the commission from taking actions necessary to protect the public interest, including actions that are otherwise inconsistent with the other provisions in this section.



**§25.508. High System-Wide Offer Cap in the Electric Reliability Council of Texas Power Region.
(REPEALED)**



**APPENDIX III
CHAPTER 25
RECORDS, REPORTS, AND OTHER INFORMATION
THAT MAY BE REQUIRED**

This appendix lists other sections of the commission's Substantive Rules, **in addition to those found in Chapter 25, Subchapter D**, that contain additional requirements for records, reports, and other required information that electric utilities, apartment owners or other persons may be required to provide to the commission. This appendix is to assist persons in locating the requirements. Failure to list a requirement in this appendix does not relieve the person responsible for filing the information of the requirement.

DESCRIPTION OF RECORD	RULE LOCATION
Records of deposit	§25.24(i)
Billing information	§25.25
Written plan for Spanish Language requirements	§25.26(b)
Documentation of switchovers	§25.27(c)
Record of complaints	§25.30(c)(3)
Maps and description of all electric utility facilities	§25.31(b)(4)
Customer information packets	§25.31(c)
Price to beat filing requirements	§25.41(f)(1)(C), (f)(3)(A) and (D), and (I)
Quarterly reports beginning January of each year - reporting customer information	§25.43(s)(1)-(3)
Voltage surveys	§25.51(e)(2)
Record of interruption	§25.52(d)
Summary Report of significant interruptions	§25.52(e)
Emergency Operations Plan	§25.53
Report on Change in Control, Sale of Property, Purchase of Stock, or Loan	§25.74
Quarterly Wholesale Electricity Transaction Information	§25.93
Electric utility's report on utility's activities by May 1 of each year	§25.94
Storm Hardening Plan Summary shall be filed and updated at least every five years	§25.95(d)
Vegetation Management report due May 1 of each yr.	§25.96(f)
All new electric transmission lines shall be reported to the Commission	§25.101(b)(3)
Repair or construction of transmission facilities due to emergency operations shall be reported to the Commission	§25.101(c)(3)

DESCRIPTION OF RECORD	RULE LOCATION
Routine activities associated with transmission facilities shall be reported to the Commission	§25.101(c)(5)
Power Marketers: Registration or Proof that Registered with FERC; initial information	§25.105(b)(2), (c) and (d)
Quarterly financial information demonstrating continued compliance with (f)(4)	§25.107(f)(4)
Requirements for reporting and changing the terms of a retail electric provider certificate	§25.107(i)
Post-registration requirements for self-generators and power generation companies	§25.109(g) and (h)
Post-registration requirements for aggregators	§25.111(i)
Meter Records	§25.122
Records of certifications and calibrations	§25.124(d)(5)
Report detailing meter tampering due April 1 of each calendar year	§25.125(e)
Report detailing meter tampering due April 1 of each calendar year	§25.126(i)
Record of station output and purchases of energy	§25.127(b)
Record of automatic circuit breaker operations	§25.128(b)
Each TDU shall retain the signed, written acknowledgement for at least two years after a non-standard meter is removed from a customer's premises	§25.133(c)(1)(E)
No later than September 26, 2013, each TDU shall file a compliance tariff that is fully supported with testimony and documentation	§25.133(e)
A TDU shall begin offering non-standard metering service the later of 160 days from the effective date of this section or 45 days after the notice to REPs prescribed by §25.133(e)(1)	§25.133(g)
Maintain records and reports re: billing from the utility to the apartment house owner, calculation of the average cost per billing unit	§25.141(c)
Maintain records and reports re: billing from the utility to the apartment owner, calculation of the average cost per billing unit, all submeter readings and test results and tenant billings	§25.142(c)
Annual reports on new generating facilities owned or operated in Texas	§25.172(h)
Annual report by program administrator pertaining to renewable energy power generators and retail entities	§25.173(g)(11)
Energy efficiency plans and reports shall be filed by April 1 of each year	§25.181(l)

DESCRIPTION OF RECORD	RULE LOCATION
Evaluation, measurement, and verification (EM&V) contractor's report	§25.181(o)
Reporting and evaluation of energy efficiency programs	§25.183
Tariff for wholesale transmission service at distribution level voltage	§25.191(d)(2)(C)
Current year's average 4CP demand for each DSP	§25.192(d)
TSPs shall file reports that will permit the Commission to monitor their transmission costs and revenues	§25.192(h)(7)
Semi-annual reports required to monitor costs recovered through the TCRF clause	§25.193(e)
Contracts for all new interconnection agreements	§25.195(e)
Pre-Interconnection studies for network interconnection of distribution generation	§25.211(i)
Designation of utility's dist. gen. contact person	§25.211(l)(2)
Reporting requirements for applications received for interconnection and parallel operation of distributed generation	§25.211(n)
Testing of protection systems – Customer will maintain records of maintenance activities and a log of generator operations for generation systems greater than 500 kW.	§25.212(i)
T&D utilities shall file tariffs for metering within 60 days of effective date	§25.213(b)(7)
Electric utility costs separation compliance filing	§25.221(d) and (e)
Descriptions of energy services	§25.223(f)
Tariff to implement service request by General Land Office	§25.227(e)
Monthly reports containing all information required to monitor monthly fuel-related costs and revenues, . . .	§25.235(c)
Petitions to revise fuel factors.	§25.237(d)
Monthly reports of PCRf over- and under-recovery amounts until no amounts remain	§25.238(k)
Tariffs	§25.241
Rates for sales to qualifying facilities	§25.242(d)(2)
Data requests for large electric utilities (avoided costs, addition of capacity, estimated capacity costs, etc.)	§25.242(e)(2) and (4)
Specific requirements for small electric utilities (avoided costs, capacity, etc.)	§25.242(e)(3)

DESCRIPTION OF RECORD	RULE LOCATION
Financial and operating reports pursuant to §25.73	§25.243(h)
Affidavit certifying that the TDU has accurately identified and billed nonresidential secondary service customers who cannot be charged a demand ratchet	§25.244(d)
Rate filing package	§25.246(c)(1)
Rate filing package	§25.247(b)
Filing requirement for non-investor-owned transmission service providers: complete application for either a comprehensive transmission cost of service review or an interim update	§25.247(d) and (e)
Report to renewable energy tariff subscribers	§25.251(h)
Customer education program for renewable energy	§25.251(j)
Request for approval of environmental clean-up cost effectiveness determinations	§25.261(e)
Obligation to file a true-up proceeding	§25.263(d)
REPs shall provide information to the independent third party as needed for calculations of true-up of PTB revenues	§25.263(j)(6)
Accounting policies and procedures that assure the electric utility is adequately compensated by the holding company or affiliate	§25.271(c)(2)(E)
Notice of conflict with FERC or SEC orders or regulations regarding Code of Conduct	§25.272(b)(3)
Update to affiliate's internal code of conduct and compliance plan	§25.272(i)(2)
Code of Conduct compliance audits	§25.272(i)(3)
Code of Conduct informal complaint procedure	§25.272(i)(4)
Notice of conflicts with FERC or SEC orders or regulations regarding contracts between electric utilities and competitive affiliates	§25.273(b)(3)
Contracts with competitive affiliates	§25.273(e)
Written declaration of structural or functional unbundling	§25.275(b)(2)
Report of total metered electric energy delivered through TDBU's system (annual filing)	§25.275(b)(6)
Annual report of code-related activities	§25.275(d), including information in (e),(f), (n)(2)(E), and (o)(1)(h)
Report of deviations from code of conduct	§25.275(g)
Notice of newly created affiliates	§25.275(h)
Employee transfers and temporary assignments	§25.275(i)(2)(C) and (D)
Separate books and records	§25.275(i)(4)

Notice of provision of aggregate customer information	§25.275(l)(2)
Code implementation filing	§25.275(n)(1)
Complaint procedure	§25.275(n)(2)
Records of transactions involving competitive energy-related activities	§25.275(o)(1)(D)
Reporting and auditing requirements	§25.275(o)(3)
Agreements between electric utilities and institutional trustees or investment managers	§25.301(b)(3)
Cost study and funding analysis	§25.303(f)(2)
Annual report due on May 15 of each year on status of Decommissioning Trust Fund	§25.303(f)(6)
Annual report due by May 1 of each year on status and administration of trusts	§25.304(g)
Business separation plan	§25.342(c) and (e)
Petitions relating to the provisions of competitive energy services	§25.343(d)
Filing requirements for competitive energy services	§25.343(e)
Cost separation	§25.344(c)
Recovery of stranded costs	§25.345(g)
Allocation of stranded costs	§25.345(h)
Persons owning or operating new on-site generation or eligible on-site generation shall file information required by §25.105	§25.345(i)(6)
Annually - TSPs and transmission service customers in the ERCOT region shall provide to ERCOT historical information concerning peak loads and resources connected to the TSPs system	§25.361(h)
ERCOT annual report, operations report and plan, quarterly report, emergency, and meeting periodicity report as listed in subsection (i).	§25.362(i)
Utilities' annual report due January 31 st of each year reporting completion of items required.	§25.422(f)
Reporting by market participants and independent organizations (status reports due)	§25.431(j)(3)
Retail competition pilot project compliance filings	§25.431(l)
System benefit fee annual report	§25.457(g)
Monthly activity report of discounts or bill payment assistance in order to request reimbursement	§25.457(j)
Two monthly reports: 1) amount of system benefit fee collected and paid by the entity's retail customers; and 2) amount of system benefit fee paid by the transmission and distribution only customers	§25.457(k)

Record retention requirements	§25.474(i)
Performance reports showing actual and estimated meter reads, etc.	§25.474(p)(3)
Records of deposits	§25.478(h)
Annual reporting requirement	§25.480(n)
Record of customer notifications	§25.484(g)
Record of all telephone numbers contacted or attempted to contact for telemarketing purposes	§25.484(i)
Success rate in processing standard electronic move-in requests for residential customers; and success rate in processing requests for reconnection of electric service	§25.490(c)
Retail electric provider annual reports	§25.491(c)
TDU shall report to the commission by March 1 of each year beginning in 2012, the number of customers for each type of customer and number of applications rejected as a result of incomplete forms, the number of requests from REPs for disconnection, and the number of disconnections and reconnections completed.	§25.497(i)
Records relative to market participants' activities in the ERCOT	§25.503(n)(2)
Resource and transmissions information shall be provided to ERCOT	§25.505(e)
Non-compliance report and record	§25.507(f)
Report due April 15 of each yr. - number of MW procured in each period, total dollar amount spent, the number and level of EEA events and the number of duration of deployments	§25.507(g)