



Scott Hutchinson, Chair • Michael Gregg, Vice-Chair • Mark Bell, President & CEO

December 5, 2022

Ms. Jennifer Jones
Ms. Emily Johnson
Sunset Advisory Commission
P.O. Box 13066
Austin, Texas 78711

Re: AECT Comments on the Sunset Staff Report on the Public Utility Commission, Electric Reliability Council of Texas, and Office of Public Utility Counsel

Dear Ms. Jones and Ms. Johnson:

Thank you for the opportunity to provide comments on the Sunset staff reviews of the Public Utility Commission (PUC), Electric Reliability Council of Texas (ERCOT), and Office of Public Utility Counsel (OPUC). We appreciate the time and effort undertaken by Sunset staff, PUC and OPUC staff, as well as ERCOT staff, to comprehensively evaluate the agencies' responsibilities and operations, especially during this time of significant change, adapting to new commission structure and navigating a new relationship with ERCOT.

The Association of Electric Companies of Texas, Inc. (AECT) is a trade organization dedicated to reliable, affordable, and sustainable electricity to meet the needs of today and support the future growth and economic success of Texas. Our principles are as follows:

- Reliability
 - Modern infrastructure and diverse resources for reliable and resilient supply and delivery of electricity
 - Fair and predictable oversight and regulation to promote investment and ensure the stability of Texas' electric industry
- Affordability
 - Efficient competitive markets that are fair to customers and market participants
 - Advanced technologies and innovative programs to support energy efficiency and cost-savings for customers
- Sustainability
 - Pioneering technologies that support a sustainable environmental future for Texas
 - Investment in Texas' economic and energy prosperity with a meaningful and positive impact on the communities we serve
- Security
 - Ongoing efforts to mitigate supply chain risks, supporting reliable electric operations and ongoing system resilience and investment
 - Vigilant defense against cyber and physical attacks on Texas' electric systems

AECT supports the important work of the PUC, ERCOT, and OPUC, and acknowledges that the agencies have been dedicated in their efforts to implement recent legislative changes. Accordingly, AECT supports Sunset staff's recommendations to continue these agencies contained in 5.1 and 6.1.

We agree, as Sunset staff states in the report, that the PUC's mission is critical and under-resourced. We appreciate and support the staff's recommendations for changes in funding and increased agency appropriations in recommendations 1.1 and 3.1. We also believe that many of the other recommendations contained within the report will require additional resources to effectively fulfill their intent, as noted in the fiscal implications.

The Sunset staff's graph, *PUC Has Fewer Staff Now Than 20 Years Ago*, on page 62 of the report, provides a striking illustration of the challenges PUC faces in achieving its mission today and into the future. The PUC will need additional resources to recruit, hire, and retain the skilled workforce needed to accomplish the highly technical and important work of the agency and for the well-being of Texans. We urge the Sunset Commission and Legislature to fully deliberate this issue and act on these recommendations.

AECT supports Sunset staff's recommendations that PUC be allocated more resources, which will help the agency be right-sized for its significant oversight responsibilities, as noted above. We also support recommendations 4.1 and 4.2; however, additional resources will be required to better enable the agency to implement these improvements to internal processes, and we urge the Sunset Commission to consider these resource needs especially in light of the Sunset staff's conclusion that PUC is already under-resourced.

AECT supports Sunset staff's recommendations 1.3 and 1.6. With respect to recommendation 1.6, we particularly support the language in the recommendation that emphasizes the need for robust participation by market participants and others in deciding a reliability standard. Setting such a standard, or standards, will be nuanced and will also guide market participants and their resource contributions to reliability. Ensuring a carefully considered reliability standard will be critical to securing reliability, minimizing consumer costs, and enabling robust competition.

While we understand Sunset staff's focus on PUC's operational needs, AECT supports further efforts to reduce regulatory inefficiencies; streamline, simplify, and modernize processes; and provide certainty in the market. AECT takes no position on Sunset recommendations not specifically addressed in this response.

AECT appreciates the efforts of the Sunset staff in their review of the PUC and related agencies. We look forward to working with the Sunset Commission and the Legislature as the process moves forward in support of a reliable, affordable, and sustainable electric market in Texas.

Sincerely,


Mark Bell
President & CEO