



BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

Subject: Consider approval of ERCOT membership renewal

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

The City of Breckenridge has been participating with other cities across the state of Texas in the Electric Reliability Council of Texas for the past several years. It is time to renew our membership in ERCOT.

WHAT IS ERCOT?

ERCOT is the entity that is responsible for operating the electric grid in the deregulated portion of Texas. Furthermore, ERCOT maintains the set of complicated rules that frame the way that electricity is bought and sold in the deregulated wholesale market. Through a process of negotiation and deliberation within committees of interested parties, the ERCOT stakeholder process is constantly reviewing and revising these rules, known as the ERCOT protocols. Most of the issues addressed at ERCOT are addressed nowhere else—the Public Utility Commission has largely delegated these issues to the ERCOT stakeholder process.

WHAT ROLE DO CITIES PLAY IN THE ERCOT PROCESS?

Consumers, such as cities and other political subdivisions, have a voice in ERCOT's decision-making process. Each segment of the ERCOT market has a vote on issues before ERCOT, through its representatives on the Technical Advisory Committee ("TAC"), the Wholesale Market Subcommittee ("WMS"), and the Retail Market Subcommittee ("RMS").

TAC, WMS, and RMS are the bodies responsible for making the most important decisions about the detailed workings of the ERCOT market. These decisions can have bottom-line impacts on electricity prices. A total of 139 cities and other political subdivisions joined ERCOT in 2023. With this membership strength, cities successfully elected two city representatives to TAC. A strong contingent of city members would make continuation of this strong presence likely for 2024.

Consumers in ERCOT face constant efforts by power generators and power marketers to modify the electricity market in ways that would increase prices. In 2024, ERCOT and the PUC will continue their work on several major market redesign initiatives. As a result, Cities' presence in the ERCOT process as a voice for consumers continues to be important.

FINANCIAL IMPACT:

\$100 membership renewal fee

STAFF RECOMMENDATION:

Consider membership renewal in ERCOT.