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MEMORANDUM

TO: City and Other Political Subdivision Members of ERCOT
FROM: Thomas Brocato
DATE: October 18, 2023
RE: ERCOT Membership Renewal for 2024

The purpose of this memorandum is to recommend that your city or other political subdivision renew its membership in the Electric Reliability Council of Texas (“ERCOT”) for 2023. For the reasons we detail below, an ERCOT membership continues to be a straightforward and cost-effective way for your city to influence electric policy in Texas, and **we recommend that you submit your ERCOT membership renewal application and fee by Friday, November 10, 2023. The membership fee is \$100 per year.**

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.

As you know, 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.

WHAT DOES AN ERCOT MEMBERSHIP REQUIRE?

It is not difficult to renew your ERCOT membership. A simple online form is required, along with payment of a \$100 membership fee. Below, you will find a guide to complete the form. We are also available to assist you; please feel welcome to call me (Thomas Brocato) at 512-322-5857, or email me at tbrocato@lglawfirm.com.

In order to vote for candidates for the 2024 TAC, WMS, and RMS, **please send your renewal application and \$100 fee to ERCOT by Friday, November 10, 2023.**

In completing the attached form, please note the following:

- Only corporate members may vote in ERCOT matters. In response to **Membership Type** on the form, we recommend that cities renew as **Corporate**, rather than Associate of Adjunct, members.
- In response to **Segment Eligibility** select **Consumer**.
- In the list of Consumer Members below, you can see which Consumer segment (Small or Large Commercial) your city joined in for 2023. **We recommend that you choose the same segment in response to Consumer Type when renewing your membership for 2024.** Please call me (Thomas Brocato) at 512-322-5857, or email me at tbrocato@lglawfirm.com if you have any questions about this.
- In response to **Designated Representative and Alternate, please designate as your authorized representative (and Alternate if you choose)** an employee of your city that can receive notices from ERCOT. ERCOT contacts its members very rarely; this person will not be inundated with emails, but may be asked to vote on important issues from time-to-time. Please also designate an alternate representative. During the coming year, please feel free to forward anything you receive from ERCOT to me at the email address above.
- There is **no need to add “Affiliates of the Applicant,”** as it is not relevant to cities’ memberships in ERCOT.
- Submit the \$100 membership fee electronically via **a wire transfer payment** using ERCOT’s banking information in the PDF titled **“2024 Membership Banking Information”** also attached to the email providing this memorandum.
- Finally, check the box next to “I agree to the terms of the Membership Agreement” and select “Submit.”
- After you have sent your application to ERCOT, please forward a copy of your application to us at tbrocato@lglawfirm.com and abenavides@lglawfirm.com. This will help us track pending applications, and will allow us to follow up with ERCOT if issues arise.

Please feel free to call or email us if you have any questions in completing the form or about ERCOT in general.

Small Commercial

Aransas County Municipal Utility District No. 1	City of Belton
City of Benbrook	City of Beverly Hills
City of Breckenridge	City of Buffalo
City of Bunker Hill Village	City of Cedar Hill
City of Centerville	City of Clear Lake Shores
City of Clyde	City of Colleyville
City of Corinth	City of Crowley
City of Dalworthington Gardens	City of Deer Park
City of Dilly	City of Early
City of Eastland	City of Ennis
City of Fate	City of Forest Hill
City of Forney	City of Frisco
City of Fulshear	City of Gainesville
City of Glenn Heights	City of Hamilton
City of Harker Heights	City of Haslet
City of Hewitt	City of Hilshire Village
City of Howe	City of Hunters Creek Village
City of Hutto	City of Ingleside
City of Jersey Village	City of Josephine
City of Justin	City of Keller
City of Kennedale	City of Kerens
City of La Feria	City of Lake Worth
City of Lancaster	City of Lorena
City of Malakoff	City of Manvel
City of Morgan's Point	City of Murchison
City of O'Donnell	City of Oak Point
City of Ovilla	City of Paris
City of Parker	City of Port Lavaca
City of Portland	City of Pottsboro
City of River Oaks	City of Rockwall
City of Rotan	City of Sachse
City of Saginaw	City of Seagoville
City of Seymour	City of Snyder
City of Springtown	City of Webster
City of Weston Lakes	City of Wharton
City of White Settlement	City of Woodway
City of Wylie	Town of Highland Park
Town of Fulton	Town of Northlake
Town of Lakeside	Town of Westover Hills
Town of Trophy Club	

Large Commercial

Aquilla Water Supply District	Benbrook Water Authority
City of Alamo	City of Allen
City of Arlington	City of Bedford
City of Bellmead	City of Brownwood
City of Burleson	City of Canton
City of Carrollton	City of Cleburne
City of Coppell	City of Corpus Christi
City of Dallas	City of Decatur
City of Denison	City of Euless
City of Farmers Branch	City of Fort Worth
City of Grand Prairie	City of Grapevine
City of Houston	City of Hurst
City of Irving	City of Killeen
City of Kingsville	City of Lewisville
City of McKinney	City of McAllen
City of Mesquite	City of Midlothian
City of Mission	City of Nacogdoches
City of North Richland Hills	City of Odessa, TX
City of Plano	City of Richland Hills
City of Robinson	City of Rockport
City of Rowlett	City of San Angelo
City of Seabrook	City of Seadrift
City of Sherman	City of Spring Valley Village
City of Sugar Land	City of Sulphur Springs
City of Sweetwater	City of Taylor Lake Village
City of Temple	City of The Colony
City of Vernon	City of Victoria
City of Waco	City of Watauga
City of Waxahachie	City of Weslaco
City of Wichita Falls	Housing Authority of the City of Harlingen dba Harlingen Housing Authority
Johnson County Special Utility District	South Texas Water Authority