



## **Public Utility Commission of Texas**

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### **PUC VOTES TO CLAW BACK CERTAIN PAYMENTS TO GENERATORS**

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**Austin, TX** – In today’s open meeting scheduled to discuss the ongoing financial implications of the ERCOT grid event in February, the Public Utility Commission of Texas voted to claw back ERCOT payments made to generators for a special category of power reserves they failed to deliver. Known as “ancillary services,” the electricity reserves are contracted in advance to help ERCOT support the transmission of energy to users while maintaining reliable operation.

“As we get to the bottom of what caused this grid event, our top priority is protecting the Texans who rely on the grid,” said Commissioner Arthur D’Andrea. “We will continue moving quickly to address failures in performance and shortcomings in our rules and ERCOT’s protocols to make sure something like this never threatens Texas again.”

The situation was brought to the PUC’s attention by the Independent Market Monitor who identified a number of instances between February 14<sup>th</sup> and 19<sup>th</sup>, in which ancillary services were not provided in real time because of forced outages or decreases in the available capacity of electric generating units. While ERCOT operators would traditionally note the ancillary services’ “failure to provide” so that payments would not be made, the pace of activity surrounding the grid event caused this function to be overlooked. As a result, the ERCOT payments must be returned.

The Commissioners also discussed repricing all day-ahead clearing prices of ancillary services from the February 15-20 timeframe which were elevated well above the system-wide offer cap due to the prevailing scarcity of offers, generator constraints and opportunity costs. They agreed to continue the discussion with the potential of taking action as early as the next regularly-scheduled open meeting on Friday, March 5.

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#### **About the Public Utility Commission**

Our mission is to serve Texans by regulating the state’s electric, telecommunication, and water and sewer utilities, implementing respective legislation, and offering customer assistance in resolving consumer complaints. Since its founding in 1975, the Commission has a long and proud history of service to Texas, protecting customers, fostering competition, and promoting high quality infrastructure. To learn more, please visit <http://www.puc.texas.gov>.