



Public Utility Commission of Texas

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Public Utility Commission of Texas Approves New Price Protections for Consumers During Power Emergencies

Emergency Pricing Program (EPP) to Set New Limit on Wholesale Electricity Prices During Emergencies

Austin, Texas – The Public Utility Commission of Texas (PUCT) has voted to immediately implement a new Emergency Pricing Program (EPP) for the Electric Reliability Council of Texas (ERCOT) power region. The EPP was required by Senate Bill 3 of the 87th Texas Legislature and will limit consumer exposure to high wholesale electricity prices during power emergencies.

“Implementing the Emergency Pricing Program provides another layer of financial protection for Texas consumers and will ensure their electricity bills remain affordable even when conditions are tight in the ERCOT system,” PUCT Executive Director Thomas Gleeson said. “This is a key part of our ongoing work to ensure electric reliability for Texans at a reasonable cost.”

The Commission approved the program during its Open Meeting on Thursday through amendments to Section 25.509 of the PUCT’s Substantive Rules.

Current PUCT rules cap wholesale electricity offers at \$5,000 per MWh. This “offer cap,” also known as the high system-wide offer cap (HCAP), is a cap on the price at which generators can offer wholesale electricity to retail electric providers that serve and bill individual customers.

The new EPP will trigger if system-wide energy prices hit the \$5,000 per MWh HCAP threshold for 12 hours within a rolling 24-hour period. When the EPP is activated, a new emergency offer cap (ECAP) will take effect, reducing the cap on wholesale electricity offers to \$2,000 per MWh and ultimately further protect consumers.

The EPP and \$2,000 per MWh emergency offer cap would remain in effect until 24 hours after the EPP is activated, or, if ERCOT is in emergency operations while the EPP is active, 24 hours after ERCOT exits emergency operations. ERCOT must issue a notice to market participants both when the EPP is activated and when the EPP ends.

While the EPP is active and to account for variability in fuel costs, generators are eligible to be reimbursed by ERCOT for any actual marginal costs they incur above the \$2,000 per MWh emergency offer cap. To recover actual marginal costs above the HCAP (\$5,000 per MWh), a generator must submit additional attestations and information to ERCOT justifying any exceedances.

Within 10 working days of the end of an EPP event, ERCOT must report to the PUCT a summary of the



event and analysis of the EPP's performance. Within 90 calendar days, ERCOT must report the number of generators that filed for cost recovery and the total amount reimbursed. Beginning Jan. 1 2026, the PUCT will conduct a comprehensive review of the EPP and all other system-wide offer cap programs every five years to evaluate their performance.

About the Public Utility Commission of Texas

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 <https://www.puc.texas.gov>