



Public Utility Commission of Texas

1701 N. Congress, P.O. Box 13326, Austin, TX 78701

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Contact: Ellie Breed
Media@PUC.Texas.Gov

Public Utility Commission of Texas Adopts Reliability Standard for the ERCOT Market

AUSTIN, Texas – The Public Utility Commission of Texas (PUC) today voted to adopt a reliability standard for the Electric Reliability Council of Texas (ERCOT) region. Setting a standard for reliability in ERCOT will allow for regular assessments of the grid’s ability to meet consumer demand and help the PUC and ERCOT determine what market or reliability improvements could be necessary in the future.

“The ERCOT grid is more reliable today than it has ever been, and we know our system must continue to evolve to meet the growing demand for power in our state,” PUC Chairman Thomas Gleeson said. “As we enhance our grid to support the future of Texas, it’s critical we clearly define the standard at which we expect the market and system to operate. By establishing a reliability standard for the ERCOT region today, we are setting a strong expectation for the market and charting a clear path to further secure electric reliability.”

Adoption of the reliability standard meets requirements laid out in [Senate Bill 3](#), as passed by the 87th Texas Legislature and signed into law by Governor Greg Abbott. The final rule adopted today will be filed in PUC Docket No. [54584](#).

According to the rule adopted by the Commission today, the ERCOT grid must meet three criteria to remain in compliance with the reliability standard:

- **Frequency** – In the ERCOT region, a grid outage resulting from inadequate power supply to meet demand must be expected to occur no more than once per ten years on average.
- **Duration** – A potential grid outage resulting from inadequate power supply to meet demand must be expected to last less than 12 hours.
- **Magnitude** – The amount of electricity lost during any hour of a potential outage resulting from inadequate power supply to meet demand must be expected to be less than the amount of electricity that can be safely rotated during an outage.

Detailed explanations of these criteria can be found in the rule.



The rule also establishes a process for a regular assessment of the ERCOT region’s reliability. Beginning January 1, 2026, ERCOT must conduct a probability-based assessment every three years to determine whether the power system is meeting the reliability standard and is expected to continue meeting the standard for the next three years. If ERCOT determines that the system fails to meet the reliability standard, it must include in its report to the Commission recommended changes to the ERCOT market design that could address the deficiency and outline the potential cost of those changes. The PUCT would then provide 30 days for the public to comment on the ERCOT assessment.

If ERCOT’s assessment shows that the system fails to meet the reliability standard, the independent market monitor (IMM) must conduct an independent review and Commission staff must provide their own recommendations on potential market design changes and associated costs. The Commission would then review ERCOT’s assessment, the IMM’s review, Commission staff’s recommendations, and public comments to determine whether any market design changes may be necessary.

At the open meeting today, Commissioners also approved a Value of Lost Load (VOLL), which is an estimate of the value of electric reliability to consumers, for the ERCOT region. Using results from a [survey of consumers in the ERCOT region](#) and an [ERCOT analysis](#), Commissioners approved a VOLL of \$35,000 per megawatt-hour. This value will also help the PUCT evaluate potential market or reliability improvements.

More information related to the development of the reliability standard is available in PUCT Docket No. [54584](#). More information related to the VOLL and consumer survey is available in PUCT Docket No. [55837](#).

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>.