



Texas Municipal Utility District Quarterly Newsletter

Addressing ERCOT Reliability Issues



Texans are very aware of hurricane-related power outages, but for many, this February's extreme weather events reiterated the importance of electricity reliability. Everyone from MUDs to commercial businesses are more cognizant of the need for reliable energy generation and a great way to address that is with distributed generation.

What is a distributed generation system? It is a type of grid-interconnected generator that serves as emergency back-up, regularly powers the facility and can export power to the electric grid. This approach enables you to take advantage of utility demand response programs, economically favorable market conditions and facility demand peak reductions, all of

which offers a combination of cost reductions and revenue. These programs not only generate revenues that offset some of the initial capital expenditure for a generator, but also increases the reliability of the generator in the event of an emergency.

The power reliability issue in Texas is increasingly important to our government, electric suppliers, businesses and MUDs across the state. Acclaim Energy stands ready to leverage its expertise to help Districts understand the feasibility and economics of a distributed generation solution.

What Impact did the February Freeze have on Legislation and Pricing?

While the adverse impact on equipment was challenging for MUDs, let's look at what it did to legislation and prices. After the freeze, there's been a lot of uncertainty as to what energy legislation will be implemented to mitigate the impact of a natural disaster. This is an unprecedented and disappointing situation and has generated more than 300 Bills in legislation, of which, only 6 or 7 have been approved this far.

ERCOT declared its highest state of emergency on February 15, 2021 through 9 A.M. February 19, 2021. In response to significant market anomalies, the Public Utility Commission (PUC) found good cause to suspend and issue an order reinstating low system-wide offer cap (LCAP) of \$9,000/MWh. Because that threshold cap was reached and exceeded, the system-wide offer cap is set for \$2,000/MWh the remainder of the year. It is set at the greater of \$2,000/MWh or 50 times the natural-gas-price-index value determined by ERCOT.

Unfortunately, with the current turmoil, risk and legislation, no one knows what the future outcomes will be.





Acclaim Energy to Address AWBD Members in June Conference



Acclaim Energy has been selected as one of the key presenters at the upcoming AWBD conference. Mark Michna, energy expert and Senior Vice President of Sales will give a presentation on the effects of winter storm Uri. What caused the grid failure, what reforms are being put in place, and what steps you can take to improve reliability.

He will offer in-depth analysis and actionable strategies to help MUD Directors, Engineers and Bookkeepers understand the options they have to mitigate risks and avoid negative impact to their operations. The presentation will take place

on June 18th at 2 PM in San Antonio at the Henry B. Gonzalez Convention Center. Don't forget to stop by Acclaim Energy's booth #1217 to see how we celebrate this year's theme and what new value-added enhancements we offer.

Axeon Interlocal Selects Acclaim Energy as Strategic Partner



Texas Public Energy Solutions, one of the leading interlocal organizations in Texas, has changed their name to Axeon Interlocal. They have chosen Acclaim Energy as a strategic partner for providing energy management solutions exclusively for government entities such as school districts, cities, counties, universities and Municipal Utility Districts.

Axeon Interlocal is led by Texas energy experts, with an average of more than 25 years of experience and offers the latest insights on technology, reliability, procurement and risk management to help optimize an organization's energy profile. In addition, they specialize in developing aggregation pools to reduce costs by prescreening suppliers, effectively negotiating pricing and contracts. They provide full transparency and documentation to ensure compliance and optimization of your energy profile.

Check out our latest Podcast "All About Energy"



Hayden Gaspard, Acclaim Energy's Commercial Director of Special Projects addresses the value of distributed generation in today's energy market. In this 7-minute podcast, you will hear about the technologies and opportunities Texas MUDs now have to reduce costs, generate revenue and increase reliability.

When you objectively look at the vulnerability of the ERCOT grid, reliability should become a paramount issue, especially in the context of the February winter freeze and potential rolling blackouts this Summer.

LISTEN NOW

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