



PRESENTED BY UNIVERSITY OF HOUSTON

TAMEST NATURAL HAZARDS SUMMIT

*Responding
to and
Mitigating
the Impacts*

PART I: VIRTUAL SUMMIT

10.19.2021

#NATURALHAZARDSSUMMIT

Theme One:

PREDICTION, WARNING AND RESPONSE TO ALERTS AND WARNINGS

Moderated by:

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Panel:

Preparing for Future Disasters



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Winter Storm Uri and ERCOT

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Texas was warned in 2011

While the probability of a winter event in the predominantly summer peaking Southwest appears to be low, shedding load in the winter places lives and property at risk. The task force recommends that all entities responsible for the reliability of the bulk power system in the Southwest prepare for the winter season with the same sense of urgency and priority as they prepare for the summer peak season.

FERC/NERC Staff Report on the 2011 Southwest Cold Weather Event

ERCOT market characteristics

- For 8 of the past 10 years, for the generators, the revenues received have not covered the costs, $P < ATC$
- ERCOT is an “electricity only” market
- There is no incentive to invest to maintain equipment

ERCOT market characteristics

- On the contrary, the market provides incredible financial incentives NOT to maintain equipment

Actions taken by PUCT and RRC

- In August 2021, PUCT proposed adopting 2011 FERC-NERC recommendations and 2012 recommendations by consultant
- In September 2021, RRC has proposed requiring weatherization for natural gas facilities with a process to apply for exceptions at \$150

FERC-NERC Interim Staff Report

Key Takeaways—

- Frustration with lack of action
- SPP (Southwest Power Pool) and MISO (Midcontinent Independent System Operator) performed better than the ERCOT