**PUCT PROJECT NO. 52287**

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| **POWER OUTAGE ALERT CRITERIA** | **§** | **PUBLIC UTILITY COMMISSION** |
| | **§** | **OF TEXAS** |

# NRG ENERGY, INC.'S COMMENTS ON THE COMMISSION STAFF'S REQUEST FOR COMMENTS ON POWER OUTAGE ALERT CRITERIA

NRG Energy, Inc. ("NRG") appreciates the opportunity to provide feedback to the Public Utility Commission of Texas ("Commission") on the questions issued for comments concerning power outage alert criteria. These comments focus on the power region within the Electric Reliability Council of Texas ("ERCOT").

## I. EXECUTIVE SUMMARY

A power outage alert system ("alert system") will be an important improvement to communications for Texans regarding potential interruptions of their electricity service. NRG's recommendations are aimed at helping ensure that customers receive necessary information within timeframes that are meaningful and helpful.

- The alert system should be activated when grid and weather conditions could result in inadequate system-wide power supply to meet system-wide demand within the electric grid of a particular power region (e.g., ERCOT, the Southwest Power Pool ("SPP"), Midcontinent Independent System Operator ("MISO")). In these cases, the alert system should be activated, and alerts provided to those within the applicable grid.

- Because alerts are *required* under statute[1] to include a statement that electricity customers may experience a power outage, it is essential that the alerts only be used when power outages are imminent or reasonably expected to occur within the foreseeable future.

[1] Texas Gov't Code § 411.306.

- In real time, the threshold should be if the system is in ERCOT's Energy Emergency Alert 1 ("EEA 1") ***and*** EEA 3 is imminent as determined by ERCOT; or

- If provided in advance based on a projection that power outages are reasonably foreseeable in the near future, an alert should be triggered when ERCOT net loads show a shortfall under an assumption that all available resources are running, and that shortfall creates a risk of moving from EEA 1 through 3 in a three day (or shorter) time frame.

- Alerts should indicate the certainty of the event, potentially using "watch" and "warning" terminology similar to hurricanes or tornados, and color coded with yellow (low probability), orange (medium probability), and red (high probability). Alerts should be issued as conditions change whether they are downgraded or upgraded, should be provided at least daily if outages continue, and should be provided when the event concludes.

- Content should realistically inform customers of the situation and give actionable items.

- The Commission or ERCOT should also provide a landing webpage for customers to visit with pertinent information.

## II. RESPONSE TO COMMISSION STAFF QUESTIONS

Commission Staff posed the following questions, reprinted below in italics. NRG's response follows each question.

1. *Government Code § 411.301(a) states the alert should "be activated when the power supply in this state may be inadequate to meet demand." Should the Public Utility Commission of Texas interpret this to mean that an alert will be activated when there is inadequate* ***system-wide*** *power supply to meet system-wide load demand? (Continued below first part of answer.)*

Yes, the Commission should interpret Government Code § 411.301(a) to mean that an alert will be activated when inadequate system-wide power supply to meet system-wide demand is forecasted or expected within the electric grid of a particular power region such as ERCOT. In these cases, the alert should be activated and provided to those within the applicable power region.

*Should the commission also interpret this to mean that an alert will be activated when there are regional constraints that only restrict power supply to certain regions?*

The answer to this question depends on the interpretation of "region" and what is meant by "constraint."

To the extent that "regional constraints" are differentiated as the ERCOT Power Region, the SPP Region, etc., an alert should be activated for constraints within that region if there is inadequate power supply to meet the load demand of the region.

To the extent this question is asking if an alert should be activated within each power region such as ERCOT, if there are regional constraints in a particular transmission and distribution utility ("TDU") territory, load zone, or a part of Texas such as the Rio Grande Valley that restrict power to those areas, an alert under Chapter 411 of the Texas Government Code should not be activated. In such situations, the issue is more likely transmission-related (e.g., downed power lines, transmission constraints, substation issues). For such situations, individual actions by customers outside the area would likely be unnecessary, and actions by generation outside the affected area may do little or nothing to resolve the issue depending on the circumstances. Either way, a state-wide or ERCOT-wide alert should not be used; communications tailored specifically to the area and resources through other communication methods (such as ERCOT, the TDU, and more localized media) would be more appropriate.

2. *Government Code §411.301(b) states, "The criteria must provide for an alert to be regional or statewide." How should the different regions be defined?*

NRG recommends the alerts be used for system-wide outage concerns, and be issued within the applicable power region or grid, such as ERCOT. It could confuse customers in other power regions (e.g., SPP, MISO) to receive a fully state-wide alert for supply issues within ERCOT when they would not be impacted, and it is unlikely they could do anything to help the situation.

However, if regions within a power region or electric grid such as ERCOT are used, in ERCOT, those regions should either be defined by TDU service territories, or load zones. TDU service territories will be more recognizable to customers, however, due to the geographic diversity of some TDU territories, customers may need additional information to know if their area is affected. While load zones are not currently as recognizable to customers, they may be more informative (e.g., North, West, South, Houston), and customers can be educated on their load zone as part of outreach efforts and the recommended landing page.

*3. Government Code §411.301(b) states, "The Public Utility Commission of Texas by rule shall adopt criteria for the content, activation, and termination of the alert." At what threshold should the commission choose for the alert to be activated? Terminated? What content would be the most helpful for inclusion in the alert?*

**Thresholds**

It is important that the alert system provide useful and actionable information for Texans and issue alerts in a timely manner. It is also important that the alert system set the right tone to not unnecessarily create fear and not issue too many warnings such that customers stop taking the power outage alerts seriously, or even pre-threshold alerts and communications seriously (such as conservation alerts, which remain an important tool).

The requirement of Texas Government Code § 411.306 specifies that the power outage alert "must include a statement that electricity customers may experience a power outage." Because alerts are *required* under statute to communicate there "may" be a power outage, it is essential that the alerts developed under this statute only be used when power outages are imminent. Communications to the public prior to meeting these thresholds should be conducted when appropriate, just through other methods.

A two-step approach would be appropriate to set thresholds for the beginning of the outage alerts:

1) In real time, an outage alert should be tied directly to ERCOT's Emergency Alert System to ensure continuity and that there are not conflicting processes and messages that confuse the public. The threshold should be if the system is in EEA 1 ***and*** EEA 3 is imminent as determined by ERCOT.
2) If provided in advance based on a projection that power outages are reasonably foreseeable in the near future, an outage alert should be triggered when ERCOT net loads show a shortfall under an assumption that all available resources are running, and that shortfall creates a risk of moving from EEA 1 through 3 in a three day (or shorter) time frame.

Additional alerts should be issued as conditions change whether they are downgraded or upgraded, and should be provided at least daily if outages continue.

**Termination**

Alerts should be terminated when there is no longer a risk of EEA 3 happening, as determined by ERCOT.

**Content**

Alerts should include wording, coloring, or coding to indicate the certainty of the event. For example, the alerts could use the "watch" and "warning" terminology similar to hurricanes and tornadoes, and could be coded by color of yellow (low probability), orange (medium probability), and red (high probability).

The content will likely vary across the various platforms with different character limitations and audiences, but should generally communicate in a way that informs the customers and gives actionable items. It may be appropriate that the type of platform for distribution (such as media, text, automated calls, social media alerts, or a combination) differ by the severity level. Recommended content includes:

**Before an actual outage:**

- **Most helpful:**
  - A power outage watch [or warning] has been issued for _____ for the hours of ____ on [date(s)]. The expected duration is_____ [if known]. The controlled outage [will/will not be] rotating [if applicable - in ___ minute increments during this time period].
  - There is a _____[probability] that controlled, rotating outages will occur due to _____[reason].
  - Customers are requested to conserve power during [applicable hours/days].
- **Helpful where space or time allows:**
  - [Provide information on current or expected systemwide peak load versus the available generation, using actuals or estimates as appropriate to the situation.]
  - Customers can download the ERCOT app for updates on the latest information.
  - An outage map is available at: http://www.puc.texas.gov/storm/.
  - Additional information can be found at: [landing page for information on applicable power region with specific information, actions for customers to take (including conservation), and applicable numbers to call regarding outages].

- [If alerts end up being triggered for area(s) that do not encompass all of ERCOT, state the area(s) affected.]
- [State by when the next communication can be expected.]
- Provide actionable tips such as:
  - Customers who are dependent on electrical devices for medical reasons or need to have refrigerated medication should ensure they have back-up power or safely relocate to a location that has back-up power.
  - Customers should ensure devices are charged, and have flashlights or lanterns accessible with fresh batteries.
  - Customers should have extra non-perishable food and water on hand.
  - Never use a gas-powered generator, portable stove, charcoal grill or gasoline or propane heater indoors.
  - Restock medications, your first aid kit, and your pets' needs.
  - Customers on certain time-of-use plans and large commercial customers should be aware that electricity prices may be higher during these times.
  - [Winter only] Gather plenty of blankets and warm clothing.
  - [Winter only] Open blinds and shades during the day and remove any solar screens so the sun can warm your home.
  - [Summer only] Stay hydrated by drinking more water than usual, and use cooling towels.
  - [Summer only] Close curtains.

**During an outage:**

- **Most helpful:**
  - ERCOT has ordered utilities to reduce electric demand.
  - Controlled, rotating outages of ____ minutes are underway. [If controlled rotating outages are not possible, state that outages of _____ minutes (or hours) are underway. If outages last for more than one day, subsequent alerts should state that outages are continuing.]
  - [Provide information on how the controlled rotating outages are proceeding in terms of areas impacted.]
  - [Provide a reasonable expectation on when outages will end.]
  - Customers are requested to conserve power during [applicable hours/days].

- **Helpful where space or time allows:**
    - Customers can download the ERCOT app for updates on the latest information.
    - An outage map is available at: http://www.puc.texas.gov/storm/.
    - Additional information can be found at: [landing page for information on applicable power grid with specific information, actions customers can take (such as conservation), and applicable numbers to call regarding outages].
    - Customers on certain time-of-use plans and large commercial customers should be aware that electricity prices may be higher during these times if their power is on.

**When outages end:**

- The Energy Emergency Alerts and Power Outages have ended.
- [State if usage can return to normal, or if conservation is still needed].
- [Communicate what resolved the issue[s]].

## III. ADDITIONAL COMMENTS

The power outage alerts developed in this project should be done in consideration of the existing communication efforts by ERCOT, TDUs, and Retail Electric Providers ("REPs"). The distribution of alerts should ensure that all market participants receive communications as soon as possible so that entities, such as REPs, are informed of the situation. It is a foundational element of the Texas retail electric market that the "primary point of contact for customers [is] the REP."[2] Therefore, it is important that REPs are provided timely access to outage information so that they are ready to address customer questions when they call, as well as able to provide appropriate

[2] *Rulemaking to Establish Terms and Conditions of Transmission and Distribution Utilities' Retail Distribution Service,* Project No. 22187, Order Adopting New § 25.214 and the Pro-Forma Tariff, Tariff for Retail Delivery Service, as Approved at the December 13, 2000 Open Meeting and Submitted to the Secretary of State at 90 (Jan. 23, 2001) (citing to *Cost Unbundling and Separate of Utility Business Activities, Including Separation of Competitive Energy Services and Distributed Generation*, Project No. 21083).

communications to customers consistent with the alerts. Accordingly, when at all possible, market participants should be advised the public alerts will be activated in advance.

NRG recommends that once the alert system is created, the Commission, and potentially other entities such as the Department of Public Safety, help to publicize the new system such as through press releases issued to media outlets.

NRG recommends that either the Commission or ERCOT maintain a customer-centered landing page for information regarding power outage alerts, such as the current status of the alert, information on the criteria used for the alerts (including what EEA levels are), actions that customers can take (such as conservation), links to resources, information on numbers to call regarding outages, and potentially frequently asked questions. A one-stop information page should help make sure the customers understand what they heard or saw in an alert and can access the information they need, in addition to calling their REP if necessary. REPs could potentially develop their own similar landing pages.

Finally, alerts and any common landing page the alerts may point to should help the customers to understand what is happening and set appropriate expectations about the available information that can be provided by the state or other entities at that time and as the event unfolds. Customers want to know as much as possible. Ensuring customers understand what is and is not known about an outage situation will help improve the communications if such outage situations arise in the future.

## IV. CONCLUSION

NRG appreciates the Commission's thoughtful approach to gather stakeholder feedback during the development of power outage alert criteria. NRG looks forward to continued participation in this project.

Respectfully submitted,

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