

ONE HUNDRED SEVENTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
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March 4, 2021

Bill Magness
President and Chief Executive Officer
Electric Reliability Council of Texas
7620 Metro Center Drive
Austin, Texas 78744

Dear Mr. Magness:

Pursuant to Rules X and XI of the U.S. House of Representatives, the Committee is investigating the response to the recent extreme weather event that left Texas with sustained power and gas outages and contaminated drinking water, and continues to threaten the health and safety of millions of Texans. On February 19, 2021, the Committee wrote to Governor Greg Abbott to express deep concern with the handling of the extreme weather event that led to widespread blackouts through much of the state. Today, we write to you seeking information about the Electric Reliability Council of Texas' (ERCOT) role, preparation, and response to the crisis.

Beginning February 14, winter storms brought life-threatening low temperatures, snow, and freezing rain to much of Texas, leading to hazardous travel conditions, prolonged energy service disruptions, and other failures that resulted in the death of many Texans. There have been at least 32 weather-related fatalities in Texas since the beginning of the extreme weather event resulting from carbon monoxide poisoning, fire, cold temperatures, or car accidents.¹ Countless other Texans have suffered without reliable heat, power, or safe drinking water, with nearly 12 million people reportedly being advised to boil water for safety at one point² and water supply shortages risking the health of patients at Austin-area hospitals.³ More than 4.3 million

¹ *58 people died in last week's frigid weather. Some of them were just trying to stay warm*, The Washington Post (Feb. 21, 2021).

² *Texas weather: Residents told to boil tap water amid power blackouts*, BBC News (Feb. 18, 2021).

³ *Austin-area hospitals respond after reports of water outages, employees using bags for restroom purposes*, KVUE ABC (Feb. 17, 2021).

customers lost power during peak outages.⁴ On top of this, the imbalance between energy supply and demand also pushed electricity prices up to the cap of \$9,000 per megawatt hour, estimated by some sources as approximately 180 times the average rate before the storm.⁵ One energy company is considering spreading costs out over a decade or more,⁶ and at least one company's electric customers have reported bills as high as \$17,000.⁷

The ongoing crisis raises significant questions regarding Texas' grid resilience and regulatory regime, and ERCOT's stewardship of the grid prior to and during this crisis. According to reports, ERCOT was aware of the possibility of a significant winter weather event as early as Tuesday, February 9, 2021, but may not have appreciated the seriousness of the event or its possible implications. During a call with the ERCOT Board of Directors that day, despite knowing "frigid temperatures" were on the way, the Board of Directors reportedly only discussed the winter weather event for less than a minute during this meeting.⁸ Given the knowledge of severe winter weather happening in the past, it is worrisome that only seconds were dedicated to discussing this issue.

In 2011, following another cold weather event, the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) reviewed the causes of power failures during the event and made a number of recommendations for the electric and natural gas industries intended to help prevent blackouts and natural gas curtailments.⁹ Several of these recommendations were directed at ERCOT,¹⁰ but, it is unclear the extent to which ERCOT implemented any of these recommendations. With extreme weather events becoming more frequent due to climate change, it is critical that ERCOT and Texas apply lessons from earlier emergency events in order to increase the strength and resiliency of the grid and prevent future blackouts.

The Committee, which has broad jurisdiction over energy policy, has a longstanding interest in ensuring that all Americans are served by an affordable, reliable, and clean energy

⁴ *The status and politics of the Texas power crisis*, Axios (Feb. 16, 2021).

⁵ *Texas wholesale electric prices spike more than 10,000% amid outages*, Reuters (Feb. 15, 2021)

⁶ *Skyrocketing price of power could impact CPS Energy bills for a decade or longer*, KSAT News (Feb. 19, 2021).

⁷ *\$17,000 Electric Bill? A Deregulated Power Grid Leads To Wild Prices For Texans*, Forbes (Feb. 20, 2021).

⁸ *ERCOT officials spent 40 seconds on winter storm preparedness at Feb. 9 meeting*, Austin American-Statesman (Feb. 19, 2021).

⁹ Federal Energy Regulatory Commission, *Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1-5, 2011: Causes and Recommendations* (Aug. 16, 2011).

¹⁰ *Id.* at 199-200.

infrastructure. The events of the week of February 14, 2021, demonstrate that there are significant shortcomings in preparation and response efforts for this extreme weather event, and that more must be done to protect communities disproportionately impacted by winter power outages. We, therefore, respectfully request a briefing for Committee staff as soon as practicable and a response to the following:

1. Please summarize the extent of any winterization or other preparation efforts made in advance of the extreme weather event that began on February 14, including but not limited to, whether any recommendations of the 2011 report by FERC and NERC noted above were implemented.
2. What protocols did ERCOT have in place to notify the public of the extreme weather event and associated power disruptions? Please explain in detail and describe any methods and technologies used to communicate with the public and the effectiveness of these systems.
3. Are there any existing protocols in place to ensure communication regarding natural gas-electric supply coordination, particularly among ERCOT, the Texas Railroad Commission, and the Texas Public Utility Commission? In your response, describe how regularly ERCOT communicated with these entities leading up to and during this event, the type of information shared, and your review of the effectiveness of these communications efforts.
4. Please describe the process for implementing outages. In your response, please also address reports indicating that the loss of power to gas production facilities in the Permian Basin was a major problem that contributed to the broad and long-lasting blackout throughout much of Texas.¹¹
5. Please explain whether increased connection with the Eastern and Western Interconnections in the United States would have allowed Texas to import more power to alleviate the electricity shortages experienced within the State.
6. Please explain if scarcity pricing worked as intended during this extreme weather event. Please also explain why, in many cases, generators were physically unable to provide power, but customers ended up with utility bills in the thousands of dollars.
7. Please provide a detailed description of the reliability framework in Texas, including but not limited to the roles of NERC, ERCOT, the Texas Reliability Entity, the Texas Public Utility Commission, and the Texas Railroad Commission. In your response, please also explain which entities have the authority to develop, implement, and enforce mandatory reliability standards in Texas, including for natural gas infrastructure.

¹¹ *A Giant Flaw In Texas Blackouts: It Cut Power to Gas Supplies*, Bloomberg (Feb. 20, 2021).

Mr. Bill Magness

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Thank you for your prompt attention to this request. Please provide the requested information as soon as practicable in light of ongoing circumstances, but no later than March 19, 2021.

Sincerely,



Frank Pallone, Jr.
Chairman



Bobby L. Rush
Chairman
Subcommittee on Energy



Diana DeGette
Chair
Subcommittee on Oversight
and Investigations



Marc A. Veasey
Member of Congress



Lizzie Fletcher
Member of Congress