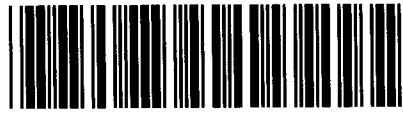


Control Number: 40000



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EDKO Consulting

Education. Development. Knowledge. Opportunity.

November 14, 2013

Public Utilities Commission of Texas
Re: PUCT Project No. 40000
P.O. Box 13326
Austin, TX 78711

2013 DEC 18 AM 10:59
PUBLIC UTILITIES COMMISSION
FILED CLERK

Dear Commissioner:

It has come to my attention that the Public Utility Commission of Texas recently held a hearing to discuss revising the state's electricity market. A majority of the commissioners expressed their intent to require a mandatory reserve margin to help stabilize our state's electricity supply and make sure there is power when needed. I support this common sense planning for the electricity market.

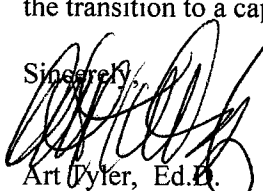
As demand for electricity continues to grow, the level of planning reserves for electricity is expected to dwindle in the upcoming years. I side with Commissioners Donna Nelson and Brandy Marty who seek a solution to this growing problem, as thin electricity margins dramatically increase the threat of rate spikes and rolling blackouts during times of peak demand. Running out of electricity when Texans need it is unacceptable, and both the public and private sectors count on the 100 percent reliability of the grid. Electricity is a base function that powers all businesses and public services alike, and the threat of electrical shortages is an issue that greatly threatens our prosperous economy.

So, what is the most elective way to solve this problem and maintain an adequate power reserve margin? A transition from the current "energy only" market to a capacity market is necessary for the electricity market in Texas. It is a more stable market as it limits price volatility because it anticipates future need and spreads the cost evenly throughout the grid.

With the capacity market consumers can better participate in the market by selling their own conservation efforts through demand-response programs. This market increases price stability, encourages private investment, and consumers can be more certain that the state's electrical grid will work for them now and in the future as the energy sector continues to grow.

I implore you take swift and smart action in the electricity market. Implementing a mandatory power reserve margin is a good first step in securing the future reliability of the electricity market in Texas, and the transition to a capacity market will have positive ripple effects felt throughout the Texas economy.

Sincerely,



Art Tyler, Ed.D.
COO

CC:

Governor Rick Perry
Lt. Gov. David Dewhurst
Rep. Byron Cook
Rep. Sylvester Turner
Rep. Helen Giddings

Sen. John Carona
Sen. Kirk Watson
Sen. Larry Taylor
Sen. Troy Frasier
Speaker Joe Straus

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6/19