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Public Utility Commission of Texas

Memorandum

TO: Chairman Thomas J. Gleeson
Commissioner Kathleen Jackson
Commissioner Courtney K. Hjaltman

FROM: Tracie Tolle, Texas Energy Fund Director
Laurie Hobbs, Texas Energy Fund Attorney

DATE: January 16, 2025

RE: **January 16, 2025, Open Meeting – Item No. 42**

Project No. 56896 – Texas Energy Fund In-ERCOT Loan Program Reports and Filings

At the August 29, and December 12, 2024, open meetings, the Commission advanced a portfolio of applications seeking funding under the Texas Energy Fund (TEF) In-ERCOT Generation Loan Program to due diligence review. Since the advancement of that portfolio, Commission Staff (Staff) has identified one additional application from the pool of remaining applications to recommend for advancement to due diligence:

Application Number	Sponsor Name	Capacity (MW)
APP-147	Rockland Power Partners IV, LP	342

Application 147 seeks \$200 million in TEF funds and represents 342 megawatts of potential new generation. The advancement of Application 147 to due diligence and the removal of Application 007, which has been withdrawn by the applicant, would result in a portfolio of 18 total applications, \$5.32 billion in loaned TEF funds, and 9,791 megawatts in potential new generation.

Attachment 1 shows aggregated application information for the portfolio, reflecting the removal of Application 007 and invitation to due diligence of Application 147 recommended herein.

Methodology

Staff arrived at the recommendation of Application 147 by completing a comparative analysis of applications remaining in the pool. As stated in Staff's August 29, and December 12, 2024, memoranda, applications were assessed based on responses to four major categories of application information: (1)

project technical and regional attributes, (2) project financial attributes, (3) application sponsor history, and (4) application sponsor financial characteristics. Staff also aimed to meet the commissioners' stated priorities: (1) diversity among applicant types, (2) diversity in siting location, (3) speed to market, (4) ability to relieve transmission constraints, and (5) diversity of generation resource types. Staff also assessed whether each applicant has made arrangements to obtain required equity and equipment to begin timely construction of TEF projects.

In response to lessons learned from the first round of applications invited to due diligence, Staff performed an enhanced Know Your Customer review to ensure that the recommended application would result in a suitable TEF borrower.

Staff Recommendation to Due Diligence

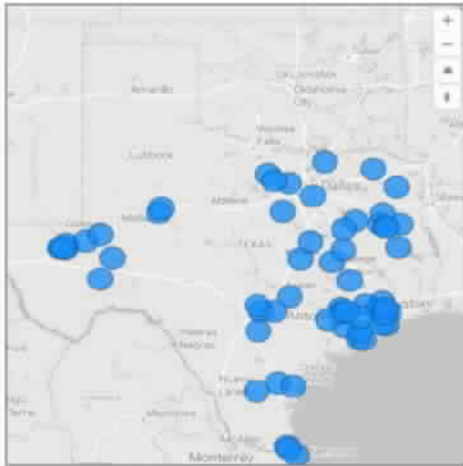
Staff recommends that the Commission approve the advancement of Application 147 to due diligence review to determine its eligibility for TEF funding. Staff expects that due diligence review for this application will take between four and eight months.

A Proposed Order Approving Loan Application Advancement and Delegation of Authority to Executive Director is also attached.

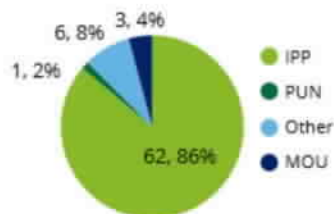
Staff is prepared to discuss any part of this memo at the January 16, 2025, open meeting.

In-ERCOT General Loans Program – Recommended Portfolio, January 2025

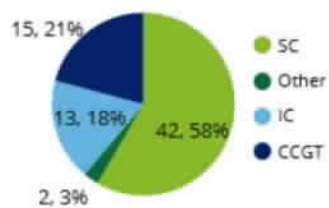
Locations of 72 Applications



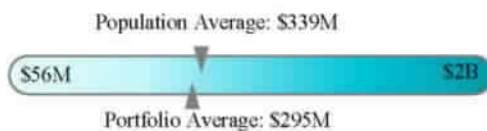
Entity Type¹ of Loan Applications



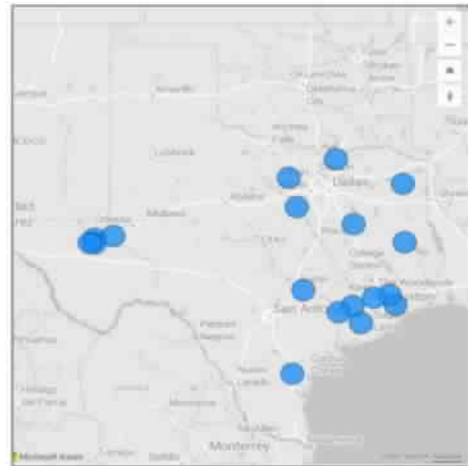
Technology Type² of Loan Applications



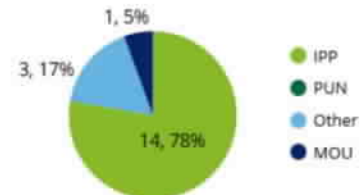
Value of Loans



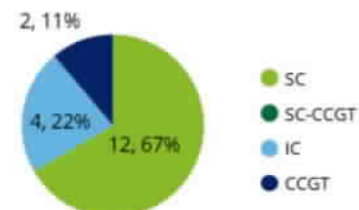
Locations of Portfolio of 18



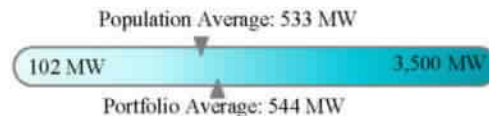
Entity Type of Loan Portfolio



Technology Type of Loan Portfolio³



Megawatts (MW) of Projects

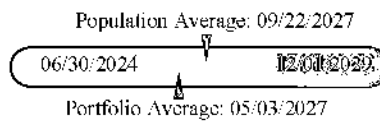


¹ Independent Power Producer (IPP), Private Use Network (PUN), Municipal Owned Utility (MOU)

² Simple Cycle (SC), Internal Combustion (IC), Combined Cycle Gas Turbine (CCGT)

³ Data in pie charts is shown as (number of applications, percentage of applications)

Commercial Operations Date



PROJECT NO. 56896

**TEXAS ENERGY FUND IN-ERCOT
LOAN PROGRAM REPORTS AND
FILINGS**

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**PUBLIC UTILITY COMMISSION

OF TEXAS**

**PROPOSED ORDER APPROVING LOAN APPLICATION ADVANCEMENT AND
DELEGATION OF AUTHORITY TO EXECUTIVE DIRECTOR**

This order addresses the set of applications submitted in accordance with 16 Tex. Admin. Code § 25.510 seeking funding under the Texas Energy Fund In-ERCOT Loan Program. After reviewing that set of applications, the Commission determines that the following application will be advanced to due diligence review:

Application Number	Sponsor Name
APP-147	Rockland Power Partners IV, LP

The Commission delegates authority to the executive director to approve any application identified in this order and enter into a loan agreement relating to that application, provided that the application undergoes due diligence review to the executive director's satisfaction. Additionally, the Commission delegates authority to the executive director to deny any application in this order for failure to meet due diligence requirements.

Signed at Austin, Texas the _____ day of _____ 2025.

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS J. GLEESON, CHAIRMAN

KATHLEEN JACKSON, COMMISSIONER

COURTNEY K. HJALTMAN, COMMISSIONER