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# **OPEN MEETING COVER SHEET**

## **COMMISSION STAFF MEMORANDUM**

**MEETING DATE:** August 15, 2024

**DATE DELIVERED:** August 8, 2024

**AGENDA ITEM NO.:** 38

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

**DESCRIPTION:** Commission Staff Memorandum

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Chairman Thomas J. Gleeson  
Commissioner Lori Cobos  
Commissioner Jimmy Glotfelty  
Commissioner Kathleen Jackson  
Commissioner Courtney K. Hjaltman

**FROM:** Barksdale English, Deputy Executive Director  
David Gordon, Executive Counsel

**DATE:** August 8, 2024

**RE:** **August 15, 2024 Open Meeting – Item No. 38**  
**Project No. 56896 – Texas Energy Fund In-ERCOT Loan Program Reports and Filings**

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Since the close of the Texas Energy Fund (TEF) In-ERCOT Generation Loan Program application period on July 27, 2024, Commission Staff and the TEF administrator have begun initial application review. At the August 29, 2024 open meeting, Staff will present for your consideration a portfolio of applications recommended to be advanced to due diligence examination. This memo provides a high-level description of the review process, so your offices are prepared to receive project information to facilitate application advancement.

The Commission received 72 applications seeking more than \$24 billion in funding for projects representing over 38,000 megawatts of potential new generation. The applications present projects of various sizes, technologies, and locations throughout the ERCOT region. To meet TEF legislation goals, Staff and the TEF administrator will evaluate each application according to the submission requirements described in the Commission's In-ERCOT Generation Loan Program rule.<sup>1</sup> The assessment will examine an applicant's responsiveness to more than 60 different questions, and each application will be evaluated across 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.

Following individual meetings with each of your offices, Staff has identified broad overlap in commissioner priorities for a portfolio of projects to be approved. Based on those meetings, Staff and the TEF administrator will highlight the following considerations when compiling a recommended project portfolio: (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.

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<sup>1</sup> See Tex. Util. Code § 34.0104(e) and 16 TAC § 25.510.

No later than August 20, 2024, Staff will provide your offices with evaluations of all applications in the four major rule categories described above to demonstrate the relative strengths and weaknesses of each proposal. In addition, Staff will present your offices a recommended portfolio of applications for advancement to due diligence that addresses the commissioner priorities described in commissioner meetings.

At the August 29, 2024 open meeting, Staff will publicly present its portfolio recommendation of applications to advance to the due diligence phase of review. Because information submitted in an application for a TEF loan is confidential,<sup>2</sup> Staff's public recommendation will not reveal information beyond what has already been disclosed in applicant notices of intent to apply for TEF funding. At that open meeting, Staff recommends that the Commission approve the advancement of the portfolio applications and simultaneously authorize the Executive Director to enter into a loan agreement with those applicants that complete due diligence review to the Executive Director's satisfaction. Of course, the Commission will retain ultimate discretion to select those applications to be included in the portfolio of applications advanced to due diligence review.

Staff is prepared to answer any questions regarding the process described in this memo at the August 15, 2024 open meeting.

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<sup>2</sup> Tex. Util. Code § 34.0104(i).