



Filing Receipt

Filing Date - 2024-09-05 08:42:20 AM

Control Number - 56896

Item Number - 54

September 5th, 2024



HGP Storage, LLC
3702 Fairmount St
Dallas, TX 75219

Chairman Thomas J. Gleeson
Commissioner Lori Cobos
Commissioner Jimmy Glotfelty
Commissioner Kathleen Jackson

Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, TX 78711

Dear Chairman Gleeson and Commissioners,

Dear Commissioners,

I write on behalf of the people of Texas in response to the recent decision to deny "Application 162 – NextEra [sic] and Aegle Power" under the Texas Energy Fund (TEF) In-ERCOT Generation Loan Program. While the denial of the application due to failure in the due diligence phase is an important step in protecting Texas's energy future, the circumstances surrounding this failure raise significant concerns about the integrity and effectiveness of the process itself.

The reliance on Deloitte as a third-party consultant for initial application review is at the heart of this issue. The fact that the application progressed through early stages of the review process, only to be denied due to such critical failures during due diligence, highlights a breakdown in the fundamental mechanisms of verification and oversight. This breakdown, unfortunately, puts the people of Texas at risk by potentially wasting precious time and resources.

Given the severity of the failure in the due diligence process, we urge the Public Utility Commission of Texas to:

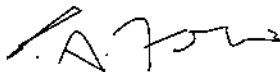
1. Demand a Full Refund – The people of Texas deserve a 100% refund of any public funds that have been spent on this flawed process. Public dollars should not be wasted on a system that failed to properly identify critical issues earlier in the application review process.

2. Appoint a New Due Diligence Consultant – Deloitte's oversight in this instance demonstrates a clear need for a more rigorous and effective consulting firm to handle future due diligence evaluations. A new consultant with a proven track record in energy finance, project management, and infrastructure development should be immediately appointed to avoid further setbacks and ensure the integrity of the process moving forward.

The people of Texas have entrusted the PUCT with ensuring that any company selected for funding under the TEF is fully vetted for financial and operational viability. This failure, however, threatens to erode public trust in both the TEF and the PUCT's ability to protect public interests. Swift action to refund misallocated funds and improve due diligence standards is essential to restore that trust.

Thank you for your attention to this urgent matter. We look forward to seeing timely corrective actions to safeguard Texas's energy future.

Respectfully,

A handwritten signature in black ink, appearing to read "G. Forero", written in a cursive style.

Gregory A. Forero
President
HGP Storage