



Open and Transparent

An Update for the Members

MESSAGE
FROM
PRESIDENT/
CEO

**DARRYL
SCHRIVER**

NOW THAT SUMMER is in full swing, many of us welcome more opportunities to be outdoors and enjoy warmer weather. Summertime brings favorite activities like cooking out with family and friends, afternoons on the water, and simply slowing down a bit to enjoy life. I, like many of you, am enjoying the warmer weather. 30886001

From a utility perspective, while the warmup is nice, there are still looming effects of February's winter storm. As I write this column, state representatives and senators have wrapped up the 87th legislative session, and Brazos Electric Power Cooperative (Brazos), our wholesale power supplier, is trudging through their bankruptcy.

As CEO of Tri-County Electric Cooperative, I work for you, the member-owners, and pledge to stay open and transparent with issues facing our cooperative.

Legislative Update

The Texas Legislature wrapped up this year's regular session on May 31. Winter Storm Uri hit our state less than a month after legislators convened in Austin, quickly taking priority in the session. More than 500 bills related to the storm were filed, including more than 300 relating specifically to the electric grid.

Legislators filed bills and debated issues on weatherization of generating assets, ERCOT market design load shed obligations, creating a disaster alert system, governance over ERCOT and the Public Utility Commission of Texas (PUCT) and much more. Below I will highlight just a few items that passed and their associated significance to our industry.

The largest and most encompassing bill that was passed was Senate Bill (SB) 3, which included elements from various bills related to the storm. Key provisions of the bill include:

- ▶ The Texas Energy Disaster Reliability Council – created in House Bill (HB) 13 – is responsible for creating a disaster alert system to notify Texans when capacity on the ERCOT grid is not expected to meet demand.
- ▶ Creation of a committee to map the state's critical gas facilities and electric infrastructure and provide best practices for facilities to prepare for extreme weather. Facilities identified by the mapping committee and designated by the Railroad Commission must implement measures to operate under extreme conditions. The Railroad Commission will inspect facility compliance and report any violations to the Attorney General.
- ▶ The PUCT must establish rules for an emergency pricing program that goes into effect after the pricing cap is in place for 12 hours in a 24-hour period. This program must be reviewed once every five years.
- ▶ Formalization of the Texas Electric Reliability Council to create preparation measures to ensure the delivery of electricity and energy in the state. 800765901

As you can see, this was an active session, and our elected officials are working to ensure the future of the Lone Star State remains bright. A Special Session is highly anticipated, and we will continue to participate and monitor issues that affect our membership.

Brazos Bankruptcy

Brazos's bankruptcy continues to be a very fluid process that is far from over. Important hearing and filing dates are approaching and we continue to work diligently with legal counsel and consultants to navigate this situation. This is a problem not of our making, but we are doing our best to represent the interests of the Tri-County Electric Co-op membership. We are in this together. ■