February 17, 2021  
Board of Directors  
Electric Reliability Council of Texas, Inc.

Dear Fellow Board Members:

The purpose of this letter is to call for an urgent meeting of Electric Reliability Council of Texas (ERCOT) via teleconference to obtain from ERCOT management an initial accounting of details that led to the sustained power outages for millions of Texans this week as well as ERCOT’s preparations and decisions. I have directed the Corporate Board Secretary to schedule the meeting for 10:00 am on Wednesday, February 24, 2021. Additional details, including the agenda, will be forthcoming and posted on the ERCOT website as soon as reasonably possible, but no later than Friday, February 19, 2021, at [http://www.ercot.com/committee/board](http://www.ercot.com/committee/board). The meeting will be webcast live (through a link on the same webpage) and recorded.

While ERCOT’s operators have managed to avoid a total collapse of the grid, the significant and sustained loss of electricity generation and unprecedented demand have led to millions of Texas households and businesses without power for days during extreme cold temperatures. Given ERCOT’s charge by the Texas Legislature for resource adequacy and reliability, this crisis warrants the board’s full and prompt attention, beginning with an understanding of the key events and known causes to date. For the meeting on February 24, 2021, I expect ERCOT management to provide a chronology of key events and critical actions as well as data and explanations in response to the following questions:

- What preparations, communications, and decisions did ERCOT make to plan for and respond to this emergency? What notice was given to state officials and the public that this situation was likely? What were ERCOT’s interactions with state and federal officials, utilities, generators, retail electric providers, and other entities such as the natural gas industry?
- What was the extent of the power outages over the course of this emergency by utility and by area? Why were the “rolling” outages not rolling with some customers out of power for multiple days? Why did ERCOT not have more definitive estimates on when power would be restored?
- What would have happened if ERCOT did not take the immediate steps to order outages beginning with the declaration of the Energy Emergency Alert Level 3 and continuing thereafter?
- What led to the significant and sustained loss of generation? How much and what type of generation was out of service leading up to and during the declaration of emergency conditions that led to power outages? To the extent known at this time, what were the reasons for electricity generation being unavailable (e.g., gas supply or prices, weather or non-weather-related equipment failure, resource availability)?
- What happened with electricity prices in the market during the event and how does that compare to historical prices? What quantity traded at the scarcity price? To what extent were market participants hedged, to the extent known at this time based on available information?

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• How does this event compare to prior situations such as the February 2011 winter rotating outage event?
• What are the roles and responsibilities of ERCOT under state and federal reliability law?
• What is the status of ERCOT’s implementation of the recommendations and directives by state and federal regulators following the February 2011 winter rotating outage event?

We will reserve time on the agenda for additional questions by the Board, and look forward to each of you bringing your unique expertise and experience to bear in this important oversight role.

Going forward, I expect the Board—informed by an in-depth investigation of the causes and contributing factors of this crisis and risks of similar events—to work with state leadership and other entities to identify and take the necessary actions to assure Texas residents and businesses never again experience power outages on this magnitude. It is critical to learn from this experience and bring about the necessary organizational, market, planning, and oversight changes to protect Texans.

I greatly appreciate your leadership, attention, and insights. Please contact me at any time with questions or concerns.

Respectfully,

Sally Talberg
Chairman of the Board

cc:
The Honorable Greg Abbott, Governor of Texas
The Honorable Dan Patrick, Lt. Governor of Texas
The Honorable Dade Phelan, Speaker of the Texas House of Representatives
The Honorable Kelly Hancock, Chairman of the Senate Committee on Business and Commerce
The Honorable Chris Paddie, Chairman of the House Committee on State Affairs
The Honorable Craig Goldman, Chairman of the House Committee on Energy Resources
Members of the Senate Committee on Business and Commerce
Members of the House Committee on State Affairs
Members of the House Committee on Energy Resources
The Honorable DeAnn Walker, Chairman, PUCT
The Honorable Shelly Botkin, Commissioner, PUCT
The Honorable Arthur D'Andrea, Commissioner, PUCT