

Important Information About Electricity Load Shedding and What It Could Mean to You

Section 17.005 of the Public Utility Regulatory Act (PURA) Utilities Code requires Municipally Owned Utilities in the Electric Reliability Council of Texas (ERCOT) service area to share a summary of their involuntary load shedding procedures. New Braunfels Utilities and all other electric utilities must abide by this process to help ensure the stability of the statewide electric grid during periods of inadequate power generation. Failure to properly implement load shedding procedures could result in an uncontrolled blackout of electric service for the majority of Texas. Electric utilities, including NBU, are obligated to immediately implement load shed procedures when ERCOT instructs.

ERCOT manages the flow of electric power to more than 26 million Texas customers and is responsible for ensuring that the supply of electricity is sufficient to meet customer demand (load) in most of the state.

When electric supply provided by all available power generation plants, wind farms, and other sources becomes insufficient to meet customer demand, ERCOT begins emergency operations. When electric supply cannot meet consumer demand for electricity and all other operational tools have been exhausted, the demand for electricity must be reduced to avoid uncontrolled blackouts. As a last resort, ERCOT will instruct electric utilities to implement controlled customer outages to reduce the customer demand for electricity on the ERCOT grid. This is referred to as load shed and will last until the power emergency is resolved by ERCOT.

Typically, before calling for controlled customer outages, ERCOT takes steps to reduce the demand on the electric grid by asking customers to reduce electric usage. Electric utilities, including NBU, via NBU's ERCOT Transmission Operator, Lower Colorado River Authority Transmission Services Corporation (LCRA TSC), are obligated to immediately implement load shed procedures when ERCOT instructs.

During mandated load shed events:

- All customers should assume their power could go out without advanced warning. Efforts will be made, as much as possible, to provide advanced notification of pending outages, but circumstances do not always allow that to happen.
- Customers designated as **Critical Load**, in accordance with PUC §25.497, are not guaranteed an uninterrupted supply of electricity. It is the responsibility of the retail customer to make necessary arrangements for alternative sources of electric power should a localized outage or load shed event occur.
- Residential customers dependent on electric-powered medical equipment, such as those designated as **Critical Care** or **Chronic Condition**, in accordance with PUC §25.497, are encouraged to have a solid back-up plan in the event they lose electricity. **It is important to note that these customers are not excluded from**

controlled outages and may lose power during a load shed event. Anyone who depends on electricity for life-sustaining equipment should have a back-up plan in place.

- The procedure for a customer to apply to be considered a critical care residential customer, a critical load industrial customer, or critical load according to commission rules, can be found on NBU's website at: nbutexas.com/critical-care-program, or nbutexas.com/critical-load-program.
- Electric utilities will prioritize continuity of service for certain customers whose service is critical to the community during an emergency or those whose service provides major support to the integrity of the electric system during an emergency. Examples include hospitals and public safety accounts.
- Because a load shed event is an emergency order from ERCOT based on a shortfall of electricity being generated, electric utilities, including NBU / LCRA TSC, do not have the information to be able to notify individual customers if they may lose power, when they may lose power, or how long the load shed event may last.
- In extreme power emergencies, ERCOT may require electric utilities to shed large amounts of load over long periods of time. In these instances, electric utilities like NBU / LCRA TSC may not have the ability to rotate outages without risking the stability of the entire electric grid. When this happens, some customers may be without power for an extended period of time. These outages are critical for ensuring the integrity of the state's electric grid and preventing a system-wide blackout, which could be long-lasting and have a significant impact on all aspects of life.
- Electric utilities are required to continue to comply with ERCOT controlled customer outage instructions until ERCOT determines that outages are no longer required.
- The Public Utility Commission of Texas website, <https://www.puc.texas.gov/consumer/facts/save.aspx>, provides examples for customers to reduce electricity use at times when involuntary load shedding events may be implemented.

Regardless of the nature of the load shedding event, NBU is committed to ensuring the safe and reliable delivery of electricity to its customers 24-hours-per-day, 7-days-per-week. While we may not control the issues or conditions that have required ERCOT's order to shed load, we will do everything in our power to restore electricity when we are able to safely do so. In addition, we will work to keep our customers informed about the situation through local media outlets, social media, and direct communications to you.