



Control Number: 34577



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**PUC Docket No. 34577**

<b>PROCEEDING TO DEVELOP POLICY</b>	<b>§</b>	<b>BEFORE THE</b>
<b>RELATING TO EXCESS</b>	<b>§</b>	
<b>DEVELOPMENT IN COMPETITIVE</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION OF</b>
<b>RENEWABLE ENERGY ZONES</b>	<b>§</b>	<b>TEXAS</b>

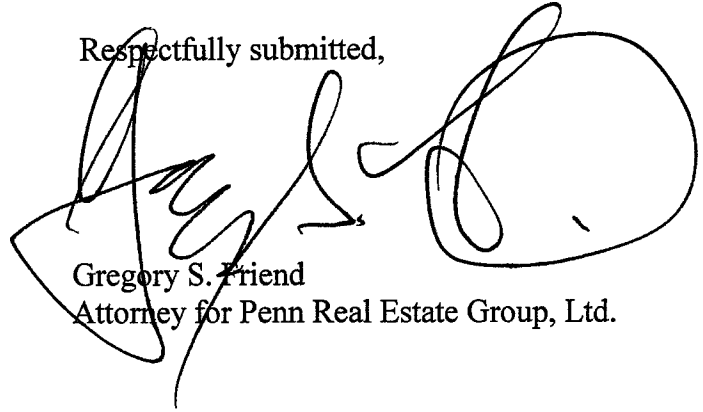
**PENN REAL ESTATE GROUP, LTD.'S COMMENTS REGARDING THE PROPOSED  
AMENDMENTS TO §25.174 OF THE COMMISSION'S SUBSTANTIVE RULES**

On July 17, the proposed amendments to §25.174 of the Public Utility Commission of Texas' ("PUCT" or "Commission") Substantive Rules were published in the Texas Register, 34 Tex. Reg. 4712, 4713 (July 17, 2009). Pursuant to the published proposal, comments must be filed in response to the proposed amendment within 20 days of publication. Therefore, this filing is timely.

Penn Real Estate Group, Ltd. ("Penn") has only limited comments on the proposed rule, specifically related to subsection (e). Subsection (e) appears to contemplate that in the event that the security constrained economic dispatch mechanism ("SCED") employed to dispatch wind power from a CREZ is inefficient to resolve congestion caused by excess development, that the Commission will initiate a proceeding and consider utilizing dispatch priority mechanisms to resolve the continuing problem. First, Penn believes the language of the proposed rule can be modified to remove the reference to limiting interconnections as an option for resolving the problem. Secondly, the text of the rule can more clearly establish that the dispatch priority mechanism to be implemented as a result of the initiated proceeding will be in favor of those developers that were listed in the Order on Rehearing in Docket 33672 (and any final orders from future CREZ dockets) as providing evidence of financial commitment for CREZ(s). Both proposed modifications take into account previous statements and actions of the Commission during the CREZ process, and therefore Penn suggests they should be included in the rule.

Attached as Exhibit A hereto is Penn's redline of the proposed text of subsection (e) for the Commission's consideration. Penn appreciates this opportunity to comment, and is available for any questions the Commission may have.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gregory S. Friend', is written over the typed name and title.

Gregory S. Friend  
Attorney for Penn Real Estate Group, Ltd.

**PROPOSED TEXT OF SUBSECTION (E)**

- (e) ~~Excess~~**Disincentives for excess development in a CREZ.** If the aggregate level of renewable energy capacity for which transmission service is requested for a CREZ exceeds the maximum level of renewable capacity specified in the CREZ order, and if the commission determines that the security constrained economic dispatch mechanism used in the power region to establish a priority in the dispatch of CREZ resources is insufficient to resolve the congestion caused by excess development, the commission may initiate a proceeding and may consider limiting interconnection to and/or establishing dispatch priorities regarding the transmission system in the CREZ for those developers identified in the final order from a proceeding initiated under subsection (a) of this section as developers that submitted evidence of financial commitment for the designated CREZs, and identify the developers whose projects may interconnect to the transmission system in the CREZ under special protection schemes. ~~Priority in interconnecting to the transmission system may be based on a number of factors, including financial commitments of the developers in accordance with subsections (b) and (c) of this section. In determining such priority, the commission may also consider the progress that a developer has made in obtaining the transmission studies required for a new generator interconnection as indications of financial commitment.~~

**EXHIBIT A**