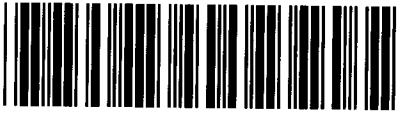




Control Number: 45624



Item Number: 215

Addendum StartPage: 0

SOAH DOCKET NO. 473-16-2751  
PUC DOCKET NO. 45624

APPLICATION OF THE CITY OF  
GARLAND TO AMEND A  
CERTIFICATE OF CONVENIENCE  
AND NECESSITY FOR THE RUSK TO  
PANOLA DOUBLE-CIRCUIT 345-KV  
TRANSMISSION LINE IN RUSK AND  
PANOLA COUNTIES

§  
§  
§  
§  
§  
§  
§

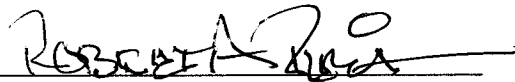
RECEIVED  
BEFORE THE  
2016 APR 25 AM 11:27  
STATE OFFICE OF  
PUC  
FILING CLERK  
ADMINISTRATIVE HEARINGS

**SOUTHERN CROSS TRANSMISSION LLC'S RESPONSE TO LUMINANT ENERGY  
COMPANY LLC AND LUMINANT GENERATION COMPANY LLC'S  
SECOND SET OF REQUESTS FOR INFORMATION  
TO SOUTHERN CROSS TRANSMISSION LLC  
QUESTION NOS. LUMINANT 2.1 THROUGH LUMINANT 2.5**

Southern Cross Transmission LLC files this response to Luminant Energy Company LLC and Luminant Generation Company's (collectively "Luminant") Second Set of Requests for Information ("RFI") to Southern Cross Transmission LLC. Southern Cross Transmission LLC received Luminant's Second RFIs on April 14, 2016. Pursuant to SOAH Order No. 2, Southern Cross Transmission's response is due on April 25, 2016; therefore, this response is timely filed. All parties may treat these answers as if they were filed under oath.

Southern Cross Transmission LLC reserves the right to object at the time of the hearing to the admissibility of the information provided herein.

Respectfully submitted,

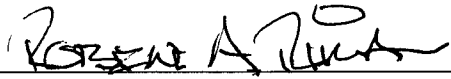


Robert A. Rima  
State Bar No. 16932500  
Law Offices of Robert A. Rima  
7200 N. MoPac Expy, Suite 160  
Austin, TX 78732-2560  
512-349-3449  
512-349-9339 Fax  
bob.rima@rimalaw.com

*Attorney for Southern Cross Transmission LLC*

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of this document was served by electronic mail, facsimile, hand-delivery, overnight delivery, or First Class U.S. Mail on Luminant Energy Company LLC and Luminant Generation Company LLC on April 25, 2016.

  
Robert A. Rima

**SOAH DOCKET NO. 473-16-2751  
PUC DOCKET NO. 45624**

<b>APPLICATION OF THE CITY OF</b>	§	
<b>GARLAND TO AMEND A</b>	§	<b>BEFORE THE</b>
<b>CERTIFICATE OF CONVENIENCE</b>	§	
<b>AND NECESSITY FOR THE RUSK TO</b>	§	<b>STATE OFFICE OF</b>
<b>PANOLA DOUBLE-CIRCUIT 345-KV</b>	§	
<b>TRANSMISSION LINE IN RUSK AND</b>	§	<b>ADMINISTRATIVE HEARINGS</b>
<b>PANOLA COUNTIES</b>	§	

**SOUTHERN CROSS TRANSMISSION LLC'S RESPONSE TO  
LUMINANT'S SECOND SET OF REQUEST FOR INFORMATION  
TO SOUTHERN CROSS TRANSMISSION, LLC**

**Question No. 2.1**

Explain fully and in detail what Mr. Bruce means by “using proxy offer curves in a SCED workaround to approximate economic dispatch.”

**Response No. 2.1**

Mr. Bruce testified to an idea rather than a specific, detailed proposal. Mr. Bruce urged the Commission to instruct ERCOT to initiate a review of congestion management practices related to DC Tie imports and exports through the stakeholder process. One of Mr. Bruce's ideas to improve current practices relating to congestion management would be to use proxy offer curves in a security constrained economic dispatch (SCED) workaround to approximate economic dispatch. A workaround is needed because a direct current tie between two asynchronous bulk electricity systems cannot be made subject to automated dispatch instructions by either system operator due to the electrical impacts on the neighboring asynchronous system. This reality informs the structure of the NERC e-Tag process used today by parties to coordinate DC Tie schedules between control areas. If the ERCOT market wishes to incorporate economic criteria into congestion management practices related to DC Tie flows, it will likely need to do so in a manner that works around, as opposed to through, the automated SCED function. This is what Mr. Bruce meant when he used the term “workaround.”

In the event that SCED curtails local generation to resolve a thermal constraint while the DC Tie is importing, ERCOT operators could use the import offer curve to see if curtailment of the import would result in a more economically efficient system dispatch. If so, steps could be taken to modify the import schedule and corresponding e-Tag for an approaching operating window in a manner coordinated with the neighboring bulk electricity system operator for the appropriate number of dispatch intervals. Because the resulting import curtailment would be based upon some level of economic consideration but not purely the result of a true SCED solution, Mr. Bruce characterized it as approximating economic dispatch.

In order to compare the economic offers of imports against local generators, an offer curve could be used to get an apples-to-apples comparison. However, modifying ERCOT systems to accept a new form of offer curve from importing QSEs in their Current Operating Plans (COPs) and incorporating those transaction-specific offer curves into a SCED workaround process as events

**SOAH DOCKET NO. 473-16-2751  
PUC DOCKET NO. 45624**

<b>APPLICATION OF THE CITY OF GARLAND TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE RUSK TO PANOLA DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN RUSK AND PANOLA COUNTIES</b>	§ § § § § § §	<b>BEFORE THE  STATE OFFICE OF  ADMINISTRATIVE HEARINGS</b>
--	---------------------------------	---

**SOUTHERN CROSS TRANSMISSION LLC'S RESPONSE TO  
LUMINANT'S SECOND SET OF REQUEST FOR INFORMATION  
TO SOUTHERN CROSS TRANSMISSION, LLC**

warrant may prove more technically complex and expensive to implement than is necessary. Rather, proxy offer curves could be developed for each bulk electricity system from which power may be exported to the ERCOT system. While the idea needs to be fully vetted in the ERCOT stakeholder process, such proxy curves could be formulaic and perhaps as simple as an hourly system average heat rate multiplied by a daily fuel price. The use of proxy offer curves by ERCOT operators in a SCED workaround process would allow operators to quickly approximate the economic efficiency of imports relative to other local generation options.

Prepared by: Mark Bruce  
Sponsored by: Mark Bruce

Title: Consultant  
Title: Consultant

**SOAH DOCKET NO. 473-16-2751  
PUC DOCKET NO. 45624**

<b>APPLICATION OF THE CITY OF GARLAND TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE RUSK TO PANOLA DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN RUSK AND PANOLA COUNTIES</b>	§ § § § § § §	<b>BEFORE THE  STATE OFFICE OF  ADMINISTRATIVE HEARINGS</b>
--	---------------------------------	---

**SOUTHERN CROSS TRANSMISSION LLC'S RESPONSE TO  
LUMINANT'S SECOND SET OF REQUEST FOR INFORMATION  
TO SOUTHERN CROSS TRANSMISSION, LLC**

**Question No. 2.2**

Explain fully and in detail the methodology, as envisioned by Mr. Bruce, that would be used to determine the price and quantity pairs constituting the "proxy offer curves."

- a. Describe what limitations, if any, would apply to the price and quantity pairs.
- b. Would a price floor or price cap apply?
- c. Would there be any rules regarding the slope of the "proxy offer curves"?

**Response No. 2.2**

Mr. Bruce testified to an idea rather than a specific, detailed proposal. Mr. Bruce urged the Commission to instruct ERCOT to initiate a review of congestion management practices related to DC Tie imports and exports through the stakeholder process. One of Mr. Bruce's ideas to improve current practices relating to congestion management would be to use of proxy offer curves in a security constrained economic dispatch (SCED) workaround to approximate economic dispatch. See SCT's response to Luminant Question 2-1. Mr. Bruce has not yet developed a specific proposal addressing this Question, which raises questions appropriate for consideration in the ERCOT stakeholder process.

Quantities would likely reflect the accepted e-Tag amounts. Price components could be submitted by the importing QSE or derived from the proxy offer curve formula generally described in response to Luminant Question 2-1.

Prepared by: Mark Bruce  
Sponsored by: Mark Bruce

Title: Consultant  
Title: Consultant

**SOAH DOCKET NO. 473-16-2751  
PUC DOCKET NO. 45624**

<b>APPLICATION OF THE CITY OF GARLAND TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE RUSK TO PANOLA DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN RUSK AND PANOLA COUNTIES</b>	§ § § § § § §	<b>BEFORE THE  STATE OFFICE OF  ADMINISTRATIVE HEARINGS</b>
--	---------------------------------	---

**SOUTHERN CROSS TRANSMISSION LLC'S RESPONSE TO  
LUMINANT'S SECOND SET OF REQUEST FOR INFORMATION  
TO SOUTHERN CROSS TRANSMISSION, LLC**

**Question No. 2.3**

Explain fully and in detail the proposed process and timing for the submission of "proxy offer curves" to ERCOT, as envisioned by Mr. Bruce.

**Response No. 2.3**

Mr. Bruce testified to an idea rather than a specific, detailed proposal. Mr. Bruce urged the Commission to instruct ERCOT to initiate a review of congestion management practices related to DC Tie imports and exports through the stakeholder process. One of Mr. Bruce's ideas to improve current practices relating to congestion management would be to use of proxy offer curves in a security constrained economic dispatch (SCED) workaround to approximate economic dispatch. See SCT's response to Luminant Question 2-1. Mr. Bruce has not yet developed a specific proposal addressing this Question.

Prepared by: Mark Bruce  
Sponsored by: Mark Bruce

Title: Consultant  
Title: Consultant

**SOAH DOCKET NO. 473-16-2751  
PUC DOCKET NO. 45624**

APPLICATION OF THE CITY OF GARLAND TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE RUSK TO PANOLA DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN RUSK AND PANOLA COUNTIES	§ § § § § § §	BEFORE THE  STATE OFFICE OF  ADMINISTRATIVE HEARINGS
---	---------------------------------	--

**SOUTHERN CROSS TRANSMISSION LLC'S RESPONSE TO  
LUMINANT'S SECOND SET OF REQUEST FOR INFORMATION  
TO SOUTHERN CROSS TRANSMISSION, LLC**

**Question No. 2.4**

Describe the methodology, as envisioned by Mr. Bruce, by which ERCOT would "approximate economic dispatch."

- a. Explain fully and in detail how ERCOT would evaluate the "proxy offer curves" as compared to energy offer curves submitted via SCED.
- b. Would ERCOT issue a dispatch instruction to the DC Tie owner? If so, under what circumstances?
- c. Would the dispatch instruction displace the schedule for the DC Tie? If not, what would be the relationship between the dispatch instruction and the schedule?

**Response No. 2.4**

Mr. Bruce testified to an idea rather than a specific, detailed proposal. Mr. Bruce urged the Commission to instruct ERCOT to initiate a review of congestion management practices related to DC Tie imports and exports through the stakeholder process. One of Mr. Bruce's ideas to improve current practices relating to congestion management would be to use of proxy offer curves in a security constrained economic dispatch (SCED) workaround to approximate economic dispatch. See SCT's response to Luminant Question 2-1. Mr. Bruce has not yet developed a specific proposal addressing this Question, which raises questions appropriate for consideration in the ERCOT stakeholder process.

Prepared by: Mark Bruce  
Sponsored by: Mark Bruce

Title: Consultant  
Title: Consultant



SOAH DOCKET NO. 473-16-2751  
PUC DOCKET NO. 45624

APPLICATION OF THE CITY OF	§	
GARLAND TO AMEND A	§	BEFORE THE
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY FOR THE RUSK TO	§	STATE OFFICE OF
PANOLA DOUBLE-CIRCUIT 345-KV	§	
TRANSMISSION LINE IN RUSK AND	§	ADMINISTRATIVE HEARINGS
PANOLA COUNTIES	§	

**SOUTHERN CROSS TRANSMISSION LLC’S RESPONSE TO  
LUMINANT’S SECOND SET OF REQUEST FOR INFORMATION  
TO SOUTHERN CROSS TRANSMISSION, LLC**

**Question No. 2.5**

Would an “approximate economic dispatch,” as envisioned by Mr. Bruce, require ERCOT to coordinate with other Independent System Operators? If not, why not? If so, how would that be accomplished?

**Response No. 2.5**

Mr. Bruce testified to an idea rather than a specific, detailed proposal. Mr. Bruce urged the Commission to instruct ERCOT to initiate a review of congestion management practices related to DC Tie imports and exports through the stakeholder process. One of Mr. Bruce’s ideas to improve current practices relating to congestion management would be to use of proxy offer curves in a security constrained economic dispatch (SCED) workaround to approximate economic dispatch. See SCT’s response to Luminant Question 2-1. Mr. Bruce has not yet developed a specific proposal addressing this Question, which raises questions appropriate for consideration in the ERCOT stakeholder process.

Some level of coordination with a neighboring balancing authority would be necessary. Such coordination should probably occur through the e-Tag system and could also be addressed in a coordination agreement between ERCOT and the neighboring balancing authority.

Prepared by: Mark Bruce  
Sponsored by: Mark Bruce

Title: Consultant  
Title: Consultant